

HOUSTON INDEPENDENT SCHOOL DISTRICT

# 2019–2020

ADOPTED BUDGET BOOK

## EXECUTIVE SUMMARY



FINANCIAL EXCELLENCE SUPPORTING ACADEMIC SUCCESS



**HOUSTON INDEPENDENT SCHOOL DISTRICT**

Hattie Mae White Educational Support Center  
4400 West 18<sup>th</sup> Street • Houston, Texas 77092-8501

**Dr. Grenita F. Lathan**  
*Interim Superintendent of Schools*

[www.HoustonISD.org](http://www.HoustonISD.org)  
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December 19, 2019

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

Dear Board Members:

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. Budget planning for the 2019-2020 fiscal year is a seven-month process. The budget process provides a better look into the programmatic requests of the district's support services and is paving the road to building budgets that better align to district and departmental goals and initiatives.

In the state of Texas, the Legislature meets every odd-numbered year for 140 days. In May 2019, the 86<sup>th</sup> legislature passed school finance reform. House Bill 3 (HB3) increased the State's share of public education funding from 38 percent to 45 percent, reduced recapture by \$3.6 billion statewide and provided funds for full day Pre-K. HB3 lowered HISD's recapture payment from \$265.2 million in 2018-2019 to \$0 in 2019-2020. Houston Independent School District (HISD) projects a net benefit of \$135 million from HB3.

Property values for the 2019-2020 fiscal year increased by almost 4.3 percent over the 2018-2019 year. The 2019-2020 total district tax rate per \$100 of property value was reduced from \$1.20 to \$1.13 with a Maintenance and Operations (M&O) rate of \$0.97 and an Interest and Sinking (I&S) rate of \$0.1667.

The 2019-2020 General Fund adopted budget reflects a \$23.2 budget deficit, which included a \$63.8 million salary package and House Bill 3 allotment budget increases of \$42.8 million.

The development, review, and consideration of the 2019-2020 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 Services Fund, which by Texas law, must be approved by function by the Board of Education.

## 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 2019-2020 District Budget, comprises of four sections:

- Executive Summary
- Organizational Section
- Financial Section
- Informational Section

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). To receive this award, 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 the program. We are submitting this document to ASBO to determine its continued eligibility for this award. This award represents the highest level of recognition in budgeting for school entities. Its attainment represents a significant accomplishment by a school entity and its management. The award is 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 it 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.

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 2019-2020 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.

## **District Mission**

The Board of Education's mission is to equitably educate the whole child so that every student graduates with the tools to reach their full potential.

## **District Vision**

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.

## **District Goals**

### **Increase Student Achievement in Reading and Writing**

The percentage of students reading and writing at or above grade level as measured by the percent of student at the Meets Grade Level standard on STAAR for grade 3 through English II shall increase by three percentage points annually from 37 percent to 46 percent between spring 2017 and spring 2020.

### **Increase Number of Students Meeting Global Graduate Standards**

The percentage of graduates meeting the Global Graduate standards as measured by the College and Career Readiness component of the Texas accountability system shall increase three percentage points annually per year from the 2017 graduates baseline of 52 percent up to 67 percent by 2022.

### **Increase Student Academic Growth**

Among students who exhibit below satisfactory performance on state assessments, the percentage who demonstrate at least one year of academic growth, as measured by the STAAR Progress Measure, shall increase three percentage points annually in reading and in math from 57 percent in spring 2017 to 66 percent in spring 2020.

### **Closing of Achievement Gaps**

The reading and math performance gap between historically underserved and non-historically underserved student groups, as measured by the average of the percentage-point gaps between economically and non-economically disadvantaged student groups at the Meets Grade Level Standard on STAAR between 1) economically and non-economically disadvantaged student groups, 2) African-American and White student groups, 3) Hispanic and White student groups, 4) English Learners (ELs) and non-English Learners (non-ELs), and 5) students receiving special education services and students not receiving special education services, shall annually show a one-percentage point decrease from an average of 30.3 percentage points in spring 2018 to an average of 27.3 percentage points in spring 2021. Monitoring of student performance for all groups listed above along with the specified gaps will be provided to the board. All student groups should make progress; therefore, if this average gap decreases but the percentage of students at the Meets Grade Level Standard on STAAR for any of the student groups listed in this goal declines, then this goal shall be considered not met.

<https://www.houstonisd.org/cms/lib2/TX01001591/Centricity/Domain/7936/Board-Goals-2020-Web.pdf>

## Budget Development



### **The Budget Development Model**

The Budget Process is conceptually divided into a seven-step process: planning, preparation and submission, review and coordination, adoption, implementation, monitoring, and evaluation. The process is congruent with the overall mission of the organization and is aimed at fulfilling the district's stated goals and objectives. The budget process exists in the context of a struggle to balance the needs of students and the community with the limited resources available from local, state, and federal sources. The final adopted budget is a reflection of the best decisions and choices of hundreds of people in the schools, the administrative offices, and the community. It is often a painstaking balance of policy decisions and choices among competing priorities.

### **Planning**

The planning stage of the budget process begins with the adoption of the prior year's budget. At this point, team members communicate ideas and thoughts regarding the previous year's process and plan to make the necessary improvements and adjustments to the process for the next budget cycle. Also, early into the year, the budget calendar of milestones for important activities and decisions is developed and disseminated to budget participants. Concurrently, senior members of the organization are meeting to discuss strategic planning issue such as goals and initiatives for the coming year, as well as challenges and opportunities facing the district. Finally, fundamental projections and assumptions crucial to the budgeting process such as pupil enrollment projections, changes in the tax base, and changes in funding levels received are being conducted and examined exhaustively.

The district currently uses a mix of budgetary approaches: line item, program budgeting, and weighted per pupil allocation formula. These approaches provide campuses a standard allocation based on projected enrollments or historical expenditures and uses a competitive ranking process for new or non-allocated programs. With this mixed approach, the Superintendent's cabinet is also charged with developing and prioritizing non-allocated budgetary requests for submission for review.

### **Preparation and Submission**

Budget preparation is conducted at the campus level primarily by the principal and members of the Shared Decision-Making Committee (SDMC). The development of campus-level budgets follow the budget preparation



guidelines issued by the Superintendent. While the revenue side of the district budget is prepared by district administrators, campus-level budgets become the basis for the expenditure side of the district budget as that information filters up through the various levels of review, including campus staff members and the SDMC. Additional expenditures for costs such as debt service and interest are added when the district-wide preliminary budget is compiled.

The budgeting of campus allocations, exclusive of legal mandates, is at the discretion of each campus under the district's site-based decision-making model. As such, campus budgeting begins with the identification of a school's goals and objectives by the school's resource planning group or equivalent (e.g., the School Improvement Team) as a first step in the campus budget development process. These goals and objectives should be driven by the educational needs of the campus (i.e., instruction and curriculum). In addition, the school's goals and objectives should be developed in accordance with district-wide and long-term educational goals.

Once consensus is reached on these goals and objectives, current operations should be evaluated as to their effectiveness in achieving them. New programs may need to be developed for the current year's operations to attain goals and objectives that are not addressed by a school's current programs. Programs should then be prioritized as to their effectiveness in attaining the developed goals and objectives. Finally, available resources should be allocated to each program or operation within the guidelines provided in the district's handbook, *Understanding the Budget Coding Process*.

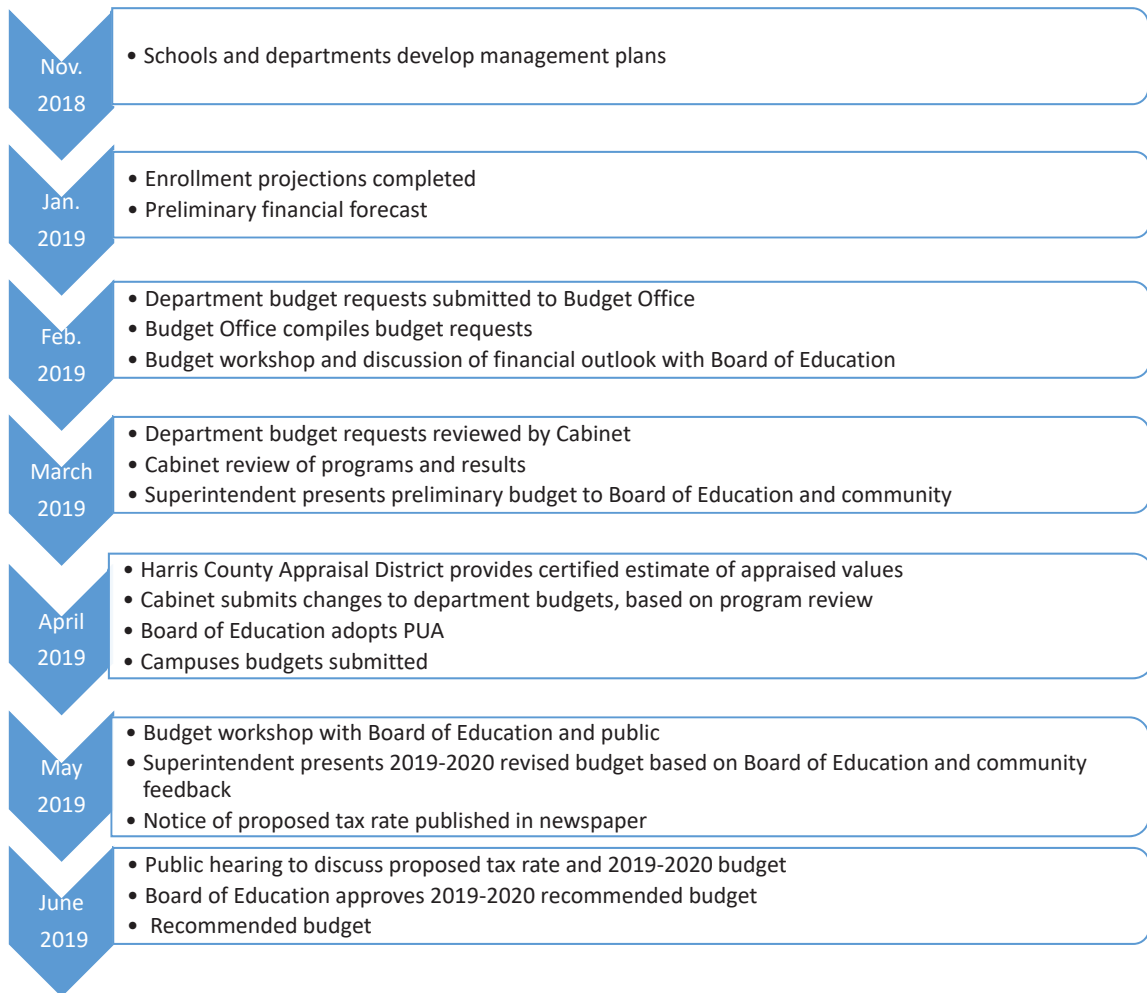
Budget submission is completed electronically for schools. Budget units receive budget development packages that allow them to develop their budgets electronically and submit them through the intranet. An overall summary request is generated along with detailed line-by-line budget items. During the submission process, there is frequent review and consultation process with Budgeting and Financial Planning staff members.

The preparation of other budgets occurs simultaneously with the development of the General Fund budget. Debt Service Funds are budgeted by the Controller's Office and Budgeting and Financial Planning. Special Revenue Funds are budgeted by the participants in the programs and grants (usually schools), some central office departments, and Budgeting. Nutrition Services Funds budgets are created by the HISD Nutrition Services department and reviewed by the Controller's Office.

### **Budget Review and Coordination**

The Superintendent's cabinet reviews budget increase requests and recommends overall prioritization of programs and activities. Input from the various participants is used to determine the appropriateness of the submitted budgets. A timeline of the 2019-2020 budget process is contained in the chart on the next page:

## Fiscal Year 2019-2020 Budget Development Timeline



Criteria for reviewing budget proposals, especially increase requests, include the degree of alignment with districtwide goals and objectives, priority status compared with other proposals, use of district resources for efficiency and effectiveness, the unit's track record for operational performance, and the likelihood of success for particular initiatives and programs.

Final review and coordination of the annual budget is conducted in public workshops and hearings with members of the community and the school board.

