

The Houston Independent School District

1999-2000 District Budget Presentation



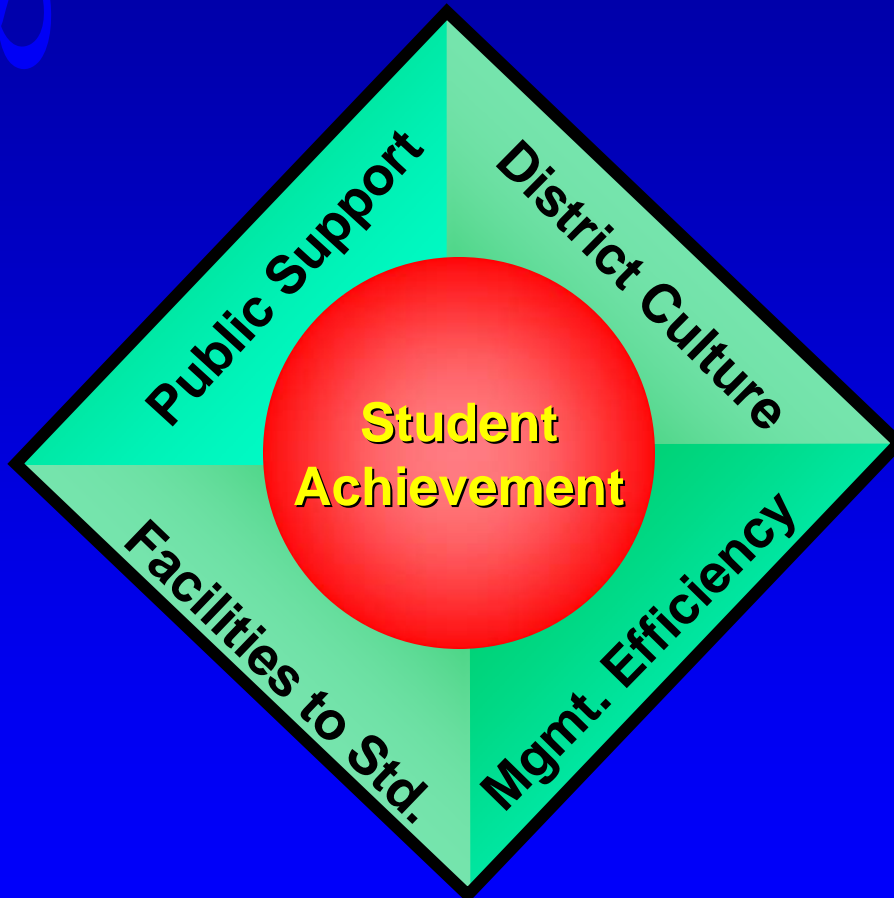
*Creating America's
Premier
Urban School District*

