



2014-2015 Recommended Budget

June 19, 2014

HOUSTON INDEPENDENT SCHOOL DISTRICT

Becoming #GreatAllOver

OUR VISION

DRIVERS TO ACHIEVE OUR VISION

CULTURE OF EXCELLENCE



ENGAGED
STAKEHOLDERS



RIGOR AND
ACCOUNTABILITY



21ST CENTURY
LEARNING

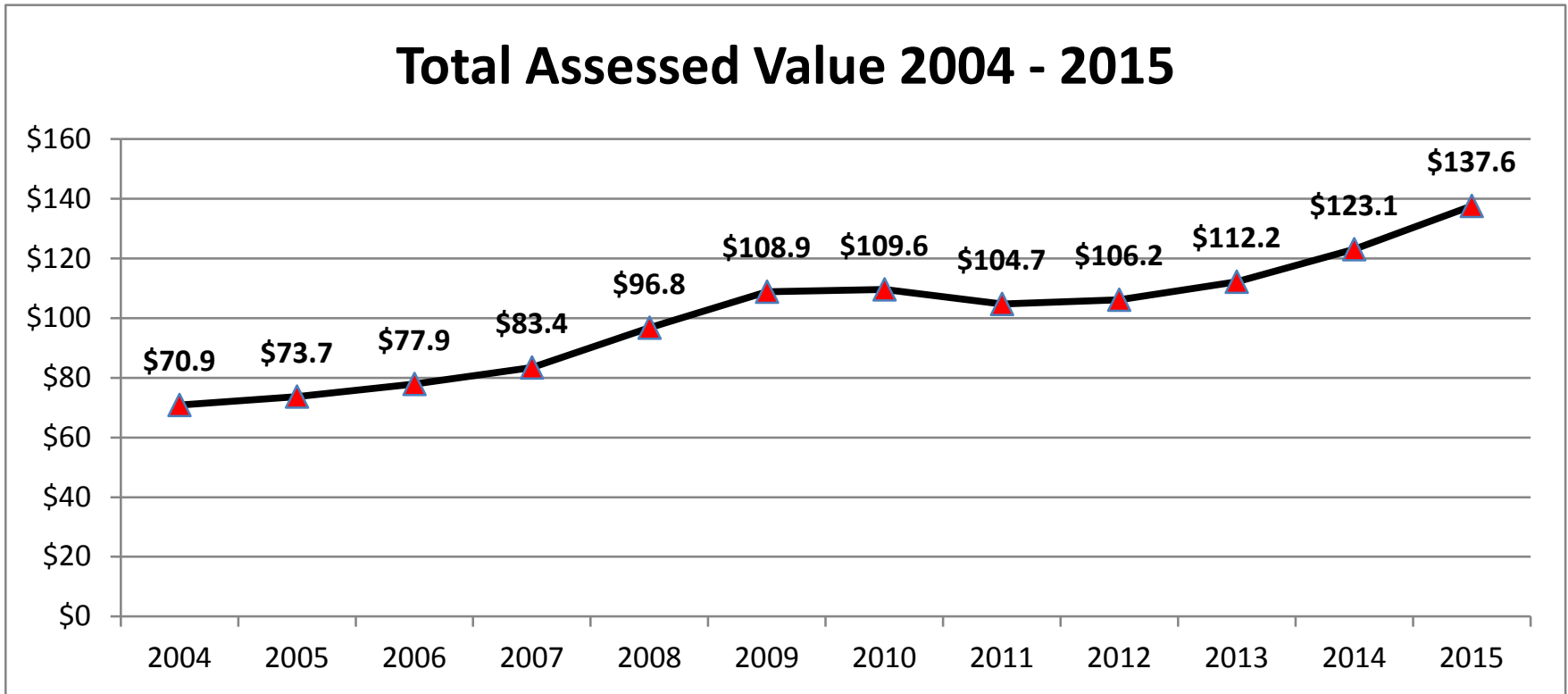
DIGITAL TRANSFORMATION

Revenue Assumptions

- Local Roll \$137.62 B (14.89% increase from prior year original budget)
- Enrollment 210,716
- Average Daily Attendance 190,349.461
- Comptroller's Property Tax Value (CPTD) \$126.48 B
- Local Tax Rate proposed increase to \$1.1967 total