### **Budget Adoption**

The compiled budgets for the district are submitted to the Superintendent for review before they are formally presented to the school board in early June as a recommended budget. The school board analyzes the documentation and conducts public hearings and workshops to get input from the community on district spending plans. After final revision and amendment, the board formally adopts the budget in June. Budgets are approved on a fund-by-fund basis. The district can make amendments to the budget at any time during the year; however, amendments changing functional expenditure categories or revenue object accounts (as defined in the Texas Education Agency's Financial Accountability System Resource Guide) must be approved by the Board of Education.

### **Budget Implementation**

Implementation of the budget involves the procedural and technical processes that must occur for the proper expenditure and recording of the various funds in the budget.

### **Personnel Controls and Approvals**

The management of positions in HISD is an integral part of the budgeting process since approximately 72 percent of the general fund budget is comprised of salary and benefit costs. Schools have some flexibility with respect to opening, closing, and/or changing positions within a balanced budget. New central office positions are normally requested as part of the recommended budget for the new year. New school positions must be approved by the principal or Area Superintendent.

### **Encumbrance Control**

Encumbrance accounting, the system under which purchase orders, contracts, and other commitments for the expenditure of funds are recognized in the accounting system in order to reserve the portion of the applicable appropriation, is employed in the Governmental Fund types. Encumbrances that have not been liquidated are reported as reservations of fund balance since they do not constitute expenditures or liabilities. District policy requires that such amounts be re-appropriated in the following fiscal year.

### **Auditing**

Tests are conducted to determine the adequacy of the internal control structure of the district and the effectiveness and efficiency of expenditures as well as for compliance with applicable laws and regulations. Examples of the types of audits performed include Internal Control Reviews, Expenditure and Revenue Audits, Account Balance Audits, Contract Audits, Systems Documentation, and Compliance Reviews.

### **Purchasing**

Purchasing procedures and guidelines are developed and monitored to ensure purchasing and contracting compliance with all applicable statutory and legal requirements, Board of Education policy, good purchasing practice, and adherence to ethical standards. Also, the district seeks to improve participation by historically under utilized businesses. Specific policies and procedures related to procurement can be found in the *Finance Procedures Manual*, section 1300.

### **Budget Account Transfers**

Transfer of campus discretionary funds requires principal approval for schools, and direct report or department head approval for central office budgets. The district restricts transfers between funds (or business areas) and within Special Revenue funds based on each particular grant's requirements. Transfers can be made between functions within the same fund (business area), and transfers can be made between objects within the same fund or business area. For more detailed information, consult the *Finance Procedures Manual*, section 500 located on the district's website.

### **Budget Amendments**

Budget amendments are handled in basically the same fashion as a budget transfer request. Approval is required by the principal or Area Superintendent for schools and by the appropriate direct report or department head for central office amendments.

### **Reporting System**

HISD implemented the SAP (Systems Applications and Products) finance and accounting operation and control system in 1998, to further the automation of financial transactions, reduce transaction processing time and costs, and provide more timely, accurate information regarding those transactions. The information provided by the SAP system is designed to assist administrators in monitoring the financial condition of the district and evaluating the fiscal performance of the various budget units. Examples of information provided by SAP, include reports detailing the original annual budget allocations for schools and departments, the available budgets of all units, dynamic comparison of allocations to actual expenditures, purchase orders processed, but not yet received, records of fixed assets and inventories and budget transfers.

A *Comprehensive Annual Financial Report* is prepared to report the detailed results of district operations, and it includes statements and reports such as balance sheets for all funds, statements of revenue and expenditures, detailed explanation of different funds by function and major object, as well as miscellaneous statistical data in accordance with the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).



### **School-Based Budget Development Process**

For 2019-2020, principals will be responsible for taking into consideration recommendations from their school's PTA/PTO, employee representatives, their school community, business partners, and the school's Shared Decision-Making Committee.

The district has formulated a school-budgeting process that includes a weighted per-pupil allocation formula based on state student weights.

- Grade Level Allocation
- Adjustments—Provides an adjustment for enrollment increases or decreases in the next school year, based on the school projections
- Special Population—G/T, CATE, Economically Disadvantaged, Multilingual, Homeless, and Refugee students receive additional weight in the resource allocation

### **Central Budget Committee for the 2019-2020 Budget**

The Superintendent's cabinet will review and rank all central office budget recommendations, including requests for increased funding. The Cabinet's responsibilities include the following:

- Review all central-office initiatives, activities, and general programs for possible elimination, combination with another department, decentralization, or restructuring
- Review and rank all new central-office recommendations for increased funding
- Rank all central-office requests for increases in the Capital Acquisition Program
- Submit ranked recommendations for increases to the Chief Financial Officer and the Superintendent of Schools

### **Budget Monitoring**

As budgeted funds are expended, periodic monitoring of the budget is conducted in accordance with responsible accounting as well as applicable laws and regulations. Each level of the district's organization is responsible for monitoring those budget items for which it is responsible. As the budget is prepared, spending plans are developed for use in budget monitoring. For example, as a principal and other resource planning group members develop a campus budget, the timing of planned expenditures is noted and documented. Thus, a principal and other district administrators have a tool to monitor expenditures during the fiscal year. The district accounting system normally generates expenditure and encumbrance information on a monthly basis. To review budget performance, this information is compared with campus spending plans by principals. Principals may in fact monitor budgetary performance on a transaction-by-transaction basis through access to the district's computerized accounting system, SAP. The HISD budget must also be submitted to TEA via the Public Education Information Management System (PEIMS) transmission process. TEA monitors for compliance at the district level only. This monitoring is a legal requirement to ensure mandatory expenditure levels in certain areas.

Similarly, district administrators monitor the entire district budget. The Chief Financial Officer and other district administrators use similar expenditure and encumbrance reports to monitor the budget compliance of programs and funds. Performance monitoring of the budget is also conducted regularly. This includes such items as comparing the planned effectiveness of educational programs with actual student achievement results, reviewing a particular department's effectiveness at using allocated resources to achieve specified results, and reviewing a school or department budget against standard ratios to monitor unusual expenditure patterns. This information is then periodically conveyed to the Board of Education, keeping the board apprised of issues that might affect the district's performance.

### **Evaluation**

The last step in the budget process is evaluation, where performance data gathered in the monitoring phase are assembled and evaluated to determine individual units as well as overall-district performance for the fiscal year. This is usually accomplished in the summer as the budget for the next fiscal year is being developed. As the strategic management and planning methodology becomes more ingrained into HISD's culture, the performance data gathered will become more detailed and better aimed at the programs and processes that are most significant to the overall operational performance and will allow a better view of organizational performance over time.

The results of the evaluation phase in the budgeting cycle, output directly into the planning phase for the next budget year. The three main areas of evaluation include schools, programs, and stakeholder satisfaction. Schools and programs are evaluated for student achievement using such tools and measures as STAAR (State of Texas Assessments of Academic Readiness) tests, the Stanford 10 norm-referenced exams, attendance rates, drop-out and graduation rates, SAT and ACT test results, etc. Stakeholder satisfaction is measured through questionnaires, survey instruments, and indirect measures such as voter approval rates of bond elections, etc. Budgetary performance evaluation includes measures such as budget-to-actual or budget-to-projected actual comparisons of revenue, expenditures, cash flow, fund balance, and staffing levels.

Periodic evaluation or performance reports are issued to inform both district officials and the public of campus and district performance. The annual budget document will continue to serve as a primary vehicle for delivering evaluation results of the previous fiscal year and illustrating the underlying reasons for new budget allocations.

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

The 86th legislature made sweeping changes to the school finance system, resulting in a total biennial increased cost of \$11.6 billion over current law. House Bill 3 (HB3) amended the Education Code to transfer certain sections from Chapter 42 to chapter 48 and certain sections from chapter 41 to chapter 49. It revised formulas used to determine entitlement under the Foundation School Program (FSP).

Major HB3 highlights:

- Overall Cost \$11.6 billion
  - \$6.5 billion for public schools
  - \$5.1 billion for property tax relief
- Reduced recapture by \$3.6 billion over the biennium
- Basic Allotment was increased from \$5,040 to \$6,160, CEI repealed
- Minimum salary schedule was increased due to the basic allotment increase
- Increased salaries by requiring 30 percent of revenue gain for compensation increases for full-time employees (other than administrators). Of this amount:
  - 75 percent must be used for full-time teachers, counselors, nurses and librarians with priority for those with 5 years or more experience
  - 5 percent may be used for other full-time employees
- Created a college preparation assessment reimbursement allocation to reimburse the cost of college preparation assessments such as the SAT or ACT
- Provided incentive for additional instructional days for districts wishing to extend up to 30 days of half-day instruction for students in PK-5 based on ADA funding
- All Schools districts must provide full-day Pre-K for eligible 4-year old students
- Dyslexia Allotment - New allotment, weight of 0.10 multiplied by students served
- Early Education Allotment - HB3 created a new weight of 0.1 for each educationally disadvantaged student or ELL student in grades K-3
- Career and Technology Allotment - The bill extends current weighting to grades 7 and 8. The bill created an allotment of \$50 for each student in attendance at a campus designated as a P-TECH school or at a campus that is a member of the New Tech Network
- College, Career, or Military-Readiness Outcomes Bonus (CCMR) - The bill created a funding bonus based on the number of graduates that meet criteria numbers that exceed the 25th percentile threshold
- Dropout Recovery/Residential placement Facility Allotment - The bill created an allotment of \$275 per ADA at qualifying schools

- Compensatory Education Allotment - A new spectrum of weights from 0.225 to 0.275 is applied to counts of educationally disadvantaged students
- Bilingual/ Dual language Allotment - HB3 maintained the current 0.1 weight for limited English proficient students in traditional bilingual and ESL programs. It created a weight of 0.15 for limited English proficient students in programs using dual language immersion. A new weight of 0.05 for a student that is not limited English proficient in a dual language immersion program
- Teacher Incentive Allotment - For classroom teachers with a designation of “master”, “exemplary”, or “recognized,” based on an optional, local appraised system which qualifies, a district is entitled to an allotment of from \$3,000 to \$3,200 based on the designation and place of work of the teacher
- Mentor Program Allotment - The commissioner is authorized to establish a formula to distribute funds to support mentoring programs for teachers with less than two years of experience

## 2019-2020 Tax Rate

The 2019-2020 Adopted Budget is based on a \$0.97 Maintenance & Operation (M&O) tax rate and a \$0.1667 Interest & Sinking (I&S) tax rate for a total tax rate of \$1.1367, which is a \$0.07 decrease from the previous year due to tax rate compression.

## Prior Year Actuals

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

### General Fund Budget to Actuals Comparison

Revenues	Adopted Budget 2018-2019	Actual Revenues 2018-2019
<b>General Fund</b>	\$ 2,007,745,003	\$ 2,249,735,612

Appropriations	Adopted Budget 2018-2019	Actual Expenditures 2018-2019
<b>General Fund</b>	\$ 2,043,345,624	\$ 2,043,420,478

Actual revenues over the adopted budget are primarily due to A TEA Commissioner property value decline adjustment, increase in Foundation School program revenue, Harvey insurance claim payments, an increase in investment earnings, TRS on behalf increases, and increases in federal revenue primarily the Build America Bond subsidy payments.

Actual expenditures equal the adopted budget.

## 2019-2020 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 2019-2020 General Fund are \$1,940,675,482, which is a 3.34 percent decrease over the original 2018-2019 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 2019-2020 state revenue projections are based on an estimated average daily attendance (ADA) of 187,105.401 pupils, or weighted average daily attendance (WADA) of 258,597.607 pupils.

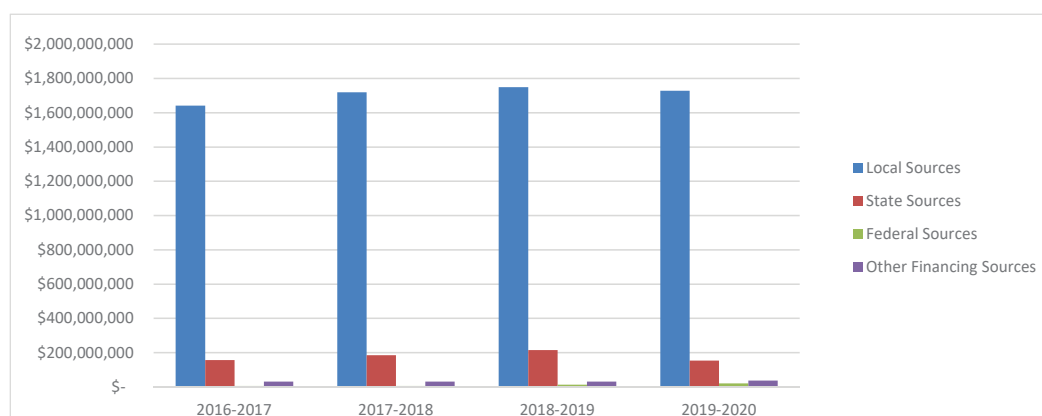
Property tax revenue is the district's largest revenue source in the amount of \$1,702,171,380, comprising 87.7 percent of all budgeted revenues. HISD is projecting a decrease in local funding from the 2019-2020 original budgeted property tax levy of \$25.9 million, a decrease of state funding of \$100.9 million, and projected increase in revenues from other sources (TRS on behalf of federal, interest income, rentals, tuition) of \$59.79 million for a net decrease of \$67.06 million in revenues.