prepared by
The Office of Budgeting and Financial Planning

2000 Budget

1999-2000 Budget Report

District Goals and Core Values



Core Values

Safety Above All Else

Student Learning is the Main Thing

Focus on Results and Excellence

Parents as Partners

Common Decency

1999-2000 Budget Report

Budget Development Process



2000 Budget

1999-2000 Budget Report

Overview of Texas School Finance

School Finance is Complex

Large Number of Influential Participants

Governor

Legislature

Comptroller

TEA

Appraisal District

Attorney General

School Board

Superintendent

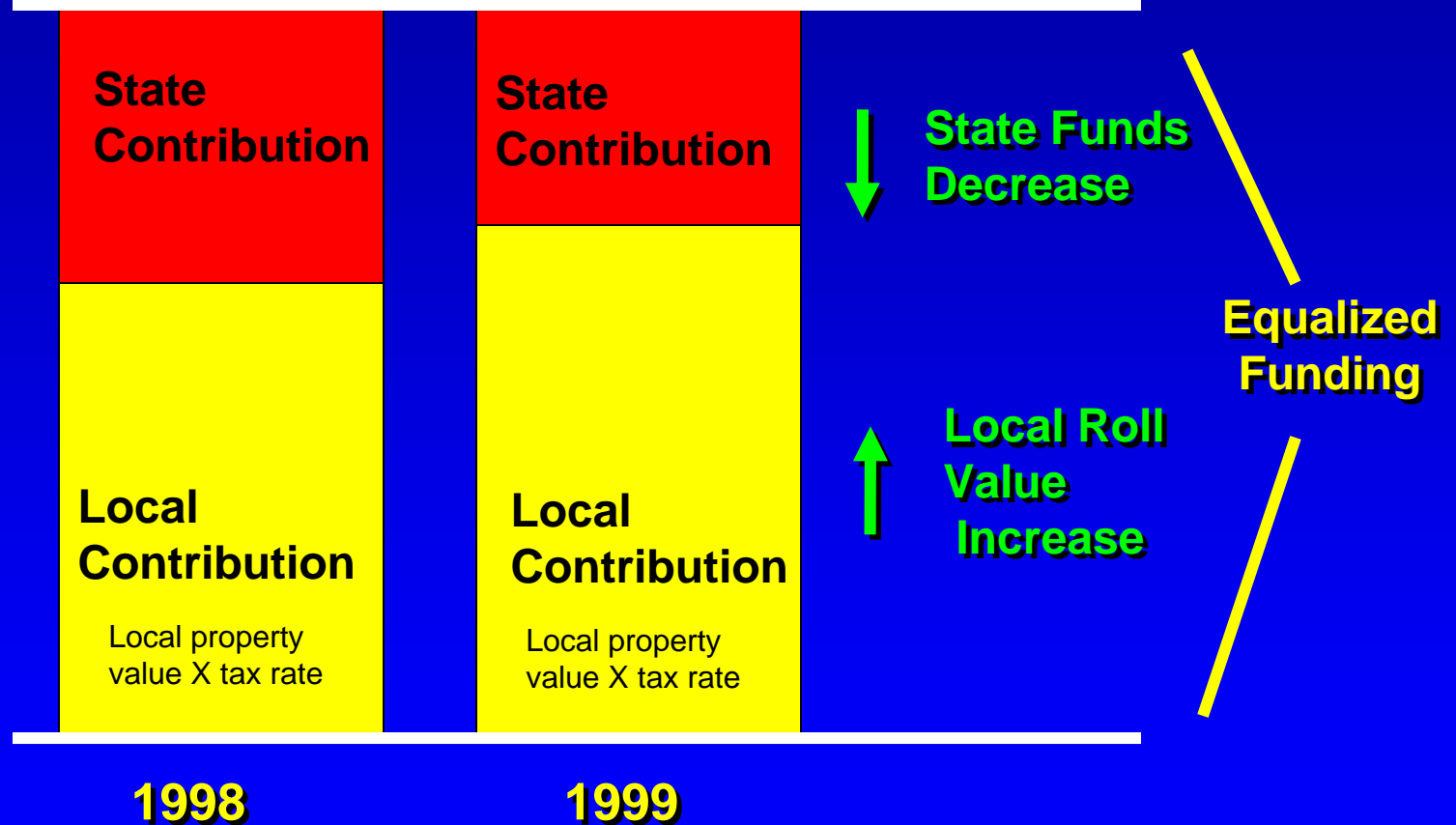
Community

Highly Technical Issues

2000 Budget

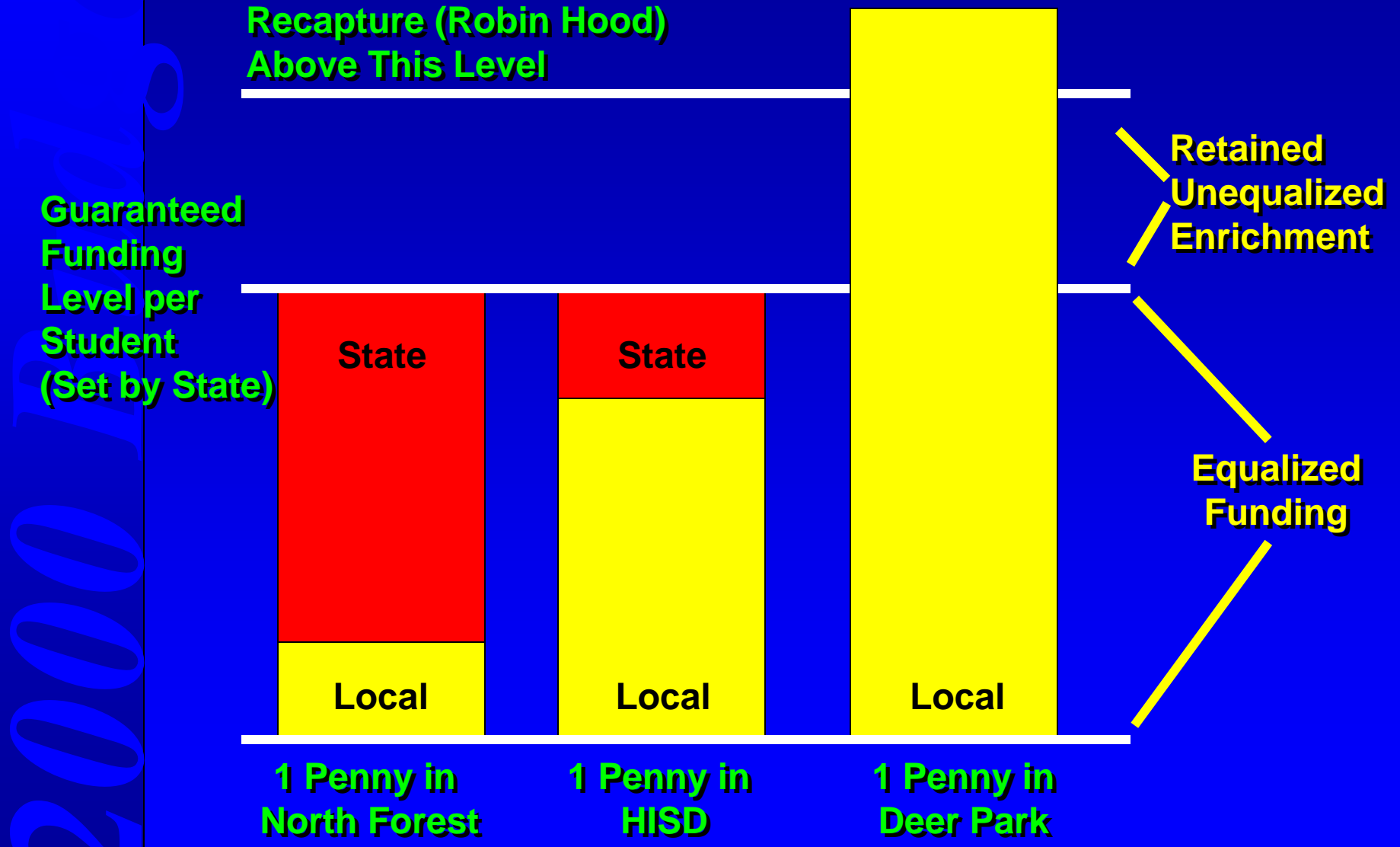
When tax rolls rise, why doesn't school district revenue increase?

