

# Houston Independent School District 2009–2010 District Budget

*Recommended*



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*Fiscal Year:  
July 1, 2009–June 30, 2010  
Houston, Texas*



June 25, 2009

## Public School Finance (HB3646) – Conference Committee Report

- Directs \$1.9 billion of new money into public schools
- Increases aid to districts with low revenue targets
- ★ Improves equity by increasing the basic allotment, guaranteed yield, and equalized wealth level, putting districts with low revenue targets back onto formula funding
- ★ Reduces recapture payments and eliminates recapture for 26 districts
- Removes the mid-size adjustment exception for Chapter 41 districts
- Provides every district a minimum \$120 per Weighted Average Daily Attendance (WADA) increase
- Provides an across-the-board educator pay raise of the greater of \$800/year or each educator's share of \$60/WADA for the district
- ★ Includes speech-therapists in the educator pay raise, as well as all educators at charter schools and at Windham schools
- Allows districts to include Teacher Retirement System and Social Security payments in funds allocated for pay increases
- ★ Deletes the "TEEG" state-developed teacher incentive program, and modifies the "DATE" locally-developed incentive program grants to add emphasis on incentives for successful principals and teachers to move to challenging campuses
- ★ Repeals set-asides from the Compensatory Education allotment
- Establishes a permanent "roll-forward" for the Existing Debt Allotment (EDA) program
- Establishes a new program to guarantee bonds for new school construction
- Provides an additional \$50 career/tech allotment for students in sequences leading to certification, and provides for funding of certification exam fees
- ★ Provides funding for credit recovery classes for students
- ★ Enhances the operation and functions of the Virtual School Network
- Establishes financial literacy as part of training in service centers and extends the financial literacy pilot program
- Exempts districts from paying tuition for dual credit for two years and requires comprehensive review over interim
- Modifies the school bus seat belt law to require districts to ensure new buses are equipped with seat belts only if state provides a grant to that district

## Revenue Assumptions

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- Local Roll \$110.5 B (1.5% increase from prior year)
- Enrollment 199,076 (Magellan estimate)
- Average Daily Attendance 180,248
- Comptroller's Property Tax Value (CPTD) \$108.165 B
- Property Wealth Per Student
- Local Tax Rate

# Property Wealth Per Student

Fiscal Year	CPTD Values	WADA	Wealth Per WADA	Chapter 41 Recapture
2001	\$53,086,308,798	260,489	\$203,795	\$295,000
2002	\$60,387,752,158	263,630	\$229,063	\$300,000
2003	\$63,552,199,371	268,053	\$237,088	\$305,000
2004	\$68,592,824,186	265,944	\$257,922	\$305,000
2005	\$71,498,948,629	263,230	\$271,622	\$305,000
2006	\$73,323,502,052	261,212	\$280,705	\$305,000
2007	\$77,731,473,072	253,867	\$306,190	\$319,500
2008	\$85,586,696,252	250,399	\$341,801	\$364,500
2009	\$96,222,302,871	250,237	\$384,525	\$374,200
2010	\$108,165,053,309	249,202	\$434,046	\$476,500

Note: Actual CPTD values

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

<u>M&amp;O Tax Rates</u>	<u>Maintenance &amp; 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