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

**Total Revenue Sources for the General Fund**

Revenue Sources	Adopted Budget 2016-2017	Adopted Budget 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020
<b>Local Sources</b>	\$ 1,642,333,620	\$ 1,719,362,582	\$ 1,749,167,264	\$ 1,729,051,055
<b>State Sources</b>	156,065,246	185,036,762	215,146,388	153,313,693
<b>Federal Sources</b>	6,250,624	6,250,624	13,031,351	20,720,946
<b>Other Financing Sources</b>	30,400,000	30,400,000	30,400,000	37,589,788
<b>Total General Fund Revenue</b>	<b>\$ 1,835,049,490</b>	<b>\$ 1,941,049,968</b>	<b>\$ 2,007,745,003</b>	<b>\$ 1,940,675,482</b>

**Revenue Sources by Year**



The general fund revenue decrease in local sources is primarily the result of a decrease in the district's 2019-2020 adopted Maintenance and Operations (M&O) tax rate as required by HB3.

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

Fiscal Year	Tax Roll Value	% Change
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	165,861,644,665	8.51%
2017-2018	174,376,925,702	5.13%
2018-2019	176,365,982,799	1.14%
2019-2020	185,976,365,389	5.45%

Note: 2018-2019 and prior are from the HISD Comprehensive Annual Financial Report, 2019-2020 is the Certified Estimated value from the Harris County Appraisal District.

The revenue projections used for 2019-2020 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.

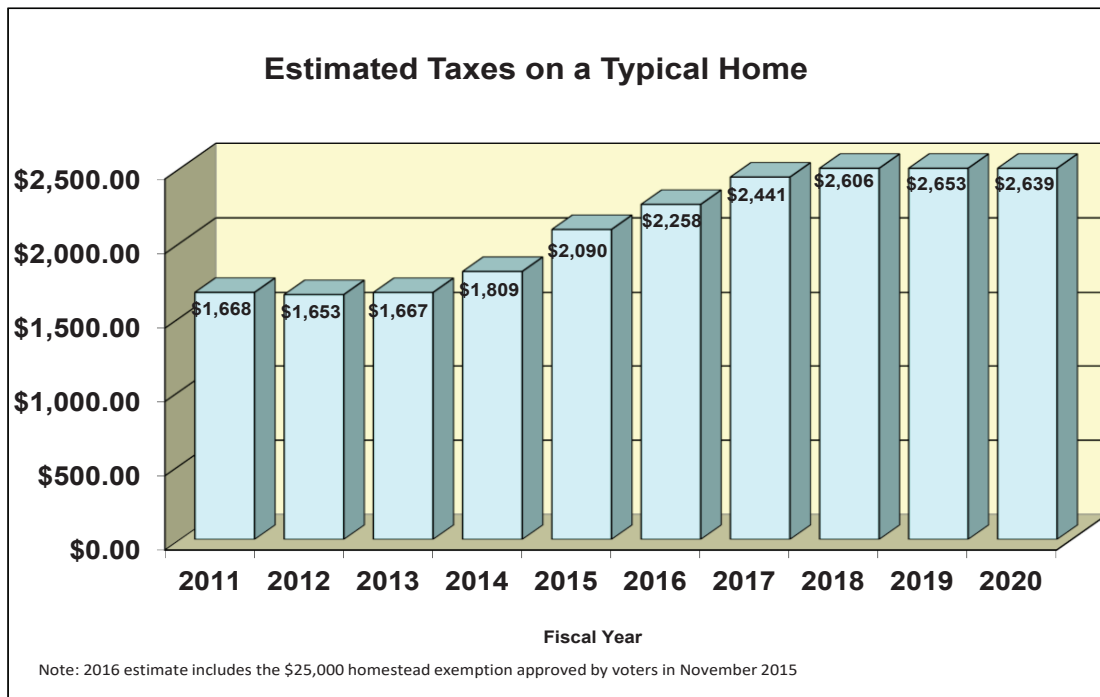
## **HISD Local Tax Rolls and Estimated Taxes on a Typical Home**

HISD's estimated assessed value for the 2019-2020 fiscal year, per the HCAD certified estimated roll in April 2019, was \$185,976,365,389, compared to the certified estimated value in April 2018 of \$176,365,982,799 during the same period. These are not final tax roll numbers; however, these values are used for original budget projections. The 2019-2020 value used for the 2019-2020 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 2019-2020 fiscal year will decrease an estimated \$14.00. The resulting decrease does not take into account exemptions for homeowners over 65, disabled homeowners, or surviving spouses over age 55.



The \$1.1367 tax rate adopted by the Board of Education for 2019-2020 fiscal year decreased from the total tax rate of \$1.2067 adopted in 2018-2019. The tax rate assumes an average taxable value of a Houston-area home of \$232,199 in 2019-2020, and taxes on the average home of \$2,639.41. The tax bill in 2018-2019 for an average value home, \$219,857, was \$2,653.01. 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 below illustrates the tax burden for the typical homeowner from 2011-2020, which has primarily increased as a result of property value growth.



## Long Term Debt

As of June 30, 2019 the District had net bonded debt outstanding of \$3.044 billion. The District debt totals included \$445 million in Variable Rate Bonds outstanding at fiscal year end. The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per student are useful indicators of the District's debt position. This data reflects a decrease in the ratio of net bonded debt to assessed value to 1.75 percent, as compared to 1.90 percent last year.

The District issued no new debt during the year ended June 30, 2019 but did however refund and remarket \$160 million of previously issued variable rate debt.

Outstanding variable rate debt decreased by \$40 million compared to prior year ending balances as a result of redemptions through use of available debt service funds and the use of issuance premiums on the refunded debt. Variable rate debt as a percentage of net bonded debt outstanding as of June 30, 2019 is 14.4 percent.

## 2019-2020 Appropriations

Appropriations included in the recommended budget for the General Fund total \$1,963,877,171

The 2018-2019 carryover budget, adjusted for the recommended increases and decreases, resulted in an overall decrease to the 2019-2020 budget of \$79,468,453 or -3.9 percent.

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

Important increases/decreases

- Salary Increases - \$68,861,469
- Recapture – (\$272,492,039)

Major increases/(decreases) with offsetting revenues include:

- TRS On-Behalf – \$40,000,000
- HB3 K-3 Early Reading Allotment - \$27,509,855
- Capital lease recognition - \$15,089,788
- State Compensatory Education (SCE) - \$10,702,505
- HB3 College, Career or Military-Readiness Outcomes (CCMR) Bonus- \$7,790,471
- Wraparound Specialists - \$6,483,724
- Achieve 180 - \$4,303,151
- HB3 Bilingual and Dual Language - \$4,094,388
- Texas Connections Academy at Houston SCE - \$2,431,866
- Career and Technical Education full-time equivalent increase - \$1,834,770
- HB3 School Safety Allotment - \$1,818,664
- HB3 Special Education Allotment - \$1,589,311
- Tax Increment Reinvestment Zone (TIRZ) - \$1,051,051

Mandatory (Contractual or legally required) increases/decreases include:

- Health Insurance - \$8,500,000
- Charter school enrollment increase - \$2,727,968
- Property, liability, auto insurance \$2,000,000
- Harris County Appraisal District - \$402,268
- Transfers out for debt service – (\$11,170,378)

Other major increases:

- Transfers out to Nutrition Services- \$5,147,890
- Facility and custodial services - \$3,000,000
- Special Education Positions - \$1,614,373
- Fine arts positions for campuses \$1,564,920
- College readiness grant matching funds (Houston Endowment) - \$600,000
- Athletics bond-related transportation - \$500,000

Major decreases:

- Campus per-unit allocation (PUA) enrollment decline – (\$9,200,026)
- Districtwide operating – (\$6,200,000)
- Kandy Stripe Academy Closure– (\$1,529,199)

One – Year Funding item:

- Performance Review- (\$1,000,000)

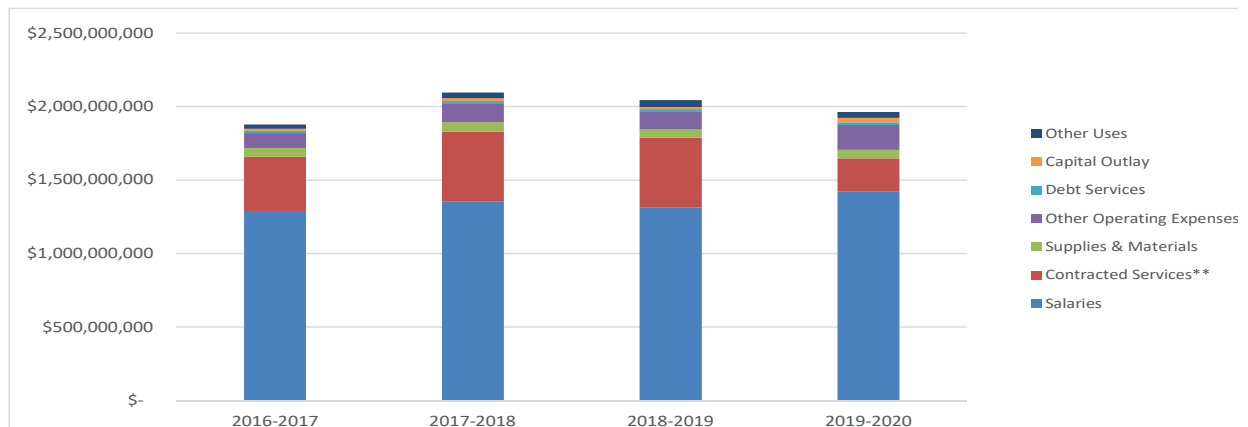
## General Fund Budget Distribution

Below is a comparison of total General Fund expenditures, by object, for the fiscal years 2016-2017 to 2019-2020.

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

Object	Adopted Budget 2016-2017	Adopted Budget 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020
Salaries	\$ 1,290,357,960	\$ 1,352,289,472	\$ 1,313,217,802	\$ 1,423,013,217
Contracted Services**	368,274,910	477,823,873	474,291,467	225,159,211
Supplies & Materials	59,567,188	63,988,022	56,649,958	58,272,876
Other Operating Expenses	101,738,151	128,329,189	120,071,651	168,413,718
Debt Services	14,560,939	14,553,719	17,916,239	17,971,439
Capital Outlay	14,108,416	19,988,689	14,836,734	30,911,945
Other Uses	30,049,734	39,321,832	46,361,773	40,134,765
<b>Total General Fund Expenditures</b>	<b>\$ 1,878,657,298</b>	<b>\$ 2,096,294,796</b>	<b>\$ 2,043,345,624</b>	<b>\$ 1,963,877,171</b>

**Adopted Budgets by Major Objects**  
FY17 - FY20



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 and department is located in the Informational Section.

