

District Budget

June 24, 2010

Recommended

Fiscal Year July 1, 2010 –
June 30, 2011

www.houstonisd.org



Revenue Assumptions

- Local Roll \$104.3 B (4.8% decrease from prior year)
- Enrollment 200,000
- Average Daily Attendance 181,985
- Comptroller's Property Tax Value (CPTD) \$109.246 B
- Local Tax Rate remains the same as 2009-2010 at \$1.1567 total

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

<u>M&O Tax Rates</u>	<u>Maintenance & Operations</u>	<u>Debt Service</u>	<u>Total</u>
2005-2006 Tax Rate	\$1.4500	\$0.1700	\$1.6200
2006-2007 Tax Rate	\$1.3257	\$0.1500	\$1.4757
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

Certified Estimate of Taxable Value

Houston ISD 2010 Certified Estimate of Taxable Value



Major Property Category	Projected 2010 Taxable Value	Percent Change	2009 Taxable Value
Residential & Rural Improved	46,313,460,171	-0.0140	46,971,633,770
Apartments	8,871,847,868	-0.0860	9,706,851,512
Commercial	26,991,572,188	-0.1131	30,432,558,699
Vacant Land	3,719,045,137	-0.0492	3,911,450,696
Industrial	1,931,414,358	-0.0957	2,135,846,080
Utility	1,496,140,487	-0.0101	1,511,377,829
Commercial Personal	9,800,821,320	0.0004	9,797,132,137
Industrial Personal	5,138,642,066	0.0362	4,959,096,916
All Other Property	44,983,712	-0.4041	75,493,082

Projected 2010 Taxable Value	104,307,927,307	-0.0474	109,501,440,721
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Projected 2010 Taxable Value Range

Accuracy +/- 3% (In Billions)	101.179	To	107.437
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2010 Roll Date: April 29, 2010
2009 Roll Date: March 26, 2010