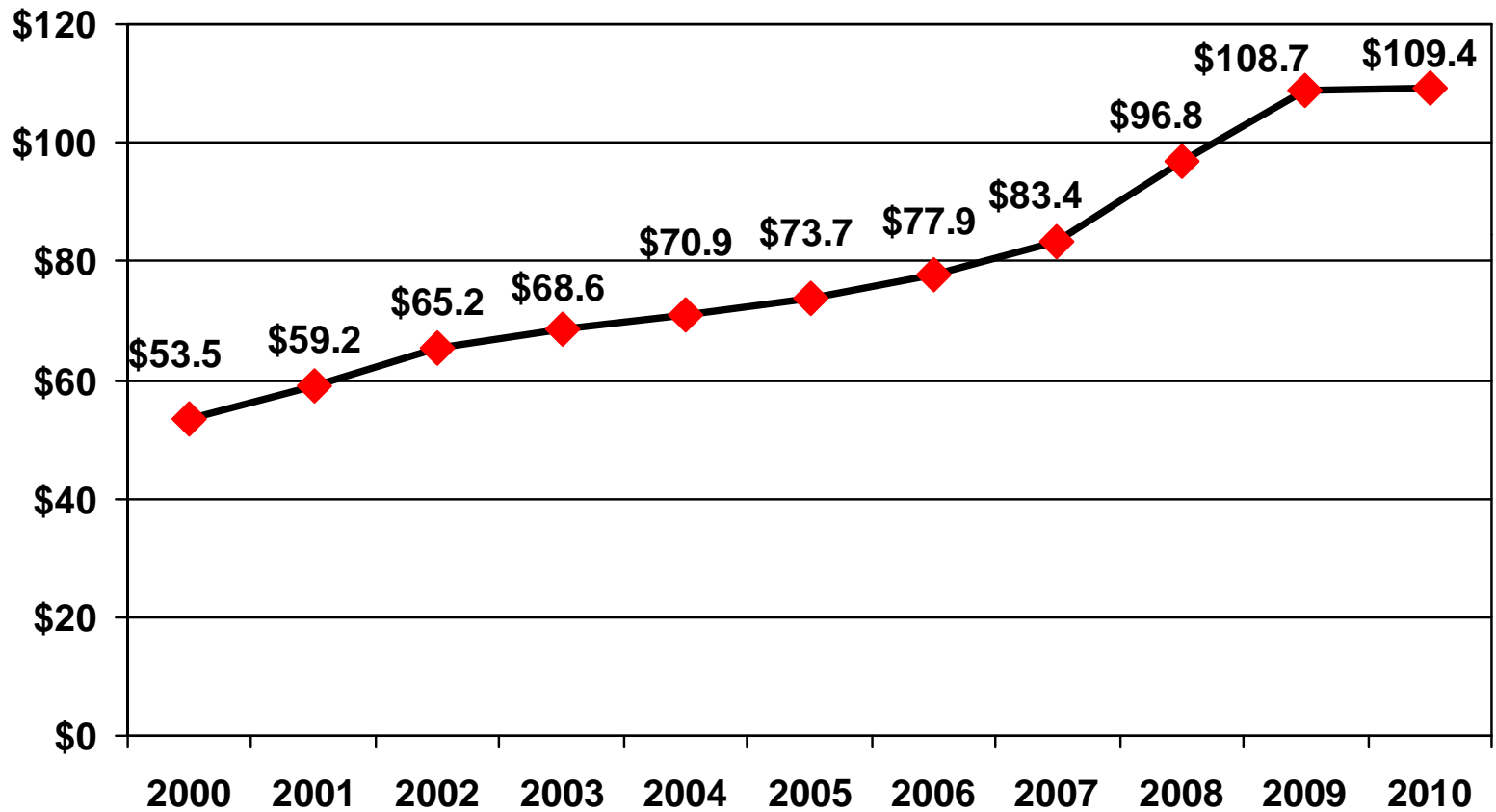
# Harris County ISD Tax Rates

District	2008-2009
Katy	1.526600
Humble	1.520000
Huffman	1.470000
Spring	1.460000
Galena Park	1.455900
Sheldon	1.430000
Spring Branch	1.382500
Clear Creek	1.360000
Tomball	1.360000
Cypress-Fairbanks	1.350000
Pasadena	1.350000
Alief	1.340000
Crosby	1.340000
Deer Park	1.336700
La Porte	1.325000
North Forest	1.314339
Klein	1.310000
Aldine	1.292000
Goose Creek	1.242130
Channelview	1.238150
<b>Houston</b>	<b>1.156700</b>
<b>Average (does not include HISD)</b>	<b>1.370166</b>