**2019 - 2020 Original Budget Report - General Operating Fund**

	Payroll	Contracted Services	Supplies and Materials	Other Operating Costs	Debt Services	Capital Outlay	Other Uses	Total Allocation	Total Allocation % to Total
Schools	\$1,044,240,636.00	\$129,892,738.00	\$38,420,874.00	\$9,819,080.00	\$56,700.00	\$5,559,494.00	\$0.00	\$1,227,989,522.00	62.5%
Superintendent of Schools	501,532.00	2,050.00	3,030.00	11,590.00	\$0.00	\$0.00	\$0.00	\$518,202.00	0.0%
Area Offices	6,819,683.00	33,000.00	127,650.00	124,900.00	\$0.00	\$5,300.00	\$0.00	\$7,110,533.00	0.4%
Chief of Staff	\$863,131.00	\$44,462.00	\$58,310.00	\$164,230.00	\$0.00	\$13,098.00	\$0.00	\$1,143,231.00	0.1%
Chief Communications Officer	\$1,851,013.00	\$202,500.00	\$40,680.00	\$31,600.00	\$0.00	\$14,094.00	\$0.00	\$2,139,887.00	0.1%
Chief Audit Executive	\$1,611,157.00	\$448,723.00	\$31,899.00	\$106,445.00	\$0.00	\$58,759.00	\$0.00	\$2,256,983.00	0.1%
General Counsel	\$2,064,257.00	\$3,480,898.00	\$32,009.00	\$58,461.00	\$0.00	\$4,000.00	\$0.00	\$5,639,625.00	0.3%
Chief Human Resource Officer	\$9,607,777.00	\$1,233,129.00	\$174,317.00	\$213,535.00	\$0.00	\$0.00	\$0.00	\$11,228,758.00	0.6%
Chief Financial Officer	\$12,440,085.00	\$1,543,203.00	\$122,932.00	\$332,998.00	\$0.00	\$26,000.00	\$0.00	\$14,465,218.00	0.7%
Chief Strategy and Innovation Officer	\$23,329,576.00	\$3,030,937.00	\$4,659,005.00	\$1,590,440.00	\$0.00	\$1,664,445.00	\$0.00	\$34,274,403.00	1.7%
Chief Technology Information Officer	\$19,798,564.00	\$17,244,461.00	\$53,058.00	\$334,273.00	\$17,914,739.00	\$2,525,000.00	\$0.00	\$57,870,095.00	2.9%
Chief Academic Officer	\$63,440,125.00	\$6,796,492.00	\$2,031,216.00	\$4,382,113.00	\$0.00	\$2,329,253.00	\$0.00	\$78,979,199.00	4.0%
Chief of Police	\$8,769,713.00	\$648,515.00	\$220,000.00	\$48,400.00	\$0.00	\$0.00	\$0.00	\$9,686,628.00	0.5%
Chief Operating Officer	\$125,093,905.00	\$32,367,893.00	\$12,150,446.00	\$191,721.00	\$0.00	\$239,265.00	\$0.00	\$170,043,230.00	8.7%
Districtwide Services	\$102,582,063.00	\$28,190,210.00	\$147,450.00	\$151,003,932.00	\$0.00	\$18,473,237.00	\$40,134,765.00	\$340,531,657.00	17.3%
<b>GRAND TOTAL</b>	<b>1,423,013,217.00</b>	<b>225,159,211.00</b>	<b>58,272,876.00</b>	<b>168,413,718.00</b>	<b>17,971,439.00</b>	<b>30,911,945.00</b>	<b>40,134,765.00</b>	<b>1,963,877,171.00</b>	<b>100%</b>

## 2019-2020 Other District Fund Appropriations

### HISD operates other additional governmental funds:

The district adopted a **Debt Service Fund** budget of \$353,060,948 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 2018-2019 **Capital Renovation Fund** budget will be carried forward into the 2019-2020 fiscal year to provide for costs for the construction and renovation of school sites in accordance with the district's 2012 HISD Bond.

The \$175,563,099 **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.

The adopted **Nutrition Services Fund** budget is \$146,722,814 and reflects the ongoing activity of the nutrition services program. Revenue to support the nutrition service program is primarily derived from National School Breakfast and Lunch Program and state programs.

### HISD operates two Enterprise Funds:

The **Marketplace Fund** budget of \$1,279,715 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 \$30,069,815 of which \$7,569,815 is for operational expenses and \$22,500,000 which will be transferred to the General Fund for the support of the instructional program.

### HISD operates seven Internal Service Funds:

The **Health Insurance Fund** has a budget of \$174,272,249 accounting for the health insurance plan administered by the district.

The **Print Shop Fund** has a budget of \$8,600,775 accounting for the cost of printing, graphics, and mail services for the district.

The **Workers' Compensation Fund** has a budget of \$9,605,638 accounting for activities related to the district's workers' compensation program.

The **Alternative Certification Fund** has a budget of \$859,337 accounting for the recruiting, training, and supporting of qualified, degreed classroom professionals.

The **Athletics Fund** has a budget of \$6,048,939 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 \$7,119,293 accounting for the Special Education evaluation and support services.

The **UIL (University Interscholastic League) Fund** has a budget of \$1,025,602 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.

Below are charts representing the district's total revenues and appropriations in its various funds. Capital renovation revenues exclude bonds sold in prior years, and appropriations are estimated amounts to be spent during the year for capital projects.

Total Revenues				
Revenue Sources	Adopted Budget 2016-2017	Adopted Budget 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020
<b>Governmental Funds Types</b>				
General Fund	\$ 1,835,049,490	\$ 1,941,049,968	\$ 2,007,745,003	\$ 1,940,675,482
Special Revenue Fund	184,618,276	223,828,239	168,821,603	175,563,099
*Nutrition Services Fund	\$ -	\$ -	\$ -	\$ 145,534,146
Debt Service Fund	333,968,239	354,069,658	341,821,202	353,128,432
Capital Renovation Fund	672,235,000	35,282,500	40,858,000	38,186,974
Public Facilities Corporation	171,000	208,500	293,211	133,194
<b>Total Governmental Fund Types</b>	<b>\$ 3,026,042,005</b>	<b>\$ 2,554,438,865</b>	<b>\$ 2,559,539,019</b>	<b>\$ 2,653,221,327</b>
<b>Internal Service Fund Types</b>				
Health Insurance Fund	\$ 132,366,024	\$ 149,240,000	\$ 162,279,000	\$ 171,197,893
Workers' Compensation Fund	8,566,591	8,474,646	7,651,649	6,262,000
Athletics Fund	5,977,236	6,929,924	7,089,814	6,048,939
Print Shop Fund	8,454,036	8,689,894	8,825,736	8,587,000
Alternative Certification Fund	1,243,155	1,423,000	1,168,475	859,337
UIL Fund	1,049,469	1,050,404	1,098,254	1,029,839
Shared Services Fund	7,212,802	7,301,398	7,144,293	7,000,124
<b>Total Internal Service Fund Types</b>	<b>\$ 164,869,313</b>	<b>\$ 183,109,266</b>	<b>\$ 195,257,221</b>	<b>\$ 200,985,132</b>
<b>Proprietary Fund Types</b>				
Nutrition Services Fund	\$ 124,855,852	\$ 128,277,527	\$ 142,147,259	\$ -
The Market Place	1,074,602	1,130,270	1,724,476	1,208,926
Medicaid Fund	30,340,010	30,712,683	30,911,319	32,733,967
Business Development Fund	5,222,996	5,181,276	\$ -	\$ -
<b>Total Proprietary Fund Types</b>	<b>\$ 161,493,460</b>	<b>\$ 165,301,756</b>	<b>\$ 174,783,054</b>	<b>\$ 33,942,893</b>
<b>Total Revenues</b>	<b>\$ 3,352,404,778</b>	<b>\$ 2,902,849,887</b>	<b>\$ 2,929,579,294</b>	<b>\$ 2,888,149,352</b>

Total Appropriations				
Appropriations	Adopted Budget 2016-2017	Adopted Budget 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020
<b>Governmental Funds Types</b>				
General Fund	\$ 1,878,657,298	\$ 2,096,294,796	\$ 2,043,345,624	\$ 1,963,877,171
Special Revenue Fund	184,618,276	223,828,239	168,821,603	175,563,099
*Nutrition Services Fund	\$ -	\$ -	\$ -	\$ 146,722,814
Debt Service Fund	332,310,001	350,704,553	341,658,611	353,060,948
Capital Renovation Fund	514,437,018	557,440,234	40,000,000	259,328,560
Public Facilities Corporation	70,000,000	25,000,000	12,000,000	11,354,000
<b>Total Governmental Fund Types</b>	<b>\$ 2,980,022,593</b>	<b>\$ 3,253,267,822</b>	<b>\$ 2,605,825,838</b>	<b>\$ 2,909,906,592</b>
<b>Internal Service Fund Types</b>				
Health Insurance Fund	\$ 149,772,806	\$ 154,125,623	\$ 164,182,020	\$ 174,272,249
Workers' Compensation Fund	9,610,775	10,171,851	9,306,963	9,605,638
Athletics Fund	7,429,236	7,626,757	6,743,255	6,048,939
Print Shop Fund	8,419,734	8,761,906	8,825,736	8,600,775
Alternative Certification Fund	1,243,155	1,423,000	1,168,475	859,337
UIL Fund	1,023,418	1,063,263	1,056,517	1,025,602
Shared Services Fund	7,209,428	7,301,398	7,144,293	7,119,293
<b>Total Internal Service Fund Types</b>	<b>\$ 184,708,552</b>	<b>\$ 190,473,798</b>	<b>\$ 198,427,259</b>	<b>\$ 207,531,833</b>
<b>Proprietary Fund Types</b>				
Nutrition Services Fund	\$ 126,435,722	\$ 127,441,026	\$ 139,945,266	\$ -
The Market Place	1,011,785	1,101,541	1,708,215	1,279,715
Business Development Fund	5,143,707	5,069,812	-	-
Medicaid Fund	39,705,770	37,974,088	8,343,338	30,069,815
<b>Total Proprietary Fund Types</b>	<b>\$ 172,296,984</b>	<b>\$ 171,586,467</b>	<b>\$ 149,996,819</b>	<b>\$ 31,349,530</b>
<b>Total Appropriations</b>	<b>\$ 3,337,028,129</b>	<b>\$ 3,615,328,087</b>	<b>\$ 2,954,249,916</b>	<b>\$ 3,148,787,955</b>

\*In 2019-2020 the Nutrition Services Fund is now in the Governmental Funds type section.



HOUSTON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Adopted	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
<b>Revenues</b>								
5700 Local Sources	\$ 1,838,210,789	\$ 1,961,917,587	\$ 2,080,109,945	\$ 2,148,393,787	\$ 2,069,917,128	\$ 2,157,722,464	\$ 2,222,812,005	\$ 2,287,809,580
5800 State Sources	310,517,735	182,293,194	263,451,706	439,429,082	156,497,414	194,645,148	152,949,516	186,511,999
5900 Federal Sources	185,158,431	185,375,265	352,337,407	332,883,354	331,261,765	337,681,604	343,998,378	351,605,751
<b>Total Revenue</b>	<b>2,333,886,955</b>	<b>2,329,586,046</b>	<b>2,695,899,058</b>	<b>2,920,706,223</b>	<b>2,557,676,307</b>	<b>2,690,049,216</b>	<b>2,719,759,899</b>	<b>2,825,927,330</b>
<b>Expenditures</b>								
6100 Payroll Costs	1,428,015,947	1,386,001,098	1,557,200,230	1,497,674,021	1,603,562,124	1,607,062,330	1,610,249,240	1,614,348,846
6200 Professional and Contracted Services	289,661,220	402,290,522	561,215,465	576,174,311	269,498,951	332,363,121	335,186,868	410,232,025
6300 Supplies and Materials	107,996,035	82,474,532	154,814,941	146,959,467	136,205,460	140,614,599	142,076,648	143,957,412
6400 Other Operating Costs	78,384,140	85,773,177	91,080,894	97,719,985	187,410,862	224,242,865	228,170,344	232,369,762
6500 Debt Service	505,802,020	950,046,923	347,955,504	524,584,715	371,032,387	359,139,552	383,915,265	424,673,270
6600 Capital Outlay	465,856,815	640,368,282	654,927,098	359,081,664	262,831,370	199,504,469	139,603,079	69,729,930
<b>Total Expenditures</b>	<b>2,875,716,177</b>	<b>3,546,954,834</b>	<b>3,367,194,132</b>	<b>3,202,194,162</b>	<b>2,852,541,154</b>	<b>2,862,926,937</b>	<b>2,839,201,444</b>	<b>2,895,311,266</b>
<b>Net Revenue Over (under)</b>	<b>(541,829,222)</b>	<b>(1,217,368,788)</b>	<b>(671,295,074)</b>	<b>(281,487,939)</b>	<b>(294,864,847)</b>	<b>(172,877,721)</b>	<b>(119,441,545)</b>	<b>(69,383,936)</b>
<b>Other Sources (Uses)</b>								
7900 Other Resources	1,161,820,708	1,245,032,201	516,858,461	271,537,938	95,545,020	70,436,590	73,689,040	84,158,465
8900 Other Uses	(353,246,608)	(67,139,660)	(95,936,152)	(58,566,776)	(57,365,438)	(54,269,024)	(31,892,240)	(27,302,965)
<b>Total other Financing sources (uses)</b>	<b>808,574,100</b>	<b>1,177,892,541</b>	<b>420,922,309</b>	<b>212,971,162</b>	<b>38,179,582</b>	<b>16,167,566</b>	<b>41,796,800</b>	<b>56,855,500</b>
<b>Net Change in fund balances</b>	<b>266,744,879</b>	<b>(39,476,247)</b>	<b>(250,372,765)</b>	<b>(68,516,777)</b>	<b>(256,685,265)</b>	<b>(156,710,155)</b>	<b>(77,644,745)</b>	<b>(12,528,436)</b>
<b>Beginning Fund Balance (Estimated)</b>	<b>1,651,078,978</b>	<b>1,917,823,857</b>	<b>1,878,347,610</b>	<b>1,627,974,845</b>	<b>1,559,458,068</b>	<b>1,302,772,803</b>	<b>1,146,062,648</b>	<b>1,068,417,903</b>
<b>Ending Fund Balance (Estimated)</b>	<b>\$ 1,917,823,857</b>	<b>\$ 1,878,347,610</b>	<b>\$ 1,627,974,845</b>	<b>\$ 1,559,458,068</b>	<b>\$ 1,302,772,803</b>	<b>\$ 1,146,062,648</b>	<b>\$ 1,068,417,903</b>	<b>\$ 1,055,889,467</b>