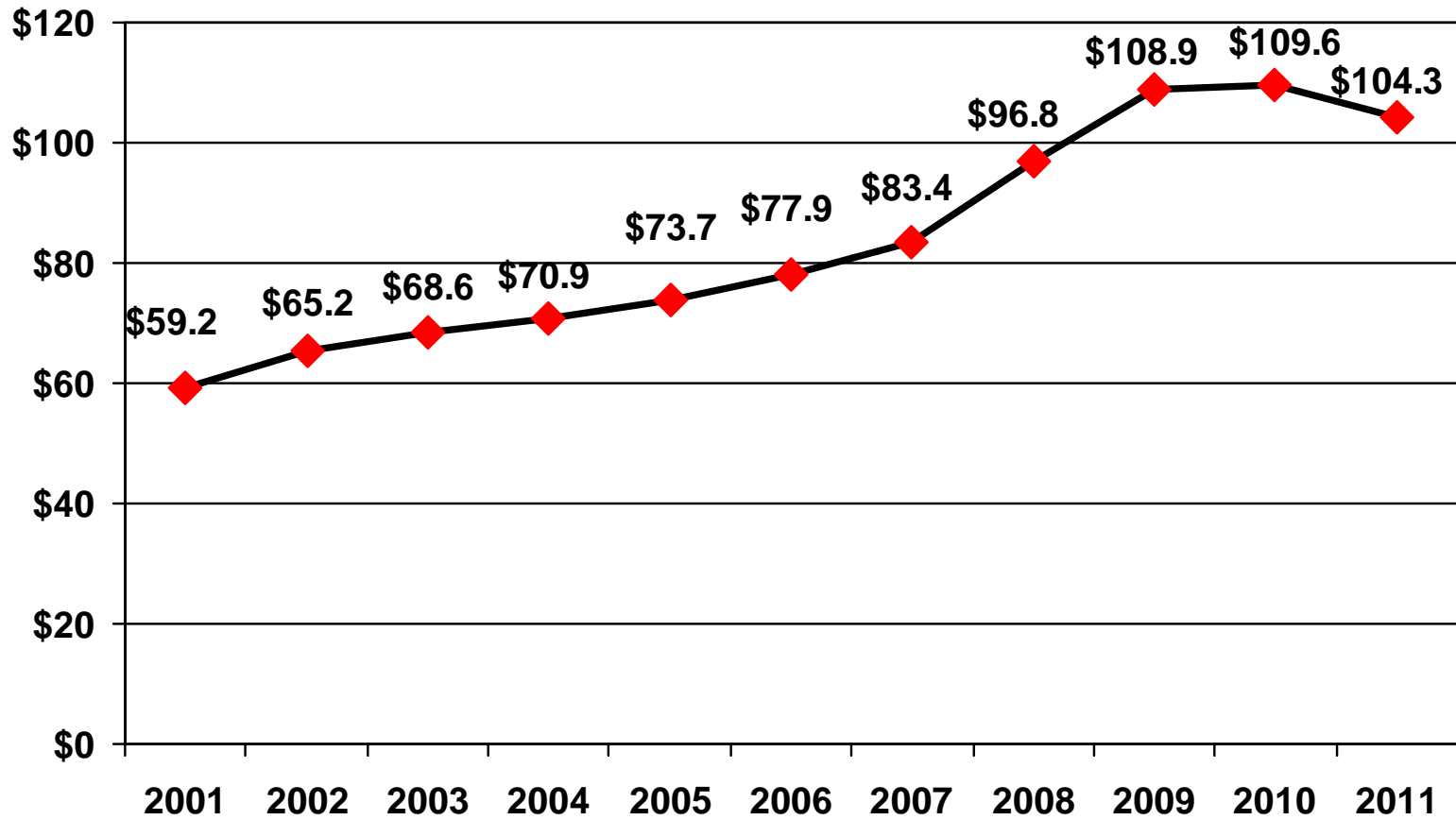
Harris County ISD Tax Rates

Katy	1.526600
Humble	1.520000
Galena Park	1.478400
Huffman	1.470000
Spring	1.460000
Crosby	1.440000
Sheldon	1.430000
Cypress-Fairbanks	1.410000
Spring Branch	1.394500
Deer Park	1.366700
Clear Creek	1.360000
Tomball	1.360000
Klein	1.360000
Pasadena	1.350000
North Forest	1.350000
Alief	1.340000
La Porte	1.325000
Aldine	1.300544
Goose Creek	1.282130
Channelview	1.250760
Houston	1.156700
Average (does not include HISD)	1.388732