LOCAL TAXES

Local Tax Roll

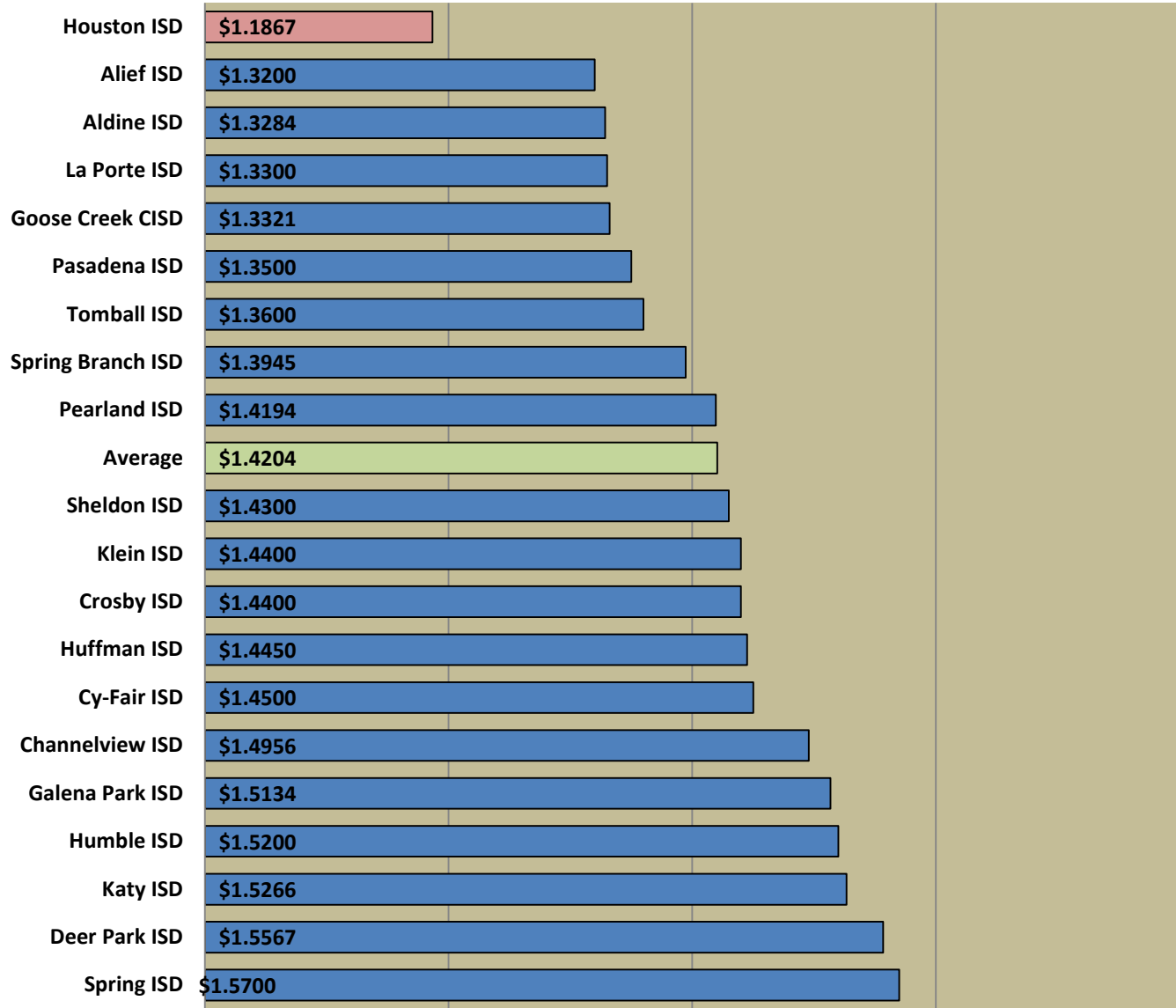


Note: 2004-2014 are HCAD Certified, 2015 is HCAD Certified Estimated

Total Tax Rate (M&O and I&S)

M&O Tax Rates	Maintenance & Operations	Debt Service	Total
2007-2008 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2008-2009 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2009-2010 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2010-2011 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2011-2012 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2012-2013 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2013-2014 Tax Rate	\$1.0267	\$0.1600	\$1.1867
2014-2015 Tax Rate	\$1.0267	\$0.1700	\$1.1967