Note: 2010 Tax Rates not yet available

# Local Tax Roll

## Total Assessed Value 2000-2010



Note: 1999-2008 are HCAD Certified, 2009 is HCAD Certified Estimated

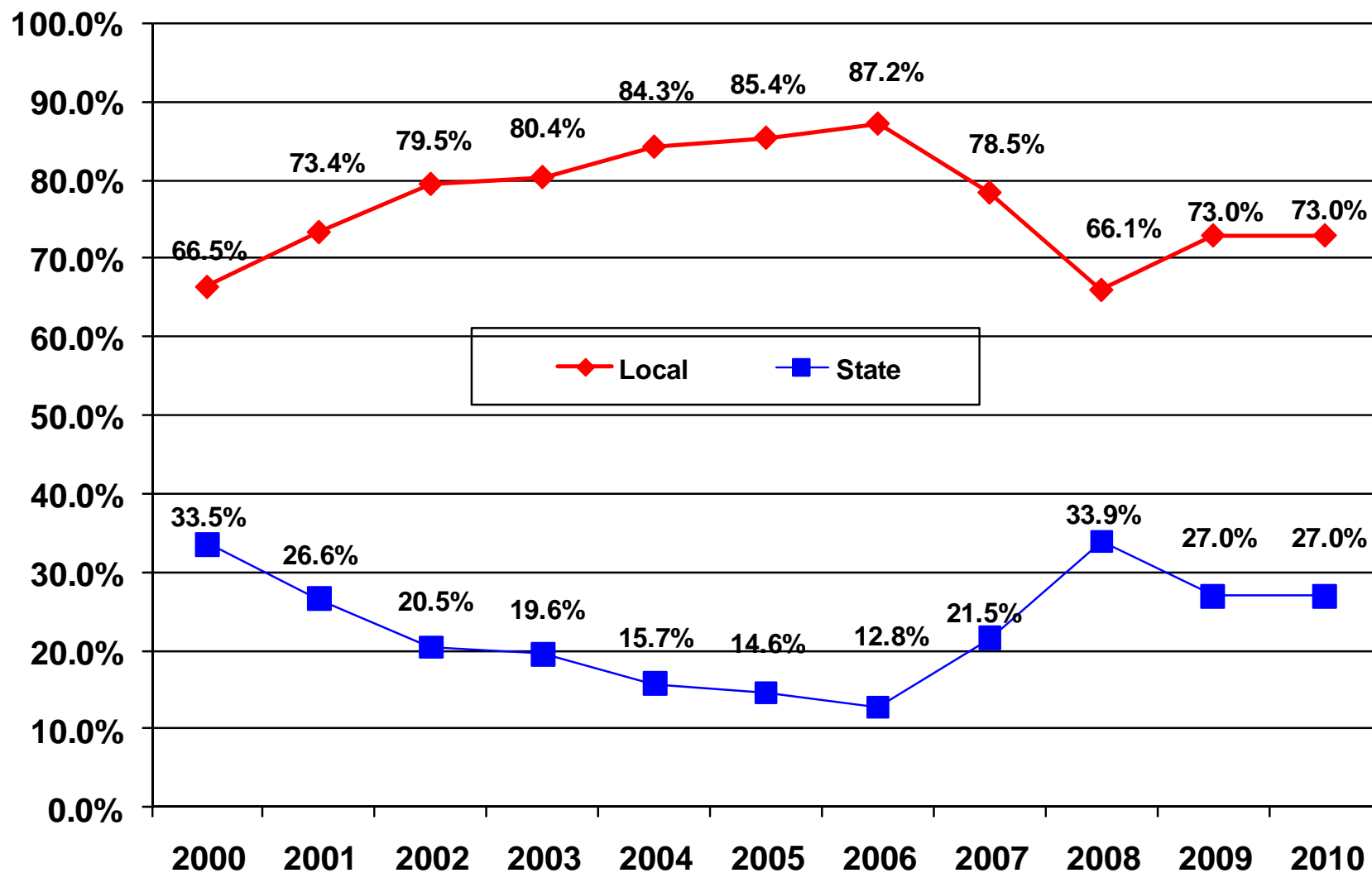
# Foundation School Funding

<b>Target Revenue</b>	<b>\$ 1,389,667,460</b>
<b>Formula Calculations:</b>	
<b>Total Cost of Tier I</b>	<b>\$ 1,238,167,653</b>
<b>Less Local Share</b>	<b>\$ (1,045,631,570)</b>
<b>Tier 1 State Aid (Per Capita)</b>	<b>\$ 192,536,083</b>
<b>Staff Allotment</b>	<b>\$ 4,927,250</b>
<b>Rider 76 Allotment</b>	<b>\$ 5,974,298</b>
<b>Taxes at compressed rate</b>	<b>\$ 1,005,837,577</b>
<b>Total State/Local Revenue Before Hold Harmless</b>	<b>\$ 1,209,275,208</b>
<b>Additional State Aid for Tax Reduction</b>	<b>\$ 180,392,252</b>

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.



# Local Taxes vs. State Formula Funding



Note: 2000-2008 Are Actual Revenues; 2009-2010 are Projected Revenues

# General Fund Revenues

Revenue Source	2008-2009	2009-2010
	June	Current Projection
Sale of bonds	\$ 14,855,815	\$ 23,500,000
Transfers from other funds	13,200,000	10,268,642
Proceeds-leases-other	99,000	75,000
Taxes, current year	1,014,455,467	1,021,457,007
Taxes, delinquent prior years	30,000,000	26,000,000
Taxes, penalty and interest	18,000,000	18,000,000
Revenue in lieu of taxes	1,874,385	1,350,000
Insurance Recovery	8,906,346	-
Tuition	876,092	850,000