Note: 2010-2011 Tax Rates not yet available

Local Tax Roll

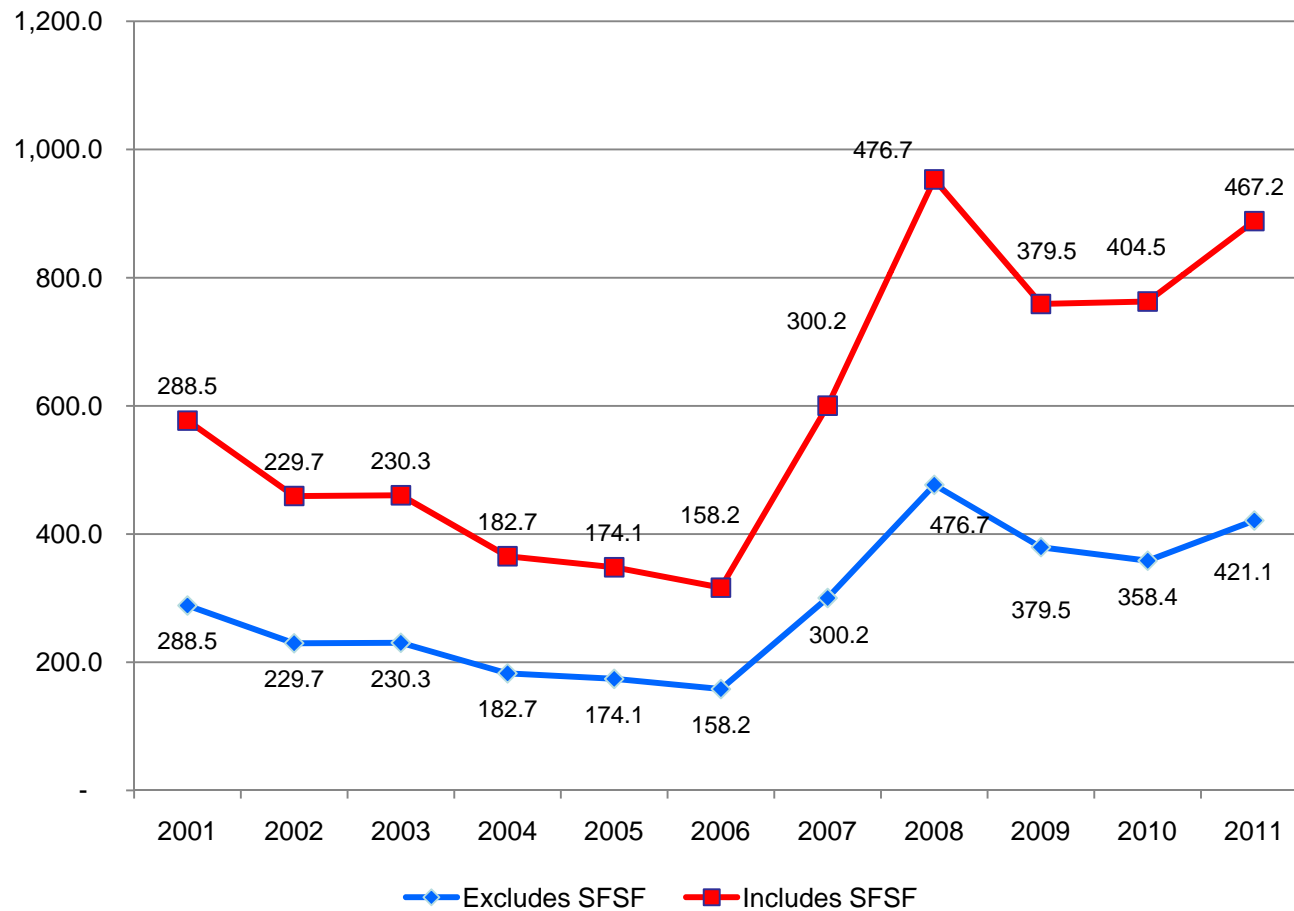
Total Assessed Value 2001 - 2011



Note: 2001-2010 are HCAD Certified, 2011 is HCAD Certified Estimated

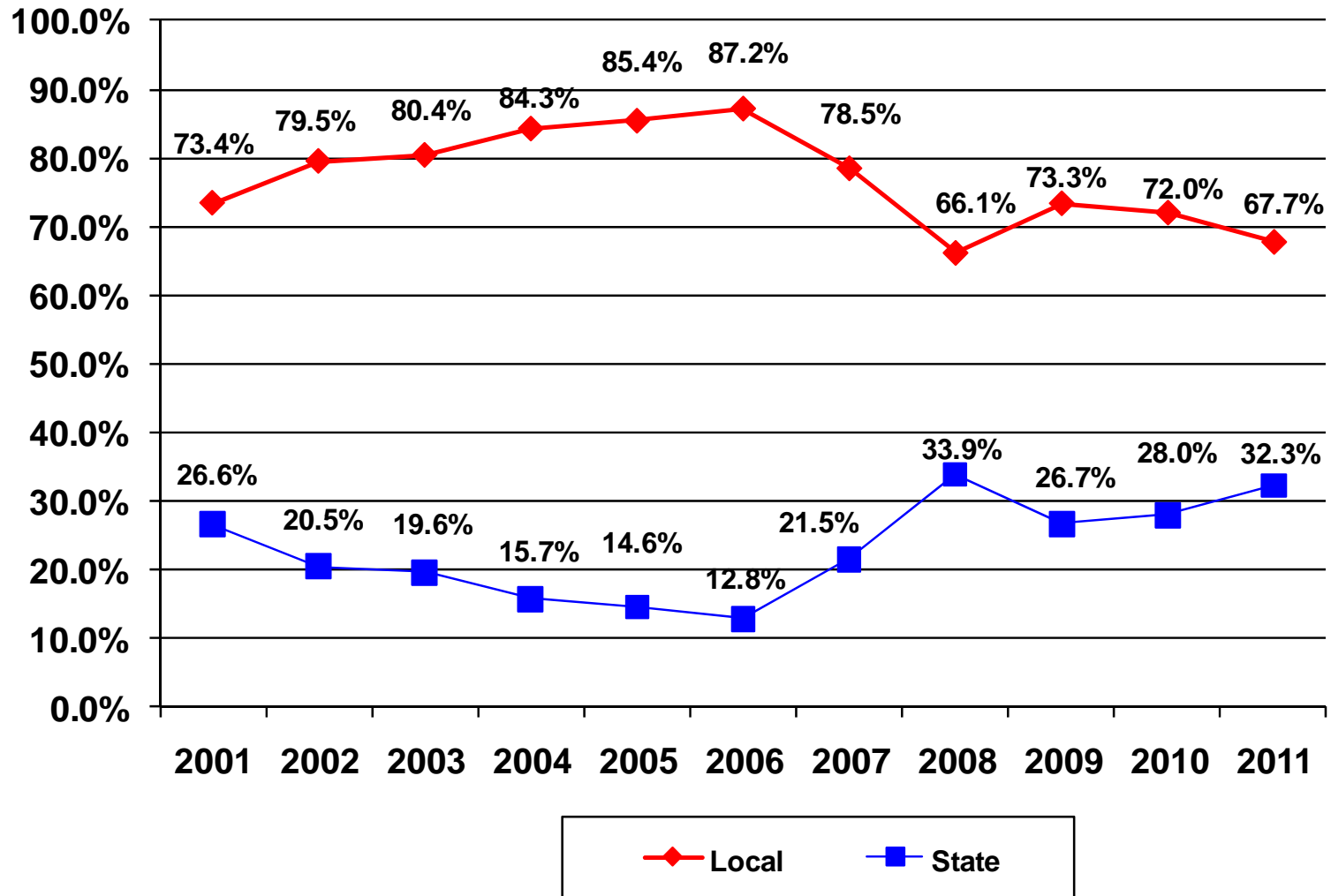
State Revenues (Foundation School Program and Available School Fund)

State Revenues 2001 - 2011



Note: 2001-2009 are actual revenues 2009-2010 & 2010-2011 are projected revenues; 2007 thru 2011 does not include High School Allotment

Local Taxes vs. State Formula Funding



Note: 2001-2009 Are Actual Revenues; 2010-2011 are Projected Revenues

School Resources

Weighted Student Allocations

	2009-2010 Total	2010-2011 Salary Adjustment	2010-2011 Total
Elementary Schools	\$3,390	\$95	\$3,485
Middle Schools	\$3,415	\$95	\$3,510
High Schools	\$3,379	\$95	\$3,474

Title Funds 2010-2011

Title I Regular Funding	Tier I Schools	\$	270 per student
	Tier II Schools	\$	235 per student
Title I Stimulus Funding	Tier I Schools	\$	48 per student
	Tier II Schools	\$	44 per student
Title II, Part A	All Schools	\$	25 per student

Target Revenue Calculation

	REVENUE	WADA	REVENUE PER WADA
2009-2010 (using 2009-2010 revised revenue per WADA)	\$ 1,357,355,453	250,409	\$ 5,421
Target Revenue =	2009-2010 revenue per WADA times 2010-2011 WADA		
	\$ 5,421	251,286	\$ 1,362,109,739

Foundation School Funding

Target Revenue	<u>\$ 1,362,109,739</u>
Formula Calculations:	
Total Cost of Tier I	\$ 1,247,973,997
Less Local Share	\$ (1,056,087,886)
Tier 1 State Aid (Per Capita)	<u>\$ 191,886,111</u>
Taxes at compressed rate	\$ 912,231,035
Total State/Local Revenue Before Hold Harmless	<u>\$ 1,104,117,146</u>
Additional State Aid for Tax Reduction	<u><u>\$ 257,992,593</u></u>

Note: HB3646 combined the Salary, High School, \$110 per WADA, and Rider 86 Allotments into Target Revenue. In prior years these allotments were added to Target Revenue.