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Adopted	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
<b>REVENUES</b>								
Property taxes	1,529,263,319	1,605,550,897	1,710,326,173	1,747,189,582	1,702,171,380	1,783,496,110	1,830,060,127	1,874,058,184
Earnings on investments	3,232,594	5,312,450	10,408,645	19,083,204	15,000,000	15,000,000	15,000,000	15,000,000
Miscellaneous local sources	14,717,701	18,246,935	18,246,935	15,082,252	11,879,675	9,320,000	9,320,000	9,320,000
State sources	272,213,562	159,777,752	243,073,835	398,872,504	153,313,693	191,498,316	149,802,684	183,365,167
Federal sources	6,084,052	6,988,840	8,381,410	19,372,818	20,720,946	19,030,000	19,030,000	19,030,000
<b>Total revenues</b>	<b>1,824,553,174</b>	<b>1,792,347,840</b>	<b>1,980,436,968</b>	<b>2,200,600,360</b>	<b>1,903,065,684</b>	<b>2,018,344,426</b>	<b>2,023,212,811</b>	<b>2,100,773,351</b>
<b>EXPENDITURES</b>								
<b>Current</b>								
Instruction	1,025,346,290	985,581,537	1,064,217,502	970,793,048	1,139,172,839	1,151,830,943	1,173,627,743	1,188,686,443
Instructional resources and media services	5,928,415	8,734,256	9,242,603	9,822,477	8,905,787	9,130,973	9,130,973	9,130,973
Curriculum development and instructional staff development	31,503,552	21,080,905	27,141,888	29,267,000	30,786,402	31,564,846	31,564,846	31,564,846
Instructional leadership	20,540,184	22,841,523	20,307,711	20,820,355	24,033,019	24,640,702	24,640,702	24,640,702
School leadership	136,139,474	130,464,557	148,888,990	142,326,201	144,528,927	148,181,338	148,181,338	148,181,338
Guidance, counseling, and evaluation services	41,209,339	40,486,806	47,489,488	50,269,761	65,946,068	67,613,536	67,613,536	67,613,536
Social work services	2,219,236	1,990,502	1,699,752	8,429,482	10,379,352	10,641,797	10,641,797	10,641,797
Health services	16,707,595	17,186,897	18,657,747	19,312,797	20,835,004	20,835,004	20,835,004	20,835,004
Student (pupil) transportation	54,671,516	65,865,235	69,146,802	59,243,844	60,867,135	60,867,135	60,867,135	60,867,135
Food services	248,052	-	-	-	-	-	-	-
Extracurricular activities	16,505,861	16,043,694	19,493,953	15,549,148	12,213,691	12,213,691	12,213,691	12,213,691
General administration	33,252,921	40,722,954	37,861,920	41,097,974	36,269,706	35,010,706	35,010,706	35,010,706
Facilities maintenance and operations	165,689,639	181,129,238	226,626,540	195,853,168	197,179,436	197,287,997	197,287,997	197,287,997
Security and monitoring services	25,181,544	24,459,246	25,073,050	22,606,971	23,890,855	23,890,855	23,890,855	23,890,855
Data processing services	84,612,978	69,999,727	64,835,876	54,951,868	50,583,977	53,680,716	53,405,716	53,405,716
Community services	2,196,934	2,111,054	2,294,499	2,135,207	2,365,684	2,365,684	2,365,684	2,365,684
Juvenile justice alternative education programs	792,000	792,117	792,000	792,000	893,650	893,650	893,650	893,650
Tax increment zone payments	52,100,723	55,616,783	56,170,397	58,465,450	61,526,976	64,077,913	71,413,330	71,413,330
Contracted instructional services between public schools	-	-	-	265,231,840	-	61,260,051	62,677,693	136,085,888
Tax appraisal and collection	13,355,890	13,995,353	13,814,336	14,990,752	15,342,598	16,100,000	16,700,000	17,300,000
Chapter 41/Purchase of WADA	-	93,080,703	204,404,117	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Principal	13,053,260	13,236,011	14,216,599	8,764,959	15,539,739	13,611,000	14,306,000	23,840,784
Interest and fiscal charges	893,523	905,859	498,626	181,903	2,375,000	1,207,000	787,000	1,077,000
Facilities acquisition and construction	2,869,217	732,839	21,463,684	269,834	108,581	-	-	-
<b>Total expenditures</b>	<b>1,745,118,145</b>	<b>1,807,057,796</b>	<b>2,084,342,080</b>	<b>1,991,206,129</b>	<b>1,923,742,406</b>	<b>2,006,905,537</b>	<b>2,034,301,541</b>	<b>2,136,947,675</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>79,435,029</b>	<b>(14,710,156)</b>	<b>(83,905,082)</b>	<b>209,394,231</b>	<b>(20,656,712)</b>	<b>11,438,889</b>	<b>(11,088,730)</b>	<b>(36,174,324)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	30,400,000	30,400,000	29,274,879	26,000,000	22,500,000	22,500,000	20,000,000	20,000,000
Transfers out	(26,395,083)	(52,649,042)	(88,500,216)	(52,214,349)	(40,134,765)	(39,949,140)	(21,520,390)	(21,534,090)
Capital leases	8,640,097	562,012	23,481,683	-	15,089,788	-	21,796,800	36,855,500
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	23,135,252	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>12,645,014</b>	<b>(21,687,030)</b>	<b>4,735,073</b>	<b>(3,079,097)</b>	<b>(2,544,977)</b>	<b>(17,449,140)</b>	<b>20,276,410</b>	<b>35,321,410</b>
<b>Net change in fund balances</b>	<b>92,080,043</b>	<b>(36,397,186)</b>	<b>(89,170,009)</b>	<b>206,315,134</b>	<b>(23,201,689)</b>	<b>(6,010,252)</b>	<b>9,187,680</b>	<b>(852,914)</b>
<b>Fund balances, beginning</b>	<b>646,165,822</b>	<b>738,245,865</b>	<b>701,848,679</b>	<b>612,678,670</b>	<b>818,993,804</b>	<b>795,792,115</b>	<b>789,781,863</b>	<b>798,969,543</b>
<b>Fund balances, ending</b>	<b>738,245,865</b>	<b>701,848,679</b>	<b>612,678,670</b>	<b>818,993,804</b>	<b>795,792,115</b>	<b>789,781,863</b>	<b>798,969,543</b>	<b>798,116,629</b>

**Budget Projection Assumptions**

Tax roll increase at 6 percent, 6 percent and 6 percent respectively  
No salary projections included in estimates  
Average Daily Attendance is kept level  
Maintenance and Operations tax rate declines as property value's increase based on state formula  
No projections or assumptions included for legislative session beginning in 2021  
See the discussion in the executive summary on school finance from the 86th legislative session.  
Debt Principal and Interest is primarily the Power Up Program.

**Excess Revenue (Previously called Recapture)**

The recapture calculation was changed in the 86th legislative session and became excess revenue.  
District revenues are now capped at the district's Total Cost of Tier I, Tier II, and other funding. For  
HISD other funding is the Tax Increment Reinvestment Zone pass through funding.

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Adopted	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
<b>REVENUES</b>								
Earnings on investments	-	-	-	-	-	-	-	-
Miscellaneous local sources	14,217,474	12,951,715	17,290,516	28,108,792	-	-	-	-
State sources	35,493,126	19,591,236	17,185,125	36,424,706	-	-	-	-
Federal sources	171,994,510	171,296,701	215,902,850	186,165,404	175,563,099	179,074,362	182,655,850	186,308,966
<b>Total revenues</b>	<b>221,685,110</b>	<b>203,839,652</b>	<b>250,378,491</b>	<b>250,698,902</b>	<b>175,563,099</b>	<b>179,074,362</b>	<b>182,655,850</b>	<b>186,308,966</b>
<b>EXPENDITURES</b>								
Current								
Instruction	130,703,421	113,456,241	141,951,026	128,890,137	95,280,202	97,185,906	99,129,522	101,112,112
Instructional resources and media services	664,991	228,699	189,630	130,971	60,330	61,537	62,768	64,023
Curriculum development and instructional staff development	38,160,939	33,080,183	41,413,560	32,077,044	26,529,640	27,060,233	27,601,438	28,153,467
Instructional leadership	8,502,060	10,510,608	9,628,713	13,418,172	13,830,258	14,106,863	14,389,000	14,676,780
School leadership	1,956,375	1,609,913	2,822,315	3,763,360	1,690,239	1,724,044	1,758,525	1,793,696
Guidance, counseling, and evaluation services	12,621,827	15,069,639	14,840,742	14,454,996	9,337,341	9,524,088	9,714,570	9,908,861
Social work services	1,329,790	1,439,687	1,338,918	1,316,098	1,112,309	1,134,555	1,157,246	1,180,391
Health services	4,071,752	4,101,408	2,968,365	4,485,024	3,488,903	3,598,881	3,629,855	3,702,452
Student ( pupil) transportation	4,238,508	4,831,726	3,430,622	4,233,359	2,871,429	2,928,858	2,987,435	3,047,184
Food services	5,589	13,090	45,849	-	-	-	-	-
Extracurricular activities	2,436,826	2,345,272	1,906,714	919,041	-	-	-	-
General administration	1,929,712	1,894,735	1,979,963	3,864,618	8,259,236	8,424,421	8,592,909	8,764,767
Facilities maintenance and operations	288,001	813,453	13,866,210	1,663,961	448,140	457,103	466,245	475,570
Security and monitoring services	150,567	382,545	968,393	1,749,094	2,437,825	2,486,582	2,536,314	2,587,040
Data processing services	871,216	3,362,448	6,294,379	5,223,578	634,919	647,617	660,569	673,780
Community services	4,766,680	5,368,558	5,921,673	5,944,654	6,099,207	6,221,191	6,345,615	6,472,527
Debt service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Facilities acquisition and construction	170,358	28,445	130,577	49,242	-	-	-	-
Intergovernmental charges	-	-	-	-	-	-	-	-
Fiscal agent/member districts of shared services arrangements	2,260,646	2,911,732	3,045,173	3,719,430	3,483,121	3,552,783	3,623,839	3,696,316
<b>Total expenditures</b>	<b>215,129,258</b>	<b>201,438,582</b>	<b>252,752,862</b>	<b>225,902,779</b>	<b>175,563,099</b>	<b>179,074,362</b>	<b>182,655,850</b>	<b>186,308,966</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,565,852</b>	<b>2,401,070</b>	<b>(2,374,371)</b>	<b>24,796,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	25,858,259	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>25,858,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>6,565,852</b>	<b>2,401,070</b>	<b>23,483,888</b>	<b>24,796,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, beginning</b>	<b>28,091,528</b>	<b>34,657,380</b>	<b>37,058,450</b>	<b>34,684,079</b>	<b>59,480,202</b>	<b>59,480,202</b>	<b>59,480,202</b>	<b>59,480,202</b>
<b>Fund balances, ending</b>	<b>34,657,380</b>	<b>37,058,450</b>	<b>60,542,338</b>	<b>59,480,202</b>	<b>59,480,202</b>	<b>59,480,202</b>	<b>59,480,202</b>	<b>59,480,202</b>

**Budget Projection Assumption**

The district continues to seek out and obtain grant funding for supplemental services for students.