FY 2014 Adopted Harris County District Tax Rates (2013 Tax Year)



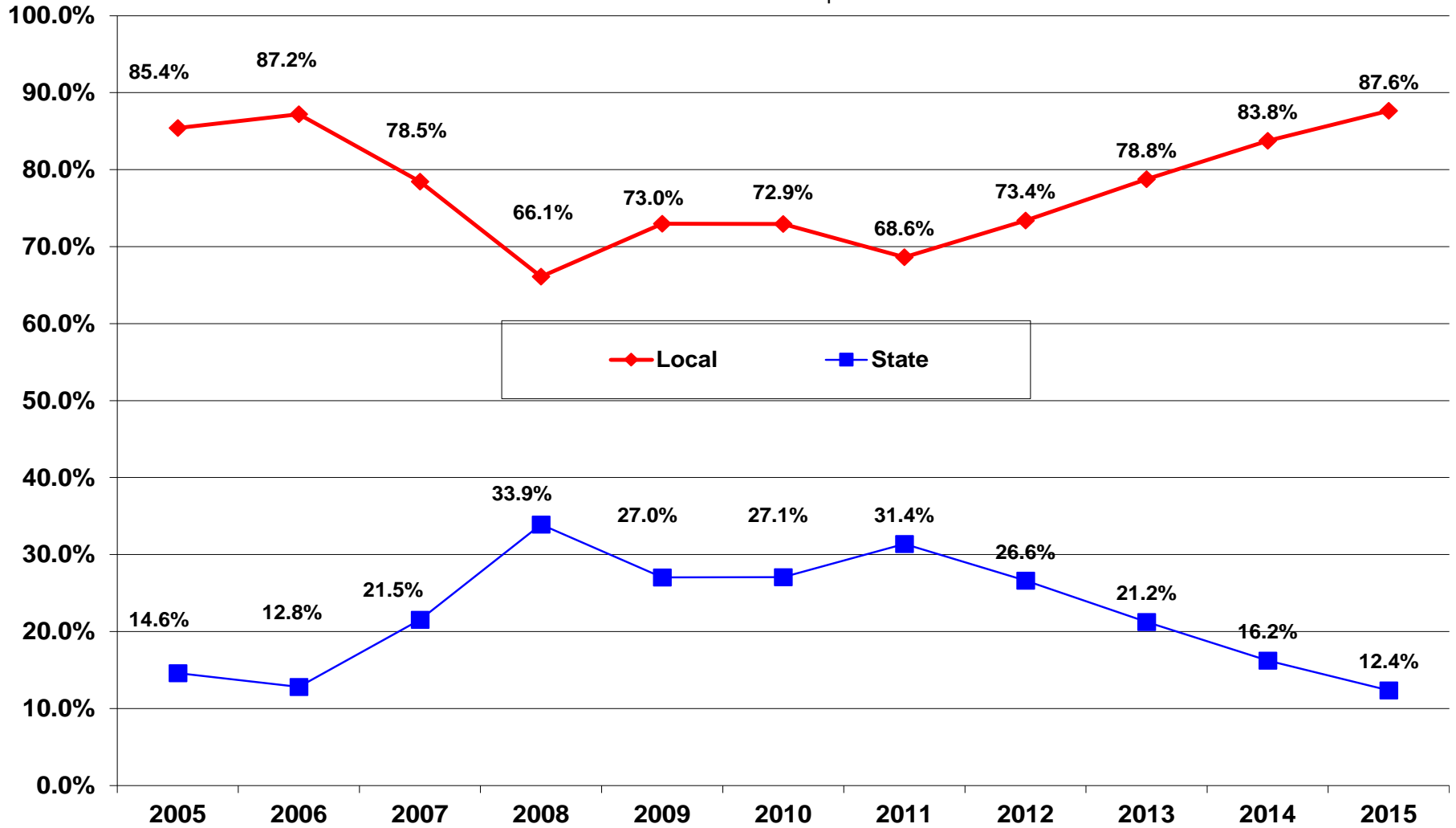
HARRIS COUNTY DISTRICTS WITH OPTIONAL HOMESTEAD EXEMPTIONS

Jurisdiction / Taxing Unit	Homestead Percent
CYPRESS-FAIRBANKS ISD	20%
DEER PARK ISD	20%
GALENA PARK ISD	20%
HOUSTON ISD	20%
LA PORTE ISD	20%
SHELDON ISD	20%
SPRING BRANCH ISD	20%
STAFFORD MSD	20%
GOOSE CREEK ISD	10%
PASADENA ISD	10%
CLEAR CREEK ISD	5%