State Guaranteed Funding



When local values go up, state dollars go down!

How the Tax Rate Generates Revenue



2000

Difference Between The City of Houston and HISD

City of Houston

$$\text{Roll Value} \times \text{Tax Rate} = \text{Revenue to City}$$

Houston ISD

$$\text{What state calculates the HISD program should cost} \\ \text{minus} \\ (\text{Roll Value} \times \text{Tax Rate}) = \text{Revenue to HISD}$$

The image shows three overlapping state funding calculation sheets from the State of Texas. The sheets contain various financial data, including program codes, revenue figures, and funding sources. The sheets are titled 'SUMMARY OF TOTAL STATISTICAL REVENUE' and 'REVENUE FROM STATE'. The data is organized into tables and sections, with some sections highlighted in yellow. The sheets are stacked, with the top sheet being the most visible.

State funding calculation sheets

Positive Impact of SB 4

\$64.1 m LOSS

If the Legislature had not acted, HISD would have lost \$64 m in state funds.

\$37.4 m GAIN

HISD gained \$37.4 m in state aid over '98-'99, this is \$101.5 m more than the old law would have sent to HISD

\$303.0 m

**1998-99
Old Law**

\$1.459
Current
tax rate

\$238.9 m

**1999-00
Old Law**

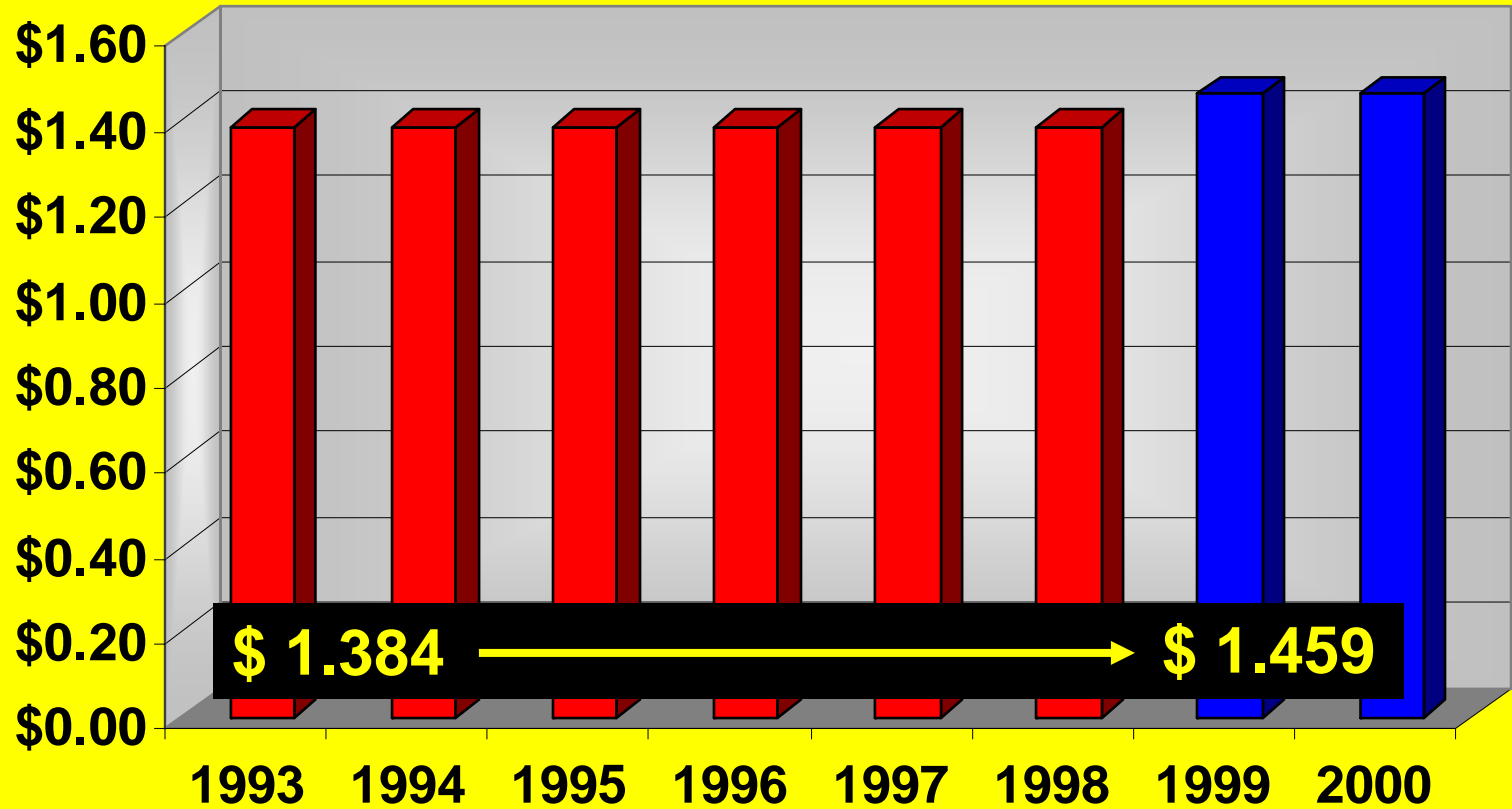
\$340.4 m

**1999-00
SB 4**

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1999-2000 Budget Report

Tax Rate History



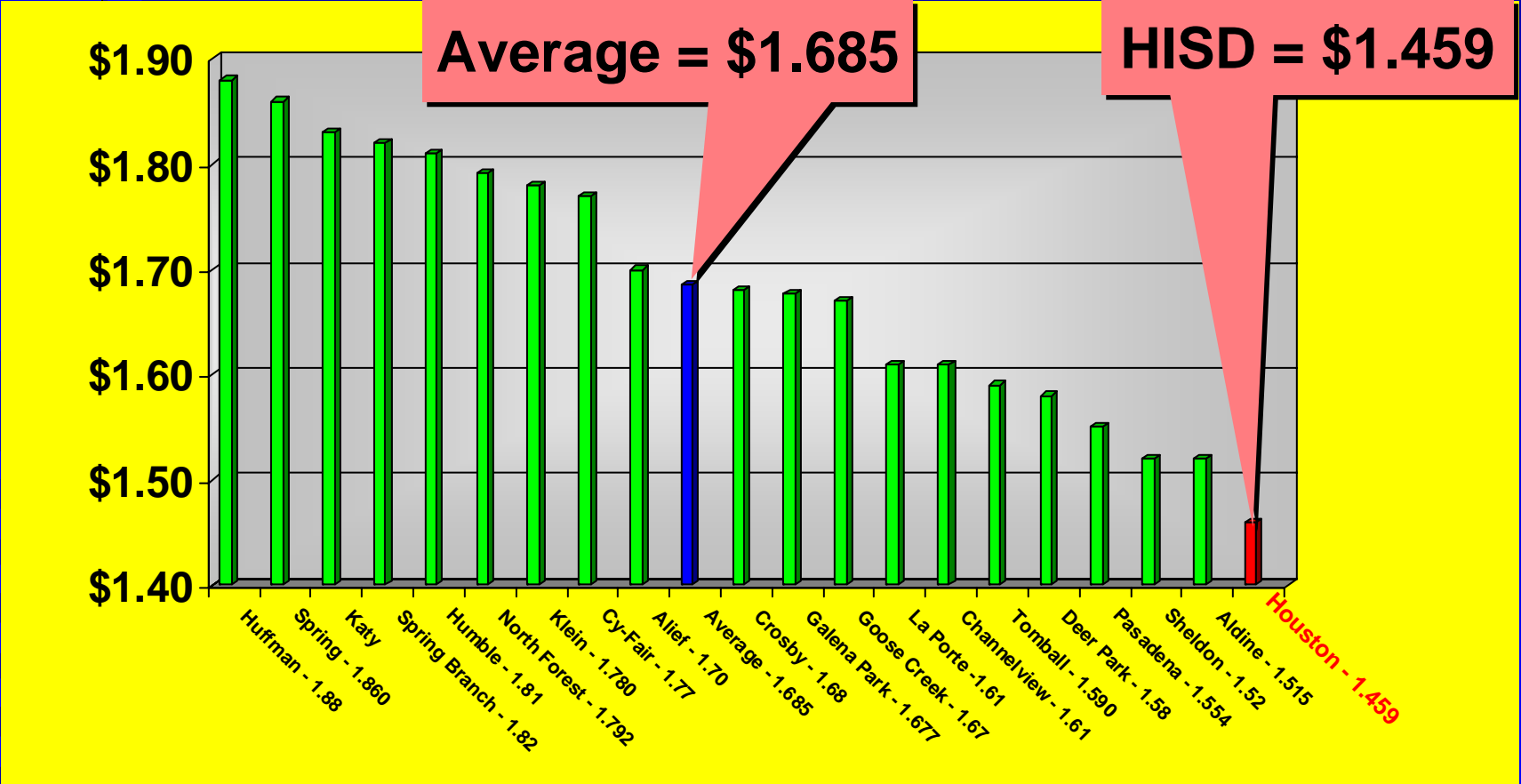
No Tax Increase for 6 Years

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HISD Tax Rate Comparison Chart

HISD Has the Lowest Rate in Harris County



HISD is 22.6¢ Lower Than the Average!

1999-2000 Budget Report

Key Budget Assumptions

■ Tax Roll Value

1999-2000 Tax Roll:	\$53.4 Billion
1998-1999 Tax Roll:	<u>\$49.2 Billion</u>
Increase	\$ 4.2 Billion

■ Average Daily Attendance (ADA)