The state of Texas has projected growth of 3 percent in the education and health industry and HISD is projecting a 2 percent growth rate in funding.

In 2019-2020 the district will seek other federal funds to replace the Furr XQ Teacher School Leader and Music Educators grants with other funding opportunities.

Notes:

1. The 2019-2020 budget is based on the planning amounts from the previous year. The budget amounts will be adjusted throughout the year based on amendments and grants received and submitted to TEA for each grant.

2. In 2018-2019 the beginning fund balance was adjusted by \$25,858,259 as a result of the change of Nutrition Services Fund

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE DATA FOR PRIOR YEARS**

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual
<b>REVENUES:</b>			
Food sales	7,287,832	7,816,438	4,935,531
Miscellaneous local sources	105,686	63,319	189,099
<b>Total revenues</b>	<b>7,393,518</b>	<b>7,879,757</b>	<b>5,124,630</b>
<b>EXPENDITURES</b>			
Current			
Food services	123,957,686	127,600,842	124,044,956
General administration	1,213,240	882,156	725,685
Plant maintenance and operations	1,890,649	530,232	157,596
<b>Total expenditures</b>	<b>127,061,575</b>	<b>129,013,230</b>	<b>124,928,237</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	40,092	312,024	645,193
Grants from federal agencies			
Child nutrition program	103,597,536	107,814,878	115,138,622
Child and Adult Care Program	1,759,279	2,174,821	-
Summer food program	3,698,336	3,629,092	-
Donated Commodities	6,862,230	7,399,764	5,806,938
State matching and other	3,175,316	1,640,330	574,319
Capital asset contribution to Special Revenue Fund	-	-	-
Debt assignments to Special Revenue Fund	-	-	-
<b>Total nonoperating revenue</b>	<b>119,132,789</b>	<b>122,970,909</b>	<b>122,165,072</b>
Transfers out	-	-	-
Change in net assets	(535,268)	1,837,436	2,361,465
<b>Total net assets, beginning</b>	<b>9,199,808</b>	<b>8,664,540</b>	<b>10,501,976</b>
Reclassification of net position to fund balance	-	-	15,356,283
Net position - beginning restated	-	-	-
<b>Total net assets, ending</b>	<b>8,664,540</b>	<b>10,501,976</b>	<b>28,219,724</b>

Note: The Nutrition Services Fund was reclassified as a governmental fund effective fiscal year 2017-2018. Prior years actuals are presented as a Proprietary Fund.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH FORECAST DATA**

REVENUES	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Actuals	Adopted	Forecast	Forecast	Forecast
Earnings on investments	968,639	900,000	594,000	597,728	597,728
Miscellaneous local sources	4,992,231	4,656,414	4,844,217	4,942,561	5,083,292
State sources	548,366	585,000	548,111	548,111	548,111
Federal sources	118,051,913	134,244,842	139,577,242	142,312,528	146,266,785
Donated Commodities	7,764,207	-	-	-	-
<b>Total revenues</b>	<b>132,325,356</b>	<b>140,386,256</b>	<b>145,053,570</b>	<b>148,396,691</b>	<b>152,495,916</b>
<b>APPROPRIATIONS</b>					
Food services	128,717,953	145,840,408	148,732,900	151,020,909	154,905,862
General administration	1,296	-	-	-	-
Facilities maintenance and operations	1,693,003	882,406	1,956,237	1,986,330	2,037,428
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>130,412,252</b>	<b>146,722,814</b>	<b>150,689,137</b>	<b>153,007,239</b>	<b>156,943,290</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,913,104</b>	<b>(6,336,558)</b>	<b>(5,125,567)</b>	<b>(4,610,548)</b>	<b>(4,447,374)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	5,147,890	5,147,890	5,147,890	5,147,890
Capital Leases	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>5,147,890</b>	<b>5,147,890</b>	<b>5,147,890</b>	<b>5,147,890</b>
<b>Net change in fund balances</b>	<b>1,913,104</b>	<b>(1,188,668)</b>	<b>22,323</b>	<b>537,342</b>	<b>700,516</b>
<b>Estimated fund balances-beginning</b>	<b>28,219,724</b>	<b>30,132,828</b>	<b>28,944,160</b>	<b>28,968,483</b>	<b>29,503,825</b>
<b>Estimated Fund balances-ending</b>	<b>30,132,828</b>	<b>28,944,160</b>	<b>28,966,483</b>	<b>29,505,825</b>	<b>30,204,341</b>

**Budget Projection Assumptions**

Assumptions are estimates only and are contingent upon actual results. Federal reimbursement amounts typically grow in relation to the CPI, projected at 2 percent in 2020 and 2.3 percent thereafter. Marginal declines in enrollment/participation have been adjusted for 2020, slightly offsetting the projected 2 percent CPI increase.

Food cost is expected to increase in relation to the CPI, 2 percent projected for FY 2020 and 2.3 percent for FY 2021-2023. Maintenance costs are expected to decrease in 2020 and 2021 as the result of closure of the food production facility with smaller decreases in 2022 and 2023. In addition, Nutrition Services plans to replace capital assets.

Note: The Nutrition Services Fund was previously a proprietary fund. It was reclassified as a governmental fund effective fiscal year 2017-2018.



**HOUSTON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Adopted	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
<b>REVENUES</b>								
Local maintenance taxes	248,730,091	287,771,745	273,662,311	277,016,694	295,289,491	309,518,559	328,629,582	348,990,798
Earnings on investments	463,186	769,166	1,436,784	2,179,784	1,700,000	1,500,000	1,500,000	1,500,000
State sources	2,811,047	2,924,206	2,618,427	2,593,506	2,598,721	2,598,721	2,598,721	2,598,721
Federal sources	7,089,869	7,089,724	7,107,587	1,529,012	732,878	-	-	-
<b>Total revenues</b>	<b>259,094,193</b>	<b>298,554,841</b>	<b>284,825,109</b>	<b>283,308,996</b>	<b>300,321,090</b>	<b>313,617,280</b>	<b>332,728,303</b>	<b>353,089,519</b>
<b>EXPENDITURES</b>								
Debt service								
Principal	127,224,916	201,798,482	202,634,393	208,194,517	213,796,219	226,831,456	237,225,073	263,260,000
Interest and fiscal charges	156,805,898	132,347,037	130,605,885	145,333,336	139,264,729	129,426,445	122,011,741	111,851,335
Payment to escrow agents-current and advanced refunding	203,287,228	601,759,534	-	162,110,000	-	-	-	-
<b>Total expenditures</b>	<b>488,318,042</b>	<b>935,905,053</b>	<b>333,240,278</b>	<b>515,637,853</b>	<b>353,060,948</b>	<b>356,257,901</b>	<b>359,236,814</b>	<b>375,111,335</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(230,223,849)</b>	<b>(637,350,212)</b>	<b>(48,415,169)</b>	<b>(232,328,857)</b>	<b>(52,739,858)</b>	<b>(42,640,621)</b>	<b>(26,508,511)</b>	<b>(22,021,816)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	23,710,657	39,086,060	39,936,152	53,750,302	52,807,342	42,788,700	26,744,350	22,155,075
Issuance of bonds and other debt	-	-	-	159,945,000	-	-	-	-
Issuance of refunding debt	461,945,000	531,575,000	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	2,650,288	-	-	-	-
Premium on the sale of refunding bonds	55,976,555	72,600,830	-	-	-	-	-	-
Payments to escrow agents - advance refunding	(313,982,644)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>227,649,568</b>	<b>643,261,890</b>	<b>39,936,152</b>	<b>216,345,590</b>	<b>52,807,342</b>	<b>42,788,700</b>	<b>26,744,350</b>	<b>22,155,075</b>
<b>Net change in fund balances</b>	<b>(2,574,281)</b>	<b>5,911,678</b>	<b>(8,479,017)</b>	<b>(15,983,267)</b>	<b>67,484</b>	<b>148,079</b>	<b>235,839</b>	<b>133,259</b>
<b>Fund balances, beginning</b>	<b>125,699,276</b>	<b>123,124,995</b>	<b>129,036,673</b>	<b>120,557,656</b>	<b>104,574,389</b>	<b>104,641,873</b>	<b>104,789,952</b>	<b>105,025,791</b>
<b>Fund balances, ending</b>	<b>123,124,995</b>	<b>129,036,673</b>	<b>120,557,656</b>	<b>104,574,389</b>	<b>104,641,873</b>	<b>104,789,952</b>	<b>105,025,791</b>	<b>105,159,050</b>

<b>Budget Projection Assumptions</b>
Assumptions are estimates only and are contingent upon actual results. For example the required tax rate is largely contingent upon the realization of estimated roll value increases.
Roll value increases 6 percent in each fiscal year.
Debt tax rate does not change from the current \$0.1667 in subsequent years.
No new bonds are sold through 2022-2023. Variable rate principal payments scheduled each year would be available for new debt service if necessary.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL RENOVATION FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST**

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Adopted	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
<b>REVENUES</b>								
Property taxes	-	-	-	-	-	-	-	-
Earnings on investments	2,644,715	6,353,995	12,973,017	18,417,781	8,128,800	3,449,578	1,766,244	1,259,578
Miscellaneous local sources	25,702,345	28,250,666	29,728,832	34,928,738	30,058,174	30,000,000	31,000,000	32,000,000
Total revenues	28,347,060	34,604,661	42,699,849	53,346,519	38,186,974	33,449,578	32,766,244	33,259,578
<b>EXPENDITURES</b>								
Capital outlay								
Facilities acquisition and construction								
Total expenditures	396,673,409	566,868,571	560,551,102	338,763,270	251,951,887	170,000,000	110,000,000	40,000,000
Excess (deficiency) of revenues over (under) expenditures	388,326,349	(532,263,910)	(517,851,253)	(285,416,751)	(213,764,913)	(136,550,422)	(77,233,756)	(6,740,422)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	15,553,307	28,000,000	56,000,000	6,057,096	-	-	-	-
Transfers out	(12,868,881)	(14,437,018)	(7,435,936)	(7,593,049)	(7,376,673)	(7,987,450)	(10,371,850)	(5,768,875)
Issuance of bonds and other debt	492,880,000	488,670,000	261,575,000	-	-	-	-	-
Premium on the sale of bonds	69,665,118	53,599,739	40,253,761	-	-	-	-	-
Insurance proceeds on sale of capital assets	3,049,975	484,960	-	1,240,622	-	-	-	-
Total other financing sources (uses)	568,279,519	556,317,681	350,392,825	(285,331)	(7,376,673)	(7,987,450)	(10,371,850)	(5,768,875)
Net change in fund balances	199,953,170	24,053,771	(167,458,428)	(285,712,082)	(221,141,586)	(144,537,872)	(87,605,606)	(12,509,297)
Fund balances, beginning	757,887,174	957,840,344	981,894,115	814,435,687	528,723,605	307,582,019	163,044,147	75,438,541
Fund balances, ending	957,840,344	981,894,115	814,435,687	528,723,605	307,582,019	163,044,147	75,438,541	62,929,244

**Budget Projection Assumptions**

- Remaining funds from prior projects and using other remaining funds for school renovations, maintenance and repairs.
- Bond sales for 2012 bond per original published plan

**Other Assumptions and Notes**

Expenditures-based on trends of other programs and the expectation of the pace increasing for Bond 2012 program with the program expecting to be completed in 2020-2021.

TIRZ revenue may decrease based on the legislature regarding recapture.