Interest earnings	9,500,000	6,200,000
Rental of facilities	165,144	150,000
Miscellaneous revenues	3,000,000	3,000,000
Revenue other governments	3,247,660	3,247,660
Per capita state revenues	46,266,828	17,931,705
Foundation school program	314,392,695	369,209,098
TRS on behalf of	68,000,000	68,000,000
Federal revenue	5,163,139	5,163,139
<b>Total revenue</b>	<b>\$ 1,552,002,571</b>	<b>\$ 1,574,402,251</b>
Less recapture	25,348,535	-
Less TRS on-behalf (pass through)	(68,000,000)	(68,000,000)
<b>Total Revenue net of recapture and pass through costs</b>	<b>\$ 1,509,351,106</b>	<b>\$ 1,506,402,251</b>

# Financial Analysis

<b>REVENUES FY 09-10</b>	<b>\$ 1,574,402,251</b>
<i>Pay-As-You-Go</i> capital program fund balance contribution	\$ 15,000,000
One-Time Fund Balance Contribution for PUA	5,000,000
One-Time Fund Balance Contribution for School Reconstitution	1,461,186
<b>Total Available Revenues / Funds</b>	<b><u>\$ 1,595,863,437</u></b>
<b>CARRYOVER APPROPRIATIONS (net of recapture)</b>	<b>\$ 1,558,657,591</b>
Anticipated fallout	(50,000,000)
Increases with offsetting revenue	49,725,675
Mandatory Increases (due to law or contractual arrangements)	1,194,585
Other increases, salaries, and Deloitte study	37,913,221
Total decreases	(21,033,904)
<b>APPROPRIATIONS FISCAL YEAR 2009-2010</b>	<b><u>\$ 1,576,457,168</u></b>
<b>BUDGET CARRYOVER TO FISCAL YEAR 2010-2011</b>	<b><u><u>\$ 19,406,269</u></u></b>