General Fund Revenues

Revenue Source	2008-2009	2009-2010	2010-2011
	Final Revenues	Mid-Year Budget	Current Projection
Sale of bonds	\$ 14,855,816	\$ 24,675,000	\$ 14,500,000
Transfers from other funds	13,200,000	19,740,697	20,968,642
Proceeds-leases-other	86,307	75,000	75,000
Taxes, current year	1,019,853,554	1,026,170,682	971,987,868
Taxes, delinquent prior years	16,492,166	13,000,000	8,000,000
Taxes, penalty and interest	17,308,963	18,000,000	16,000,000
Revenue in lieu of taxes	1,874,835	2,264,929	1,800,000
Insurance Recovery	10,815,020	2,739,520	-
Tuition	817,212	775,000	775,000
Interest earnings	9,815,303	2,200,000	3,400,000
Rental of facilities	802,083	750,000	750,000
Miscellaneous revenues	3,164,201	3,000,000	3,000,000
Revenue other governments	1,814,815	3,000,000	3,000,000
Per capita state revenues	46,266,828	19,367,023	15,425,076
Foundation school program	333,204,407	339,012,992	405,739,175
Other state revenues	325,942	300,000	300,000
TRS on behalf of	70,039,599	72,000,000	74,000,000
Federal revenue	9,909,548	8,687,876	8,660,000
Total revenue	\$ 1,570,646,599	\$ 1,555,758,719	\$ 1,548,380,761
Plus State Fiscal Stabilization Fund (SFSF)	-	46,126,307	46,126,307
Total Revenue including SFSF funding	\$ 1,570,646,599	\$ 1,601,885,026	\$ 1,594,507,068

Transformational Changes

- **Reorganization of regional offices, academic services and other departments**
- **Funding Changes**
- **Program Reviews/Audits**