STATE FUNDING

Local Taxes vs. State Formula Funding

Local Revenue vs State Revenue with Proposed Increase



Note: 2005-2013 Are Actual Revenues; 2013-2014 and 2014-2015 are Projected Revenues

GENERAL FUND REVENUE

General Fund Revenues

		2013-2014 Original Budget	2014-2015 Original Budget
00-5612	TRANSFERS FROM OTHER FUNDS	38,260,550	30,400,000
00-5711	TAXES, CURRENT YEAR	1,172,124,594	1,345,848,984
00-5712	TAXES, DELINQUENT PRIOR YEARS	15,000,000	15,000,000
00-5719	TAXES, PENALTY AND INTEREST	15,500,000	15,500,000
00-5720	REVENUE IN LIEU OF TAXES	1,700,000	1,700,000
00-5733	TUITION, SUMMER	43,150	43,150
00-5739	TUITION, REGULAR DAY	808,209	808,209
00-5742	INTEREST EARNINGS	1,315,000	1,315,000
00-5746	RENTAL OF FACILITIES	1,452,290	1,452,290
00-5749	MISCELLANEOUS REVENUES	3,400,000	3,400,000
00-5769	REVENUE OTHER GOVERNMENTS	2,300,000	2,300,000
00-5812	FOUNDATION SCHOOL PROGRAM	189,989,011	120,623,661
00-5811	PER CAPITA STATE REVENUES	51,236,251	71,381,048
00-5829	OTHER STATE REVENUES	288,514	288,514
00-5831	TRS ON BEHALF OF	63,600,000	65,600,000
00-5929	FED REVENUE THROUGH TEA	3,490,867	3,490,867
00-5939	FED REVENUE OTHER AGENCIES	1,261	1,261
00-5943	ARMY SALARY REVENUE	1,777,752	1,777,752
00-5944	AIR FORCE REVENUE	60,804	60,804
00-5945	NAVY SALARY REVENUE	243,924	243,924
00-5949	DIRECT FEDERAL REVENUE	177,625	177,625
	GRAND TOTAL	1,562,769,802	1,681,413,089

GENERAL FUND APPROPRIATIONS

2014-2015 Financial Analysis – General Fund

REVENUES	\$ 1,681,413,089
CARRYOVER APPROPRIATIONS NET OF FALLOUT	1,585,708,751
TOTAL INCREASES	140,612,554
TOTAL DECREASES	(44,908,216)
TOTAL APPROPRIATIONS NET OF FALLOUT	<u>1,681,413,089</u>
EXCESS FUNDS TO BE APPROPRIATED	<u><u>\$ -</u></u>

2014-2015 General Fund – Appropriations

INCREASES TO APPROPRIATIONS:

Salary Proposals

Teacher Salaries (\$131 to PUA)	30,000,000
Master Schedule and Hourly Employees	11,091,175
Total Salary Increases	<u>41,091,175</u>

Increases / Decreases with Offsetting Revenue

North Forest Annexation (net of transfer out to debt service)	46,632,983
TRS contribution	12,858,106
Capital outlay program (reflected in reduction of transfers out)	5,052,100
TIRZ	3,157,717

TOTAL INCREASES WITH OFFSETTING REVENUE

67,700,906

MANDATORY INCREASES

HCAD	1,845,759
Naviance contract	175,000
Student Assessment - testing and scoring contracts and materials	150,000
	<u>2,170,759</u>

2014-2015 General Fund – Appropriations (cont.)