# 2009-2010 Recommended Appropriation Increases

<b>Increases with offsetting revenue</b>	
PUA Increase for additional enrollment	\$ 10,635,541
Buses	9,000,000
TRS on-behalf	7,000,000
TIRZ participation	4,652,053
School reconstitution	1,461,186
Transfers out (Pay-As-You-Go program and .04 pennies for debt service)	16,087,858
Charter schools	889,037
<b>Total Increases with offsetting revenue</b>	<b>\$ 49,725,675</b>
<b>Mandatory Increases (due to law or contractual arrangements)</b>	
Technology & Information Systems service contracts	\$ 539,060
Norm Reference tests / scoring	291,502
Solid waste & recycling contracts	152,000
DPS background checks	60,000
District portion of Broad Foundation Grant for ASPIRE	51,516
Police Department - Harris County airtime	34,200
Advertising fees for bid projects	28,307
Teacher Incentive Fund matching funds for ASPIRE	19,800
Audit fees	17,000
TV news clipping service	1,200
<b>Total Mandatory Increases</b>	<b>\$ 1,194,585</b>
<b>Other Recommended Increases</b>	
Salaries increase and benefits, Deloitte compensation study	\$ 30,481,908
TRS Above State Minimum	3,500,000
HCAD Appraisal Fees 2008-2009	1,509,463
Property, Auto, and Liability Insurance	1,060,012
CATE Positions (re-class due to Carl Perkins interpretation)	380,717
City of Houston water	376,905
Gallup Teacher Insight	207,000
MWBE positions	139,400
Other Departmental Increases	257,816
<b>Total Recommended Increases</b>	<b>\$ 37,913,221</b>

# 2009-2010 Recommended Appropriation Decreases

## General Decreases

Electricity	\$	(9,919,141)
Small School Subsidy		(943,780)
Districtwide Consultants		(732,672)
Non-Title I Campuses (after inclusion of stimulus)		(107,965)
<b>Total General Decreases</b>	<b>\$</b>	<b>(11,703,558)</b>

## Departmental Decreases

Chief Business Officer	\$	(2,547,236)
Chief Academic Officer		(5,314,002)
Chief Financial Officer		(592,616)
Communications & Publications		(427,035)
Human Resources		(312,177)
Chief of Staff		(103,916)
Research and Accountability		(23,364)
Legal Services		(5,000)
Superintendent's Office		(5,000)
<b>Total Departmental Decreases</b>	<b>\$</b>	<b>(9,330,346)</b>

## 2009-2010 Departmental Decreases by Major Object

Direct Report	6100 (Contract Salaries)	6100 (Other Payroll)	6200 (Contract Services)	6300 (Supplies)	6400 (Other)	Grand Total
Chief Business Officer	\$ -	\$ (463,000)	\$ (2,016,500)	\$ (46,955)	\$ (20,781)	\$ (2,547,236)
Chief Academic Officer	(4,915,622)	(112,000)	(121,000)	(130,014)	(35,366)	(5,314,002)
Chief Financial Officer	(53,556)	-	(539,060)	-	-	(592,616)
Communications and Publications	(389,015)	(2,000)	(16,100)	(17,920)	(2,000)	(427,035)
Human Resources	(279,797)	(14,380)	(10,000)	(8,000)	-	(312,177)
Chief of Staff	(35,556)	-	(53,650)	(6,000)	(8,710)	(103,916)
Research and Accountability	-	(1,300)	(16,864)	(5,200)	-	(23,364)
Legal Services	-	-	-	(5,000)	-	(5,000)
Superintendent's Office	-	(3,000)	-	(2,000)	-	(5,000)
<b>Grand Total</b>	<b>\$ (5,673,546)</b>	<b>\$ (595,680)</b>	<b>\$ (2,773,174)</b>	<b>\$ (221,089)</b>	<b>\$ (66,857)</b>	<b>\$ (9,330,346)</b>

## 2009-2010 Position Reductions

Pay Grades 14 and below	-15.20
Pay Grades 15 and above	<u>-25.13</u>
Total FTE's	<u><u>-40.33</u></u>