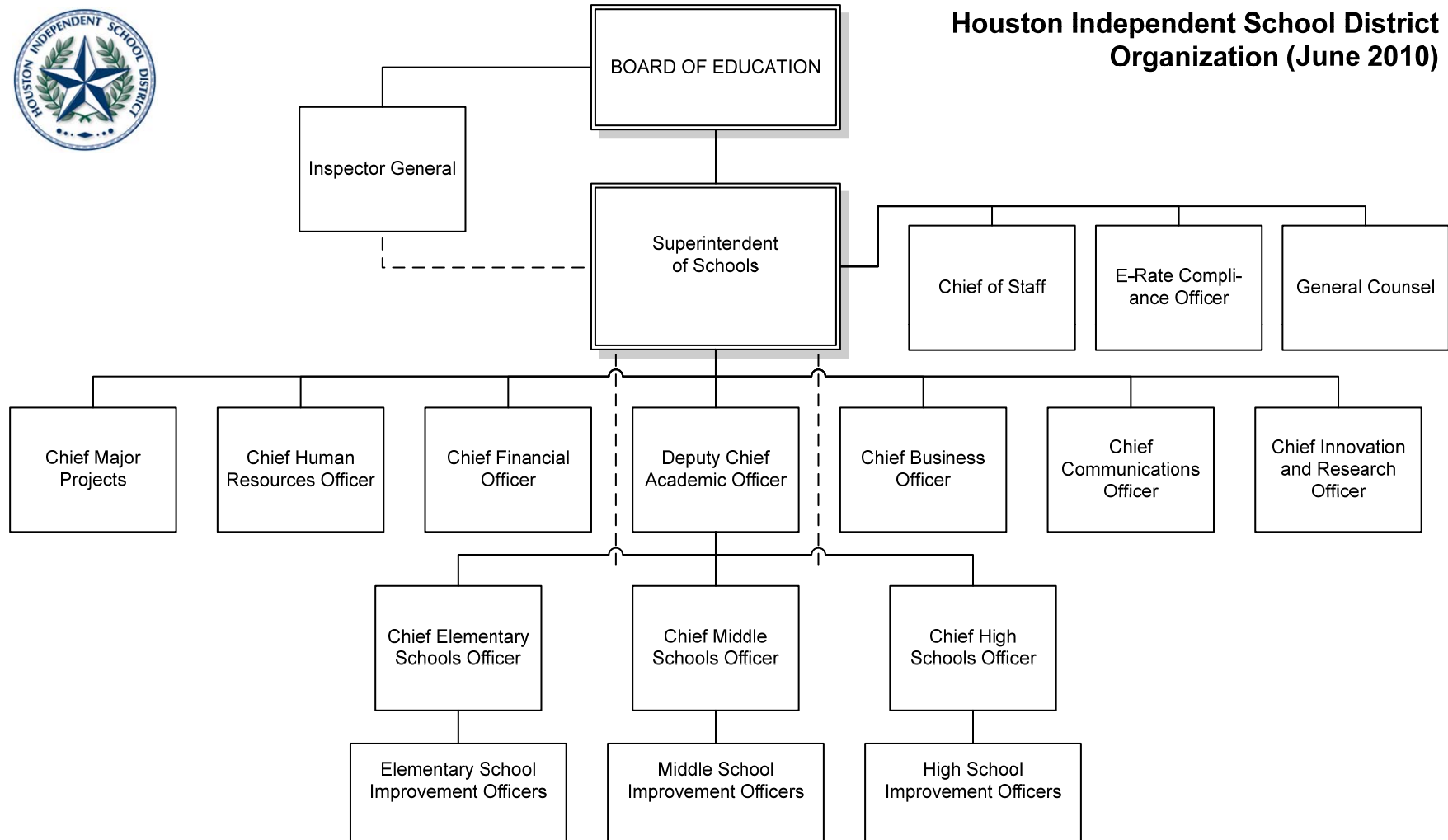
Benefits of Transformational Changes

- **Provide a district wide focus on teaching and learning**
- **Increase accountability of centralized services to schools for quality, efficiency and effectiveness**
- **Eliminate duplication of services**
- **Provide greater oversight for data and compliance**
- **Retain concept of decentralization of personnel and other key school decisions with principals**
- **Align resources to needs and priorities**

New District Organizational Chart



Houston Independent School District Organization (June 2010)



Organizational Transformation Changes

- Instructional Day
- Parent Engagement
- Community Services
- Human Resources Reorganization
- Professional Development Reorganization
- Graduate Labs / Credit Recovery
- Middle School for Overage Students
- Disciplinary Alternative Education Program
- Priority and Unacceptable Schools

2010-2011 Financial Analysis – General Fund

REVENUES FY 2010-2011	\$ 1,563,380,761
CARRYOVER APPROPRIATIONS 2009-2010	\$ 1,628,005,037
ANTICIPATED FALLOUT	(50,000,000)
STATE STABLIZATION TRANSFER TO GRANT FUNDS	(42,926,307)
CARRYOVER APPROPRIATIONS NET OF FALLOUT	<u>1,535,078,730</u>
INCREASES TO DATE	\$ 60,898,319
DECREASES TO DATE	\$ (32,596,288)
NET BUDGET INCREASE (DECREASE) TO DATE	<u>28,302,031</u>
BUDGET EXCESS/SHORTFALL TO DATE	<u><u>\$ -</u></u>

2010-2011 General Fund - Increases

INCREASES WITH OFFSETTING REVENUE:

<i>Increase in enrollment</i>	11,061,836
<i>TRS On-Behalf Of</i>	6,000,000
<i>TIRZ</i>	3,053,575
<i>Texas Connections Academy</i>	2,500,000

INCREASES TO APPROPRIATIONS:

Teacher Step Increase	7,384,743
School Resources	
<i>PUA (one-time to permanent)</i>	5,000,000
<i>Priority and Unacceptable Schools</i>	3,073,220
<i>Teach for America</i>	1,000,000
<i>North & South Elementary DAEP's</i>	1,000,000
<i>High School Ahead</i>	704,160
<i>Non-Title One Schools</i>	26,447
Benefits	
<i>Health Insurance</i>	10,000,000
<i>Unemployment</i>	1,800,000
Campus Related	
<i>Transportation for 5 extra days</i>	690,000
<i>Other</i>	186,003

2010-2011 General Fund – Increases (cont.)