1999-2000 ADA	187,000
1998-1999 ADA	<u>190,530</u>
Decrease	3,530

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1999-2000 Budget Report

Net Budget Additions

Compensation

Teachers \$3000 + Step	50.4
Raise Ranges	1.1
Non-Instructional Raise	10.0
Hourly Employee Raises	1.0
Reclassification of Employees	2.0
Master Principal Stipend	0.2
Admin. Performance Contracts	2.0
Equity Fixes/Survey Corrections	<u>1.0</u>

67.7 m

15.3 m

16.0 m

\$ 99.0 m

Total 67.7

1999-2000 Budget Report

Net Budget Cuts and Redeployment

Budget Cuts Include:

100 Non-Teaching Positions

Travel Budget Cuts

Central Administration

Reduced TRS Payments

Emergency Maintenance

Attendance Incentives

0.40 m

4.34 m

4.38 m

1.50 m

0.52 m

16.5 m

1.5 m

11.0 m

1.2 m

Total Cuts

\$ 30.2 m

1999-2000 Budget Report

1999 to 2000 Budget Reconciliation

Net Budget Additions	99.0 m
Net Budget Reductions	- <u>30.2 m</u>
Net Effect on Budget	\$ 68.8 m

1999 Adopted Budget	\$ 1,105.7 m
Net Increases	+ <u>68.8 m</u>

2000 Recommended Budget **\$ 1,174.5 m**

1999-2000 Budget Report

Percentage of Increase to Classrooms

2000 Instructional Expenditures	714.5 m
1999 Instructional Expenditures	<u>- 661.8 m</u>
Net Instructional Increase	52.7 m
Total Budget Increase	÷ 68.8 m

Percent of Increase for Instruction = 76.6%

1999-2000 Budget Report

General Fund Expenditures by Object

Object	1999 Adopted Budget	2000 Proposed Budget	% Change
Salaries	\$901,529,737	\$984,623,052	9.22%
Contracted Services	\$104,365,325	\$120,549,595	15.51%
Supplies & Materials	\$55,156,354	\$38,581,988	-30.05%
Other Operating Exp.	\$14,810,378	\$13,275,296	-10.36%
Debt Services	\$587,576	\$597,254	1.65%
Capital Outlay	\$24,646,188	\$13,554,010	-45.01%
Other Uses	\$4,563,571	\$3,286,688	-27.98%
Total Expenditures	\$1,105,659,129	\$1,174,467,883	6.22%