Other Increases:	
Microsoft software licensing	2,200,000
Business Warehouse	1,500,000
Guided Reading	1,300,000
Curriculum Department Contracts	1,286,988
Middle Colleges	756,000
Homefield Advantage Transportation	732,462
Technology Power Up Support	657,200
New Linked Learning Department	623,071
PEIMS Certify Solution	378,000
Curriculum Department Re-organization	308,530
Texas Success Initiative	302,448
Human Resource Departmental Reorganization	300,000
AP/IB Testing	300,000
TOTAL OTHER INCREASES	<u>10,644,699</u>
TOTAL INCREASES	<u>121,607,539</u>
DECREASES TO APPROPRIATIONS	
Transfers out (.03 pennies and contractual obligations)	(37,868,169)
ASPIRE (to PUA)	(6,000,000)
PRAT Review	(1,040,047)
TOTAL DECREASES	<u>(44,908,216)</u>
ONE-TIME FUNDING	
PUA (\$55 to PUA)	12,638,504
SAP Upgrade	4,416,511
Digitizing Employment and Payroll Records	1,000,000
Emergency Preparedness Manuals	950,000
TOTAL ONE-TIME FUNDING	<u>19,005,015</u>
APPROPRIATIONS (incl expected fallout)	<u>1,741,413,089</u>
BUDGET SURPLUS/(DEFICIT)	<u>-</u>

School Resources

Weighted Student Allocations

	2013-2014	Total	2013-2014 Salary Adjustment	Proposed PUA Adjustment	2014-2015 Total
Elementary Schools	\$3,378		\$35	\$55	\$3,468
Middle Schools	\$3,403		\$35	\$55	\$3,493
High Schools	\$3,367		\$35	\$55	\$3,457

Title Funds 2014-2015

Title I Regular Funding	Tier I Schools	\$	300	per student
	Tier II Schools	\$	269	per student
Title III, Part A	All Schools	\$	35	per student

FEDERAL FUNDS

2014-2015 Local, State & Federal Grants

	2013-2014 Budget	2014-2015 Budget	2014-2015 % Change
<u>Local sources</u>			
MISC PROJECT GRANTS	368,000	368,000	0.00%
Total Local Sources	<u>368,000</u>	<u>368,000</u>	<u>0.00%</u>
<u>State Sources</u>			
INSTRUCTIONAL MATERIALS ALLOTMENT	22,000,000	16,610,011	-24.50%
ONLINE COLLEGE AND CAREER PREP TECH	133,036		-100.00%
DATE GRANT	4,237,275		-100.00%
MISC STATE GRANTS	<u>2,354,908</u>	<u>1,121,812</u>	<u>-52.36%</u>
Total State Sources	<u>28,725,219</u>	<u>17,731,823</u>	<u>-38.27%</u>
<u>Federal Sources</u>			
TITLE I - PART A	106,619,360	93,319,596	-12.47%
TITLE I - MIGRANT	570,668	461,000	-19.22%
TITLE II - PART A	13,190,083	11,618,484	-11.92%
TITLE III - PART A - LEP	7,212,184	5,876,933	-18.51%
TITLE III - IMMIGRANT		1,556,222	100.00%
SPECIAL ED	30,192,319	31,934,229	5.77%
SPECIAL ED-PRESCHOOL	442,639	414,172	-6.43%
CARL PERKINS	2,730,773	2,881,163	5.51%
E-RATE	16,331,682	19,681,223	20.51%
21ST CENTURY	2,305,914	4,951,353	114.72%
USDE MAGNET GRANT	3,296,062	3,998,963	21.33%
TTIPS	685,856		-100.00%
TEACHER INCENTIVE	6,807,157	3,927,177	-42.31%
RACE TO THE TOP		6,653,261	100.00%
MISC FEDERAL GRANTS	<u>3,752,909</u>	<u>3,758,859</u>	<u>0.16%</u>
Total Federal Sources	<u>194,137,606</u>	<u>191,032,635</u>	<u>-1.60%</u>
TOTAL REVENUES	<u><u>223,230,825</u></u>	<u><u>209,132,458</u></u>	<u><u>-6.32%</u></u>

Note: Fiscal year 2013-2014 only includes those grants that the district received NOGA's or pre-award notifications as of June 1, 2013. The budget will be adjusted throughout 2014-2015 as grant awards are received.