# Teacher Salary Schedule

• Total Cost (including benefits)	\$20,094,065
• Increase all steps by \$960	\$13,354,839
• Step Increase	\$ 6,739,226

**AVERAGE TEACHER INCREASE 2.95%**



# Principal and Assistant Principal Salary Proposal

• Total Cost Principals & Assistant Principals	\$898,740
• Principals	\$393,831
• Step Increase	
• Average 1.5%	
• Assistant Principals	\$504,909
• Step Increase	
• Average 1.9%	

## Master and Additional Salary Schedules

- **Master Schedule - \$4,056,434**                      **1.5%**
- **Bus Drivers - \$268,323**                              **1.5%**
- **Substitutes - \$144,909**                              **1.5%**
- **All Hourly Employees - \$282,475**                      **1.5%**
- **Longevity - \$283,667**

# School Resources

## Weighted Student Allocations

	2008-2009 Total	2009-2010 Salary Adjustment	2009-2010 Additional PUA	2009-2010 Total
<b>Elementary Schools</b>	<b>\$3,257</b>	<b>\$111</b>	<b>\$22</b>	<b>\$3,390</b>
<b>Middle Schools</b>	<b>\$3,282</b>	<b>\$111</b>	<b>\$22</b>	<b>\$3,415</b>
<b>High Schools</b>	<b>\$3,246</b>	<b>\$111</b>	<b>\$22</b>	<b>\$3,379</b>

Additional PUA is budgeted as a one-time cost and will be considered for permanent funding in future budgets

## Title Funds 2009-2010

Title I Regular Funding	Tier I Schools	\$	270 per student
	Tier II Schools	\$	235 per student
Title I Stimulus Funding	Tier I Schools	\$	96 per student
	Tier II Schools	\$	88 per student
Title II, Part A	All Schools	\$	25 per student

## Total Budgets for Other Governmental Funds

<b>Fund</b>	<b>2009 Adopted Budget</b>	<b>2010 Recommended Budget</b>	<b>% Change</b>
<b>Debt Service</b>	<b>209,790,403</b>	<b>215,669,657</b>	<b>2.80%</b>
<b>Special Revenue</b>	<b>294,626,489</b>	<b>359,323,332</b>	<b>21.96%</b>
<b>Capital Projects</b>	<b>112,090,511</b>	<b>185,720,633</b>	<b>65.69%</b>
<b>Total Expenditures</b>	<b>\$ 616,507,403</b>	<b>\$ 760,713,622</b>	<b>23.39%</b>

# Total Budgets for Internal Service Funds

Fund	2009 Adopted Budget	2010 Recommended Budget	% Change
Health Insurance Fund	\$ 118,920,280	\$ 125,822,055	5.80%
Workers' Compensation Fund	15,098,944	12,723,751	-15.73%
Athletic Fund	7,438,112	6,605,647	-11.19%
Special Education Shared Services	7,811,057	6,622,912	-15.21%
Alternative Certification Fund	4,242,389	2,439,414	-42.50%
Professional Development Fund	6,039,532	5,923,493	-1.92%
Print Shop Fund	4,703,066	4,763,742	1.29%
Media Services Fund	519,482	398,776	-23.24%
UIL	508,267	627,545	23.47%
<b>Total Internal Service</b>	<b>\$ 165,281,129</b>	<b>\$ 165,927,335</b>	<b>0.39%</b>

## Total Budgets for Enterprise Funds

Fund	2009 Adopted Budget	2010 Recommended Budget	% Change
Medicaid	\$ 13,480,082	\$ 11,904,380	-11.69%
Food Services	97,320,694	97,293,765	-0.03%
Business Development	11,069,894	10,072,478	-9.01%
<b>Total Enterprise Funds</b>	<b>\$ 121,870,670</b>	<b>\$ 119,270,623</b>	<b>-2.13%</b>