1999-2000 Budget Report

General Fund Expenditures by Object

Contracted Services

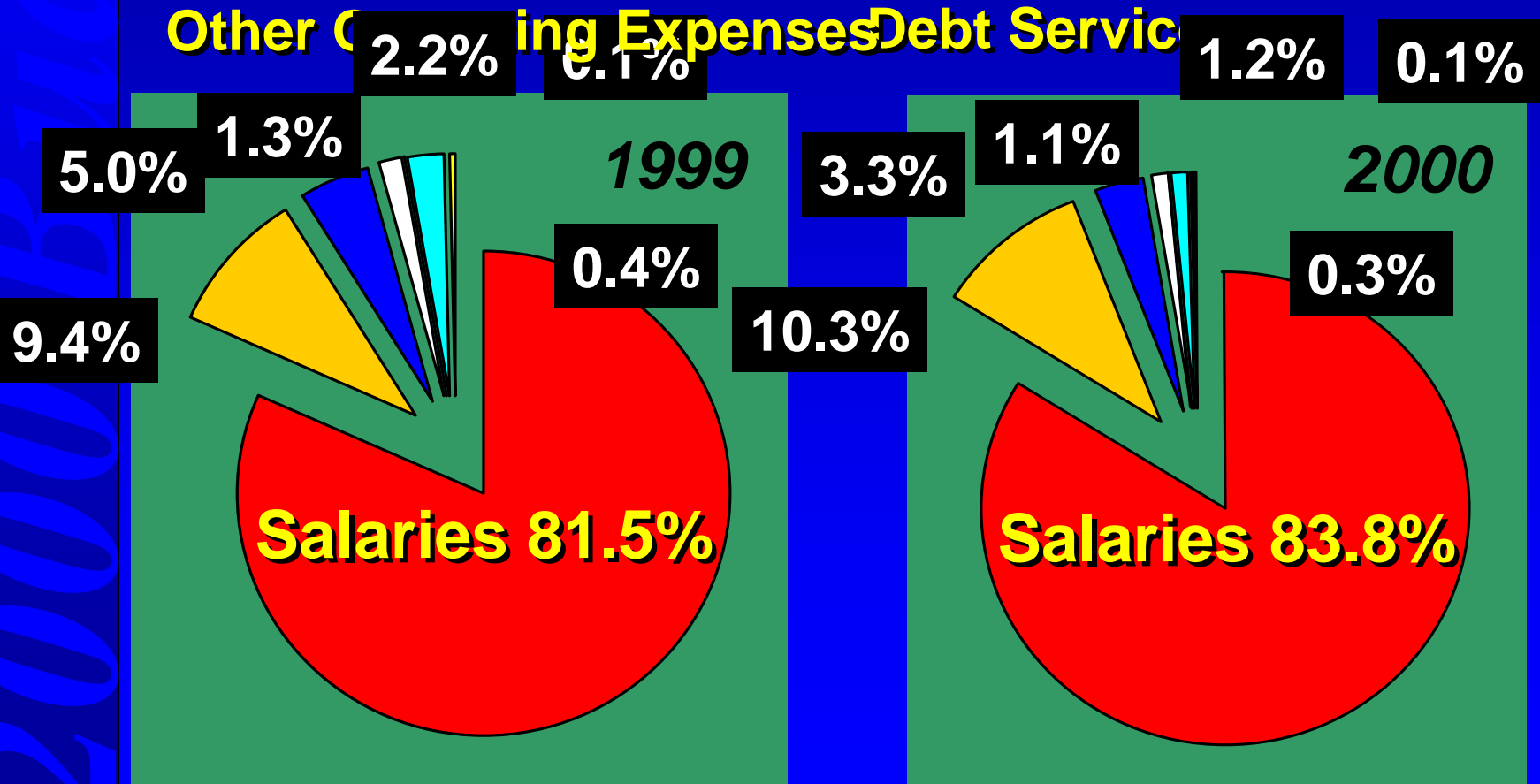
Capital Outlay

Supplies & Materials

Other Uses

Other Contracting Expenses

Debt Service



2000

1999-2000 Budget Report

Proposed Tax Revenue Calculation (in millions)