# HOUSTON INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Adopted	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
<b>OPERATING REVENUES:</b>								
Charges for sales and services								
Sales to customers	24,527,125	23,433,802	23,419,076	22,476,048	23,440,071	23,674,472	23,911,216	24,150,329
Charges to employees or other funds	128,606,979	136,610,820	158,204,737	165,039,904	165,645,893	167,302,352	168,975,375	170,665,129
Miscellaneous	1,402,941	7,062,025	9,887,991	9,835,120	11,109,782	11,220,880	11,333,089	11,446,420
Total operating revenues	154,537,045	167,106,647	191,511,804	197,351,072	200,195,746	202,197,703	204,219,680	206,261,877
<b>OPERATING EXPENSES:</b>								
Payroll costs	13,943,490	13,603,961	15,233,356	15,972,981	15,527,652	15,682,929	15,839,758	15,998,155
Purchased and contracted services	9,754,916	8,038,577	12,650,227	12,003,956	12,677,675	12,804,452	12,932,496	13,061,821
Supplies and materials	2,691,768	2,181,386	2,377,594	1,468,140	1,443,293	1,457,726	1,472,303	1,487,026
Other operating expenses	1,383,396	1,830,825	1,231,993	1,630,705	1,662,542	1,679,167	1,695,959	1,712,919
Claims and judgements	146,181,709	147,983,254	146,449,690	174,769,438	175,995,487	177,755,442	179,532,996	181,328,326
Depreciation	146,148	185,075	229,637	294,756	96,106	97,067	98,038	99,018
Capital assets	821,842	7,543	-	-	129,078	130,369	131,672	132,989
Total operating expenses	174,923,269	173,830,821	178,172,497	206,139,976	207,531,833	209,607,151	211,703,223	213,820,255
Operating income (loss)	(20,386,224)	(6,723,974)	13,339,307	(8,788,904)	(7,336,087)	(7,409,448)	(7,483,542)	(7,558,378)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Earnings on investments	441,546	450,508	818,610	1,642,319	789,386	797,280	805,253	813,305
Gain (Loss) on sale of assets	-	(301,700)	-	-	-	-	-	-
Miscellaneous	-	-	73,517	27,250	-	-	-	-
Total nonoperating revenue	441,546	148,808	892,127	1,669,569	789,386	797,280	805,253	813,305
Income (loss) before transfers	(19,944,678)	(6,575,166)	14,231,434	(7,119,335)	(6,546,701)	(6,612,168)	(6,678,290)	(6,745,073)
Transfers In	-	-	-	-	-	-	-	-
Change in net assets	(19,944,678)	(6,575,166)	14,231,434	(7,119,335)	(6,546,701)	(6,612,168)	(6,678,290)	(6,745,073)
Total net assets, beginning	85,164,333	65,219,655	58,644,489	72,875,923	65,756,588	59,209,887	52,597,719	45,919,429
Total net assets, ending	65,219,655	58,644,489	72,875,923	65,756,588	59,209,887	52,597,719	45,919,429	39,174,357

## Budget Projection Assumption

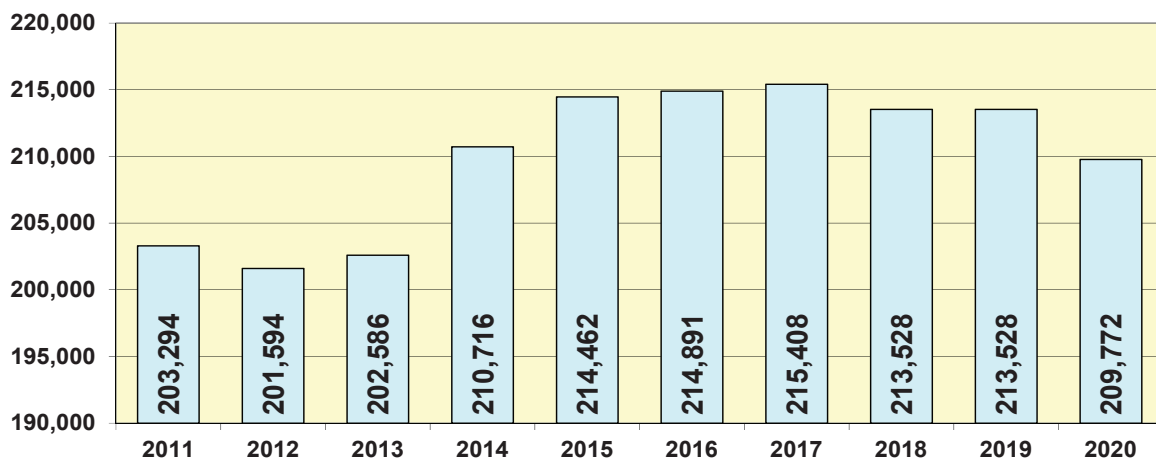
The state of Texas has projected growth of 1.8 percent in the education and health services industry. Accordingly, HISD is projecting a 1 percent growth rate in revenue and expenses.

## Demographics and Student Enrollment

The Houston Galveston Area Council (H-GAC) has a population of more than 6.9 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 Houston's 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**



## 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 2018-2019 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 following two pages illustrates the staffing for the district, representing the various types of positions from 2018-2020. 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 Salaried Exempt and Non-Exempt FTE's for 2018 through 2020**  
**(excludes All Hourly, Bus Drivers, and Substitutes)**

Group Description	General Fund			All Funds		
	2018	2019	2020	2018	2019	2020
Assistant Principal	316.48	320.98	316.49	317.48	320.98	317.49
Assistant/Associate/Deputy	54.00	52.00	48.50	56.00	54.00	52.00
Associate School Psychologist	0.00	0.00	0.00	2.00	1.00	1.00
Athletic Director	0.00	0.00	0.00	5.00	6.00	6.00
Audiologist	0.50	0.50	0.50	3.00	3.00	3.00
Business Manager	1.00	1.00	1.00	1.00	1.00	1.00
Business Services Professional	73.60	73.85	75.95	152.00	142.00	145.00
Business/Finance	458.94	430.72	428.81	552.00	517.00	517.09
Campus Office/Clerical	1,499.72	1,367.22	1,320.46	1,599.22	1,463.72	1,422.96
Central Office/Clerical	138.61	135.08	139.68	159.61	161.88	162.88
Certified Interpreter	1.00	1.00	1.00	6.00	6.00	6.00
Certified Orientation and Mobility Specialist	6.00	6.00	6.00	6.00	6.00	6.00
Child Nutrition	0.00	0.00	0.00	592.00	592.00	588.00
Communications Professional	13.78	12.78	10.78	22.00	20.00	19.00
Counselor	168.54	186.10	208.24	220.01	224.33	255.24
Custodial	1,067.00	984.00	987.50	1,069.00	986.00	989.50
Department Head	65.00	66.00	68.00	65.00	66.00	70.00
Director of Personnel/Human Resources	1.00	1.00	1.00	1.00	1.00	1.00
District Instructional Program Director	26.50	25.50	30.00	29.00	28.00	35.00
Educational Aide	1,330.75	1,311.48	1,276.00	1,384.75	1,359.48	1,340.80
Educational Diagnostician	22.32	27.32	27.32	134.00	139.00	139.00
Electrician	32.00	31.00	31.00	38.00	37.00	37.00
Food Service Professional	0.00	0.00	0.00	25.00	25.00	27.00
Human Resources	33.00	28.00	28.00	35.00	30.00	30.00
HVAC	72.00	66.00	66.00	82.00	76.00	76.00
Information Technology	169.98	164.31	165.23	180.35	174.68	176.60
Internal Auditor	9.00	8.00	8.00	10.00	9.00	9.00
Librarian	83.56	83.07	71.09	84.56	83.07	71.09

**HISD Salaried Exempt and Non-Exempt FTE's for 2018 through 2020**  
**(excludes All Hourly, Bus Drivers, and Substitutes)**

Group Description	General Fund			All Funds		
	2018	2019	2020	2018	2019	2020
Maintenance	598.00	572.00	570.00	635.00	610.00	608.00
Other Campus Exempt Professional Auxiliary	263.27	253.29	358.54	298.27	284.29	379.54
Other District Exempt Professional Auxiliary	545.32	543.11	603.37	1,049.49	1,044.49	1,171.19
Other Non-Exempt Auxiliary	77.04	57.52	62.26	156.54	130.02	144.56
Painter	26.00	22.00	22.00	26.00	22.00	22.00
Plumber	28.00	24.00	24.00	30.00	26.00	26.00
Principal	269.00	270.00	272.00	269.00	270.00	272.00
Registrar	26.00	27.00	28.00	26.00	27.00	28.00
Safety/Security	281.00	267.00	266.00	296.00	282.00	281.00
School Nurse	238.91	249.03	254.88	243.91	254.03	260.38
School Psychologist	27.48	32.48	31.48	63.99	68.99	67.99
Security	3.00	3.00	6.00	3.00	3.00	6.00
Social Worker	14.00	17.50	16.00	39.00	38.50	41.00
Speech Therapist	74.97	74.97	74.17	94.47	94.47	91.67
Superintendent/Chief Administrator	2.00	2.00	2.00	2.00	2.00	2.00
Tax Assessor/Collector	1.00	1.00	1.00	1.00	1.00	1.00
Teacher	11,171.61	11,012.86	10,895.21	11,560.85	11,365.85	11,283.31
Teacher Facilitator	631.78	598.55	567.44	667.28	627.05	641.28
Transportation	167.50	160.50	167.50	169.00	162.00	169.00
Warehouse	59.00	51.00	50.00	145.00	137.00	144.00
Total FTE's	<u>20,149.16</u>	<u>19,621.71</u>	<u>19,588.40</u>	<u>22,606.78</u>	<u>21,982.83</u>	<u>22,144.57</u>

**Notes: 2018 through 2019 position files as of April 30, 2018 and April 30, 2019 respectively. Position File for 2020**



## **Summary**

As the school year began, HISD opened 13 new or renovated campuses to students, the largest number of building openings at one time in district history. With the opening of this group of schools, more than 85 percent of all 2012 Bond projects were completed. In November 2018, the district outlined the legislative priorities in advance of the 86th Texas Legislative Session, which convened on January 8, 2019. The state's legislative agenda focused on reforming the state's school finance system and reducing recapture, improving school safety and security, and addressing accountability ratings and sanctions. As we ended the school year, the percentage of students who passed the spring 2019 STAAR EOC exams increased in all subject areas, with students at some of the district's lowest-performing schools making vast improvements. Other key accomplishments of the 2018-2019 school year are highlighted below.

### **Parent University**

A new initiative to connect parents and children to resources offered by HISD kicked off September 27, 2018, and more sessions were scheduled in October, November, and the spring semester. The goal is to create academic success in students, as well as safe and healthy environments at home and at school. Dinner, interpretation services, and child care were provided during the evening events.

### **Ascending to Men Program**

At the beginning of the school year, HISD launched the Ascending to Men mentorship program, and more than 1,000 students enrolled. The program connects male students with mentors who provide a wide range of support to keep students on track for success in college, careers or the military. In May 2019, ATMP hosted a districtwide summit to mark the end of its inaugural year. Boys in grades 3-12 were invited to the daylong summit to discuss such topics as personal growth and development, support for academic success, and career planning.

### **Resilient Outstanding Sisters Exemplifying Success (ROSES)**

The Resilient Outstanding Sisters Exemplifying Success (ROSES) program is a mentorship initiative for the female students of the district. Similar to ATM, the program works with cohorts of females at select schools to build out their future post-secondary educational and career aspects through academic, social-emotional, and workforce interventions. The mission is to leverage community resources and mentorship to ensure that our female students from historically underserved demographics can enter the military, college and/or career of their choice upon graduation from HISD.

## **Academics**

### **Academic Rating**

The Houston Independent School District received an overall B rating with a score of 88 in the second year of the state's new school accountability system after having been labeled Not Rated: Harvey in 2018. According to ratings released by the TEA, 92 percent of HISD schools (250 out of 271 rated campuses) earned a rating of A, B, C, or D for the 2018-2019 school year. From 2015 to 2019 HISD reduced the number of campuses labeled "Improvement Required" (IR) by the state from 58 to 21. Twenty-one campuses were rated F in 2019, the first-year campuses received letter grades.

### **Achieve 180**

In its second year, the district's Achieve 180 plan resulted in decreased failure rates and increases in the categories of effective and highly effective leaders and teachers at Achieve 180 campuses. The Achieve 180 plan relies on innovative teaching, strong campus leadership, and an environment of high expectations for both students and staff to close achievement gaps. The report showed the program supported the district in meeting or exceeding the goals set by the Board in the following areas: reading and writing at or above grade level; graduates meeting Global Graduate standards; and students with below-satisfactory performance in reading or mathematics gaining at least one year of academic growth.