Title I, Part A

Recommended Budget for 2014-2015

Sources of Funding

Planning Entitlement	\$93,319,596
Carryover Funds	\$14,734,673
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	\$108,054,269

Planning Budget

Use of Funds:

Grant Required

Supplemental Educational Service Providers/Intervention Funds	\$18,663,919
Professional Development	\$9,331,959
Indirect Costs	\$3,275,388
Parent Engagement	\$971,137
Private School	\$810,863
Homeless Allocation	\$214,880
Highly Qualified	\$113,381
Institutions for Neglected Children	\$7,514
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	\$33,389,041

Title I, Part A District Initiatives

Campus Allocations	\$48,639,154
Pre-K Programs	\$22,048,433
Districtwide (PowerUp , See to Succeed, Dental)	\$1,800,000
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	\$72,487,587

Other Expenses

General Administration	\$2,177,641
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	\$2,177,641

Total Title I, Part A Funding

\$108,054,269

Required distributions under federal law

Title II, Part A (Professional Development)

Recommended Budget for 2014-2015

Sources of Funding

Planning Entitlement	\$11,618,484
Carryover Funds	\$2,000,000
	<u>\$13,618,484</u>

Planning Budget

Use of Funds:

Amount Required

Private School	\$488,881
Indirect Costs	\$324,329
Highly Qualified	\$115,000
	<u>\$928,210</u>

District Initiatives

Professional Development	\$9,794,209
Sign-On Bonuses	\$740,000
Teach for America	\$600,000
Teacher Recruitment & Selection (Human Capital)	\$1,292,614
	<u>\$12,426,823</u>

Other Expenses

General Administration	\$263,451
	<u>\$263,451</u>

Total Title II, Part A Funding

\$13,618,484

Title III, Part A – Limited English Proficiency (LEP)

	Recommended Budget 2014-2015
Sources of Funding	
Planning Entitlement	\$5,876,933
Carryover Funds	\$1,200,000
	<hr/> \$7,076,933
Planning Budget	
Use of Funds:	
Grant Required	
Private Nonprofit	\$32,695
	\$32,695
District Initiatives	
Campus Allocations	\$1,950,480
Bilingual Instructional Programming	\$780,912
ESL Instructional Programming	\$390,450
Dropout Prevention/ELL Graduation Support	\$160,000
	<hr/> \$3,281,842
Other Expenses	
General Administration	\$117,539
Staffing-Multilingual Programs	\$1,849,402
Staffing-Other Departments	\$1,795,455
	<hr/> \$3,762,396
Total Title III-LEP Funding	<hr/> \$7,076,933

Required distributions under federal law

OTHER FUNDS

Total Budgets for Other Governmental Funds

Fund	2014	2015	% Change
	Adopted Budget	Recommended Budget	
Debt Service	\$ 263,204,040	\$ 278,160,227	5.68%
Special Revenue	223,230,825	209,132,458	-6.32%
Capital Projects	114,087,694	162,646,844	42.56%
Total Expenditures	<u>\$ 600,522,559</u>	<u>\$ 649,939,529</u>	8.23%

Total Budgets for Internal Service Funds

Fund	2014 Adopted Budget	2015 Recommended Budget	% Change
Health Insurance Fund	\$ 110,929,000	\$ 121,743,878	9.75%
Workers' Compensation Fund	11,389,032	12,577,942	10.44%
Athletic Fund	5,884,668	6,262,254	6.42%
Special Education Shared Services	6,950,491	7,211,374	3.75%
Alternative Certification Fund	1,566,940	1,125,903	-28.15%
Print Shop Fund	4,819,816	4,389,883	-8.92%
UIL	937,519	942,271	0.51%
Virtual Schools	40,338	45,000	11.56%
Total Internal Service	\$ 142,517,804	\$ 154,298,505	8.27%

Total Budgets for Enterprise Funds

Fund	2014	2015	% Change
	Adopted Budget	Recommended Budget	
Medicaid	\$ 41,429,489	\$ 35,801,583	-13.58%
Food Services	113,327,508	116,356,388	2.67%
Business Development	5,175,882	5,166,948	-0.17%
Total Enterprise Funds	\$ 159,932,879	\$ 157,324,919	-1.63%

Budget implications beyond 2015

- **Legislative year –**
 - Funding
 - Chapter 41 Equalized Wealth Level 1
- **District contribution of 1.5% to Teachers Retirement System**
- **Cost of Federal Health Care Proposal**
- **Operational Fixed Cost Increases**
- **Future Salary Increases**
- **Academic Programs**