% Increases

Roll Value	8.66%
Total Collections	8.66%
General Fund	6.58%
Debt Service	29.0%

1999-00 Tax Rates

General Fund	1.332275
Debt Service	0.126725
Total	1.459000

1998-99 Tax Rates

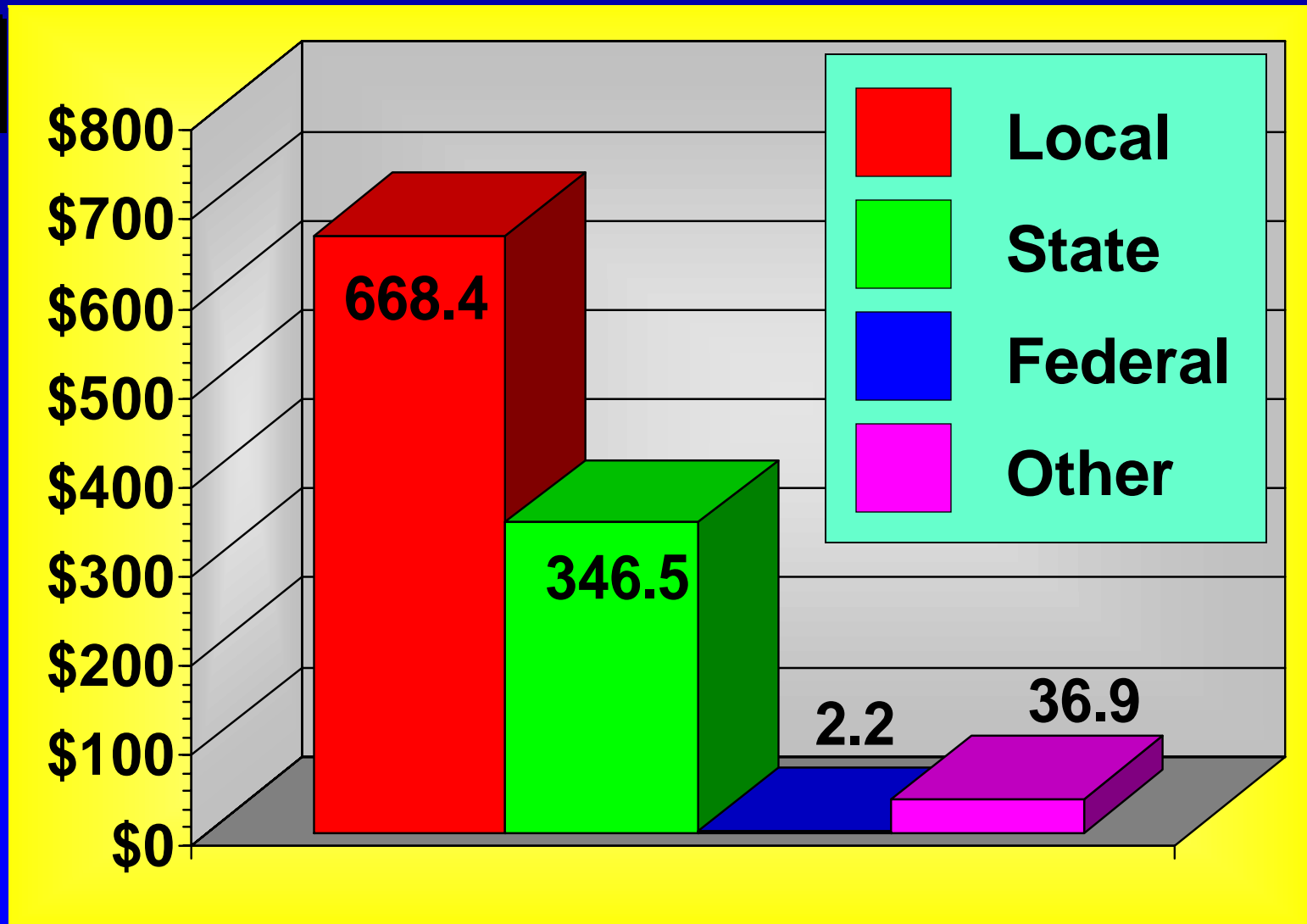
General Fund	1.352275
Debt Service	0.106725
Total	1.459000



1999-2000 Budget Report

General Fund Revenue Sources (in millions)