Departments	
<i>Technology Mandatory Increases</i>	1,398,638
<i>CFS Contracts</i>	472,782
<i>CFS Uniforms</i>	351,000
<i>Real Men Read</i>	250,000
<i>Communications Department</i>	219,148
<i>Governmental Relations</i>	192,000
<i>Performance Management Positions</i>	188,397
<i>Broad Grant Match-ASPIRE Programs</i>	163,690
<i>Stanford/Aprenda Contract</i>	125,228
<i>Human Resources Mandatory Increases</i>	107,000
<i>Haberman Contract (net of Gallup)</i>	93,000
<i>Broad Candidates/Educational Pioneers</i>	64,725
<i>Business Assistance Department</i>	8,125
<i>Inspector General</i>	5,055
Districtwide / Other	
<i>City of Houston Water</i>	841,000
<i>Audit Contract</i>	76,000
<i>Miscellaneous</i>	40,705
Re-organizations	
<i>Personnel contracts ending 08/31/2010</i>	438,886
<i>Professional Development</i>	215,835
<i>Human Resources (personnel)</i>	129,949
<i>Academic Departments</i>	109,258
<i>Human Resources (non-salary)</i>	104,500
TOTAL INCREASES	<u>59,074,905</u>

2010-2011 General Fund - Decreases

DECREASES TO APPROPRIATIONS

Departments	
<i>Position Vacancies & Department cuts</i>	(1,111,325)
<i>Pearson SIS Contract</i>	(600,000)
<i>Supplies</i>	(523,600)
<i>Renzulli-GT portion</i>	(514,000)
<i>Food</i>	(350,000)
<i>Districtwide capital (departmental)</i>	(161,677)
Transfers to Other Funds	(2,013,139)
Districtwide / Other	
<i>Buses</i>	(9,000,000)
<i>Contracted Services</i>	(2,735,000)
<i>School Reconstitution</i>	(1,783,056)
<i>Aspiring Principals Institute</i>	(1,378,100)
Re-organizations	
<i>JJAEP Contract</i>	(1,000,000)
<i>Community Services</i>	(2,000,000)
<i>New Departments / Regional Reduction</i>	(3,529,757)
<i>CEP Contract</i>	(4,073,220)
TOTAL DECREASES	<u>(30,772,874)</u>

Total Budgets for Other Governmental Funds

Fund	2010 Adopted Budget	2011 Recommended Budget	% Change
Debt Service	215,669,657	208,618,298	-3.27%
Special Revenue	359,323,332	341,016,845	-5.09%
Capital Projects	185,720,633	211,186,408	13.71%
Total Expenditures	\$ 760,713,622	\$ 760,821,551	0.01%

Total Budgets for Internal Service Funds

Fund	2010 Adopted Budget	2011 Recommended Budget	% Change
Health Insurance Fund	\$ 125,822,055	\$ 139,744,988	11.07%
Workers' Compensation Fund	12,723,751	19,997,240	57.16%
Athletic Fund	6,605,647	6,697,586	1.39%
Special Education Shared Services	6,622,912	5,964,870	-9.94%
Alternative Certification Fund	2,439,414	1,619,203	-33.62%
Professional Development Fund	5,923,493	-	-100.00%
Print Shop Fund	4,763,742	5,509,653	15.66%
Media Services Fund	398,776	-	-100.00%
UIL	627,545	706,857	12.64%
Total Internal Service	\$ 165,927,335	\$ 180,240,397	8.63%

Total Budgets for Enterprise Funds

Fund	2010 Adopted Budget	2011 Recommended Budget	% Change
Medicaid	\$ 11,904,380	\$ 22,326,648	87.55%
Food Services	97,293,765	111,834,796	14.95%
Business Development	10,072,478	10,710,778	6.34%
Total Enterprise Funds	\$ 119,270,623	\$ 144,872,222	21.47%

Budget Implications beyond 2011

- **Flat or Declining Revenues**
- **Re-designation of Stimulus dollars from federal revenues to state revenues**
- **Cost of Federal Health Care Proposal**
- **Operational Fixed Cost Increases**
- **Salary Increases**
- **Instructional Programs**

Start Summer 2010 with budget projections for 2011-2012 and 2012-2013 -Best and Worst case scenarios and potential actions that must be taken