## **Awards and Recognition**

### **Top educators named**

Dr. Amy Poerschke of Durham Elementary was named HISD's Elementary Principal of the Year, and Dr. Khali-lah Campbell-Rhone was selected as HISD's Secondary Principal of the Year. Nazaret Chavez-Guerrero, a second-grade ESL math teacher at R.P. Harris Elementary, was named Elementary Teacher of the Year, and Jose Clemente, a math teacher at Westbury High School was named Secondary Teacher of the Year. Brittany Connally of Lockhart Elementary School, Guadalupe Aguilera of Hamilton Middle School, and Edis Moreno of Lamar High School were named Beginning Teachers of the Year. Mary Change of Hogg Middle was named Librarian of the Year and the Ann Sledge Instructional Specialist Awards went to Rogelio Martinez, as the district-wide instructional coach of the year, and to Ambreen Ali as the campus instructional coach of the year. LaTasha Hurd of Frost Elementary was Fan Favorite elementary Teacher of the Year and Kathie Jackson-Guillory of Fleming Middle was Fan Favorite secondary Teacher of the Year. Furr High School's Demeka Simmons was named the 2019 Assistant Principal of the Year by the Texas Alliance of Black School Educators. Dr. Nghia Le, an engineering teacher at Booker T. Washington High School and the High School for Engineering Professions, was one of eight educators statewide who received the 2019 HEB Excellence in Education Awards.

### **Interim superintendent receives awards**

Dr. Grenita Lathan was named one of the year's Outstanding Texans by the Texas Legislative Black Caucus. The award is given to individuals from the public and private sector who demonstrate exemplary service and commitment to their community. In March 2019 Dr. Lathan received the Audrey H. Lawson IMPACT Award at the annual scholarship luncheon hosted by Wheeler Avenue Baptist Church.

### **HSPVA principal receives top honor from national arts group**

The nation's largest organization for specialized schools for the arts named R. Scott Allen, principal of Kinder High School for the Performing and Visual Arts, its top administrator of the year. The Arts Schools Network stated it selected the Houston Independent School District principal for its most coveted honor, the Jeffrey Lawrence Award, because he exemplifies an uncompromising commitment to excellence in arts education and arts training.

### **Mickey Leland principal named NABSE's principal of the year**

Principal Dameion Crook of Mickey Leland College Preparatory Academy was named Principal of the Year by the National Alliance of Black School Educators (NABSE) in Washington, D.C. The alliance noted that Crook was selected because he excels in the field of education and provides great contributions to African-American students and educators. Earlier in that year, Crook was named Texas' Principal of the Year by the Alliance.

### **Schools recognized on local and national levels**

Challenge Early College High School, DeBakey High School for Health Professions, and Eastwood Academy were named 2018 National Blue Ribbon Schools by the U.S Department of Education. Field Elementary and Project Chrysalis Middle were nominated for the prestigious 2019 Blue Ribbon Schools designation, the only two HISD schools in Houston to receive the nominations. Several high schools were featured in the U.S. News & World Report Best High School rankings: DeBakey High School for Health Professions was ranked #3 in Texas and #17 in the nation, Carnegie Vanguard was ranked #4 in Texas and #24 in the nation, Eastwood Academy was ranked #9 in Texas and #97 in the nation, and Challenge Early College High School was ranked #10 in Texas and #102 in the nation.

**Children at Risk** named DeBakey High School for Health Professions #1 in its annual rankings for the 11th-straight year, and four other high schools were in the top 10: Eastwood Academy (3), Carnegie Vanguard High School (4), East Early College Challenge Early College High School (6), and Challenge Early College High (8). Children at Risk designated several HISD campuses as Gold Ribbon Schools for having high achievement levels despite a high rate of poverty. Field ES receive the top ranking, followed by Park Place, Lyons, De Chaumes, and De Anda elementary schools. Pilgrim Academy, which serves grades PK-8, also earned a Gold Ribbon distinction for its middle school. Four HISD schools placed in the top 10 in overall rankings for Houston-area middle schools. T.H. Rogers ranked third and Project Chrysalis Middle School ranked fourth in the area. Mandarin Immersion Magnet School ranked fifth and Lanier Middle School ranked seventh regionally. Three HISD schools placed in the top 10 in overall rankings among area elementary schools, including T.H. Rogers in sixth place, Horn Elementary in seventh, and West University Elementary in ninth place regionally.

Baylor College of Medicine at Ryan was named a 2018 School of Distinction by **Magnet Schools of America**, the national association for magnet and theme-based schools. Additionally, 33 HISD schools were named to the 2018-2019 Educational Results Partnership Texas Honor Roll for their high achievement and student success rates.

#### **HISD named Demonstration District**

The Texas Alliance of Black School Educators selected HISD as one of the state's two Demonstration Districts based on its success of closing the achievement gap and making school improvements.

#### **National Merit Scholarship semifinalists**

Fifty seniors from eight HISD high schools earned one of the top academic honors in the nation by qualifying as semifinalists in the 64th annual National Merit Scholarship Program. The students attended Bellaire, Carnegie Vanguard, Lamar and Westside high schools, DeBakey High School for Health Professions, Houston Academy for International Studies, Kinder High School for the Performing and Visual Arts, and Sharpstown International School. The students were among 16,000 from across the country to earn the semifinalist designation, allowing them the opportunity to continue in the academic competition and vie for more than \$31 million in scholarships that were awarded in the spring.

#### **College and Career Readiness**

##### **Career and Technical Education**

Career and Technical Education (CTE) in HISD grew, with an increase of over 2,000 student CTE certifications in the 2018-2019 school year. Students from across the district obtained 2,772 TEA industry-recognized certifications. In comparison, just over 700 students obtained a CTE certification during the 2017-2018 school year. Earlier in 2018 it was announced that CTE programs will be expanding to nine high schools throughout the district, including the addition of a graphic design program at Waltrip High School, a cosmetology program at Madison High School, and a construction program at Milby High School.

##### **Fourth-annual DREAM Summit**

The Office of College and Career Readiness and Multilingual Programs departments hosted the district's fourth-annual Dream Summit to assist students with college and financial aid applications. The summit was held on December 15 at the Hattie Mae White Educational Support Center. Students in grades 9-12 and their families attended the free event. The event assists HISD DREAMers, DACA (Deferred Action for Childhood Arrivals) recipients, visa holders, permanent residents, refugees, and asylum grantees with the college application process.

##### **First Academic College Signing Day**

HISD hosted a signing day for the district's top UIL Academics, Music, and One-Act Play students. Nearly 190 students from 32 high schools signed ceremonial letters of intent to prestigious higher education institutions such as Yale and Brown universities, Amherst College, and Georgia Institute of Technology.

#### **EMERGE**

EMERGE empowers and prepares high-performing HISD students from underserved communities to attend and graduate from selective colleges and universities across the nation. The EMERGE program serves hundreds of students across 42 high schools in grades 10 - 12, who benefit from extensive programming, individualized support, and tailored resources. EMERGE program managers work closely with students and their families to complete college applications and succeed once they get there. Since its inception in 2011, more than 1,000 students have graduated from the EMERGE program and are attending or have attended some 100 institutions across the nation.

##### **Senior scholarship offers continue to rise**

Scholarship offers to graduating seniors continue to rise every year and were up to \$414 million for the Class of 2019 from \$403 million last year. Hispanic students have seen the most growth in scholarship dollars awarded. Increases were posted for African-American and white students as well.

**AP credit and Futures Academies give students jump on college and career**

HISD students continue to earn college credit through Advanced Placement (AP) exams. The number of HISD high school students passing their AP exams with a three or above increased once again in 2019. The district's Futures Academies are specifically tailored to meet the current and future needs of Houston's thriving industries, which include medicine, shipping, energy, manufacturing, and computer technology. Futures Academy courses are offered at Furr, Jones, Kashmere, Scarborough, Sterling, Washington, and Westside high schools, as well as Jane Long Academy.

**District Milestones****Full-day Pre-K expands in fall 2019**

In July 2019, HISD announced that it was expanding its free, full-day pre-kindergarten program at schools across the district to provide more three and four year-old students with the opportunity to attend a high-quality program that will build a strong foundation of learning and support the needs of the families it serves. A total of 12 elementary campuses throughout the district will be expanding pre-kindergarten classrooms in the fall of 2019 for a total of 38 pre-kindergarten rooms. Those campuses are Neff Early Learning Center, Isaacs, R. Martinez, Rucker, Love, Browning, Shadowbriar, Askew, Mitchell, Garden Villas, DeAnda and Wesley elementary schools. Two schools, Hillard and Oates elementary schools, will be implementing pre-kindergarten for the first time.

**Special Education Summit**

HISD hosted a Special Educations Fall Parent Summit on October 27, 2018, to provide information and support to parents and empower them to collaborate in their child's education. The theme of the event was "Beginning with the End in Mind," and it focused on topics such as autism, behavior, inclusion and transition. Parents had a chance to meet with special education professionals.

**Every Community Every School**

Thousands of students and their families in high-poverty areas are benefitting from a \$2.5 million grant that is providing them wraparound services, including social, medical, financial, and emotional support. Beginning with the 2017-2018 school year, HISD put in place an inaugural cohort of Wraparound resources specialists at more than 20 campuses throughout the district. Those student advocates have been involved in daily comprehensive student and family needs assessments. They also began leveraging student data in order to develop action plans that meet the unique needs of their respective school communities. There are nearly 100 specialists in every section of the district who are dedicated to the building of community relationships. They develop and manage partnerships with local service providers and connect students to needed services. Over the next several years each campus will welcome its own specialist to support students with non-academic needs.

**Strategy and Innovation**

The Division of Strategy and Innovation was established in June 2018 and leverages resources, families, and communities to support innovative practices that increase equity in educational outcomes. These practices ensure that all HISD students exit high school as prepared Global Graduates. Six departments are housed within the division, each supporting key district projects and initiatives. They are College Readiness, Career Readiness, Equity and Outreach, Innovation and Postsecondary Programming, School Choice, and Counseling and Compliance.

**Dual Language programs**

HISD started some of the first dual-language programs in the state more than 20 years ago. Currently, HISD leads the state of Texas with 48 dual-language programs and well-developed policies for bilingualism and biliteracy that consist of Spanish two-way and one-way dual language. In addition, the district has Mandarin, Arabic, and French immersion programs.

**International Baccalaureate programs**

Another global program available in HISD schools is the International Baccalaureate, a challenging educational program for students ages 3 to 19 that helps 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 the International Baccalaureate is 22 elementary schools, 14 middle schools, and six high schools.

### **Teach Forward Houston**

For the fourth year, HISD and the University of Houston joined forces to offer a teacher-preparation program with the goal of bringing HISD's brightest students back into the classroom to teach after graduation, and the first cohort will be graduating in May 2020. Through the Teach Forward Houston fellowship program, 88 students are pursuing their degree in education. In exchange for a commitment to teach for four years in HISD, the district supplements their financial aid and scholarship packages to ensure that 100 percent of their tuition is paid over all four years. It guarantees that in the future, many HISD elementary and middle school classrooms will be staffed with talented, highly effective teachers who are driven by personal experience to make a positive impact on HISD students.

### **BOND CONSTRUCTION**

Nearly seven years after Houston voters approved a \$1.89 billion bond to replace and repair 40 schools across the district, including 29 high schools, the 2012 Bond Program is coming to a close. School construction across the district stands at 85 percent complete, with the last four 2012 Bond schools making steady progress.

The 2018-2019 school year began with the opening of the new academic wing at Lamar High School. The renovations to the existing building, which will preserve the historically significant architecture, are set to be completed by the fall.

Northside High School also opened a new fine arts building and renovated spaces at the start of the school year. The school's new culinary arts wing opened during the summer break. Ancillary spaces and the exterior courtyard near the main entrance remain under construction.

With the ongoing work continuing at Northside and Lamar, only four schools remain under active construction as part of their original scope of work. This includes Northside, Lamar, Austin and Bellaire high schools. Realignment projects for Waltrip and Wisdom high schools and Pilgrim Academy were completed in time for the start of the 2019-2020 school year. These are new, board-approved projects that were not part of the original scope of work but are funded by surplus bond funds. Realignment projects continue at Milby, Northside, Washington, Westbury, and Yates high schools.

More than 85 percent of all school construction is now complete, and that figure is expected to reach 90 percent by the end of the year, as work wraps up at Northside and Lamar. Once all 2012 Bond projects are done, HISD will boast of one of the most modern portfolios of urban high schools in the country.



Grenita Lathan, Ph.D.  
Interim Superintendent of Schools



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