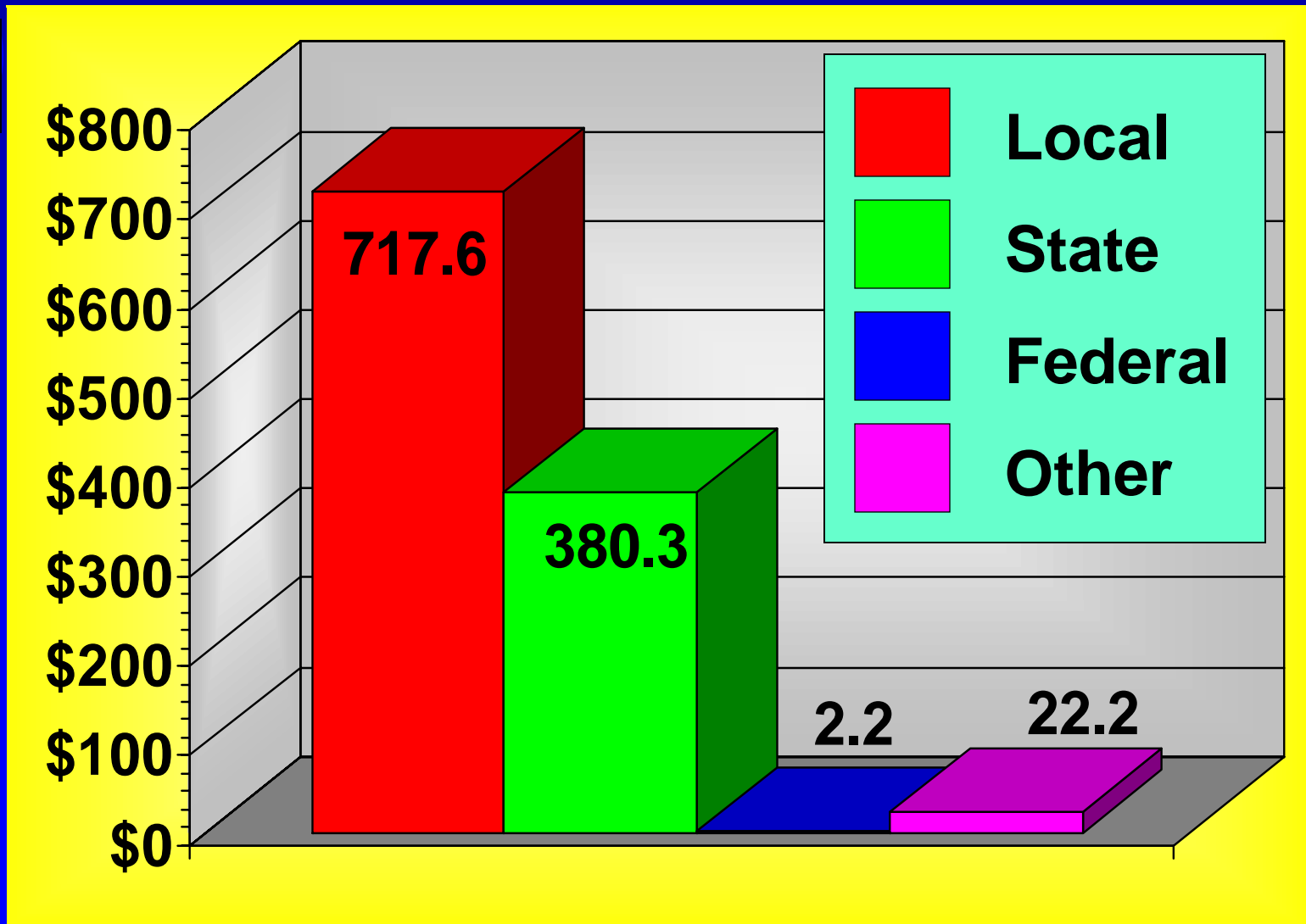
1999



1999-2000 Budget Report

General Fund Revenue Sources (in millions)

2000



1999-2000 Budget Report

Total Budgets for All Funds

Fund	1999 Adopted Budget	2000 Proposed Budget	% Change
General	\$1,105,659,129	\$1,174,467,883	6.22%
Debt Service	\$61,910,934	\$82,905,332	33.91%
Special Revenue	\$81,058,236	\$88,594,999	9.30%
Capital Projects	\$87,047,560	\$234,756,801	169.69%
Food Service	\$71,234,035	\$69,451,001	-2.50%
Total Expenditures	\$1,406,909,894	\$1,650,176,016	17.29%

1999-2000 Budget Report

1999-2000 Budget Summary

Highlights:

- **\$1.174 Billion Budget, up 6.2%**
- **76.6% of Increase for Instruction**
- **No Tax Increase**
- **11.7% Pay Raise for Teachers**
- **\$4.3 Million from Central Administration**
- **\$1.5 Million for Middle School Teachers**
- **\$1.2 Million for Special Education**
- **\$375K to Help Identify Gifted Students**

1999-2000 Budget Report

1999-2000 Budget Summary

“At its most tangible level, a budget is a complex set of policies and financial allocations, so it is easy to lose sight of the vision and commitment underlying it. To the District, fulfilling this vision and commitment means creating the premier urban school district in the nation. This is a lofty goal, perhaps an audacious one, but the community deserves it, the parents deserve it, and especially the children deserve it.”

Rod Paige

The Houston Independent School District

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