

Houston Independent School District 2007-2008 Recommended Budget

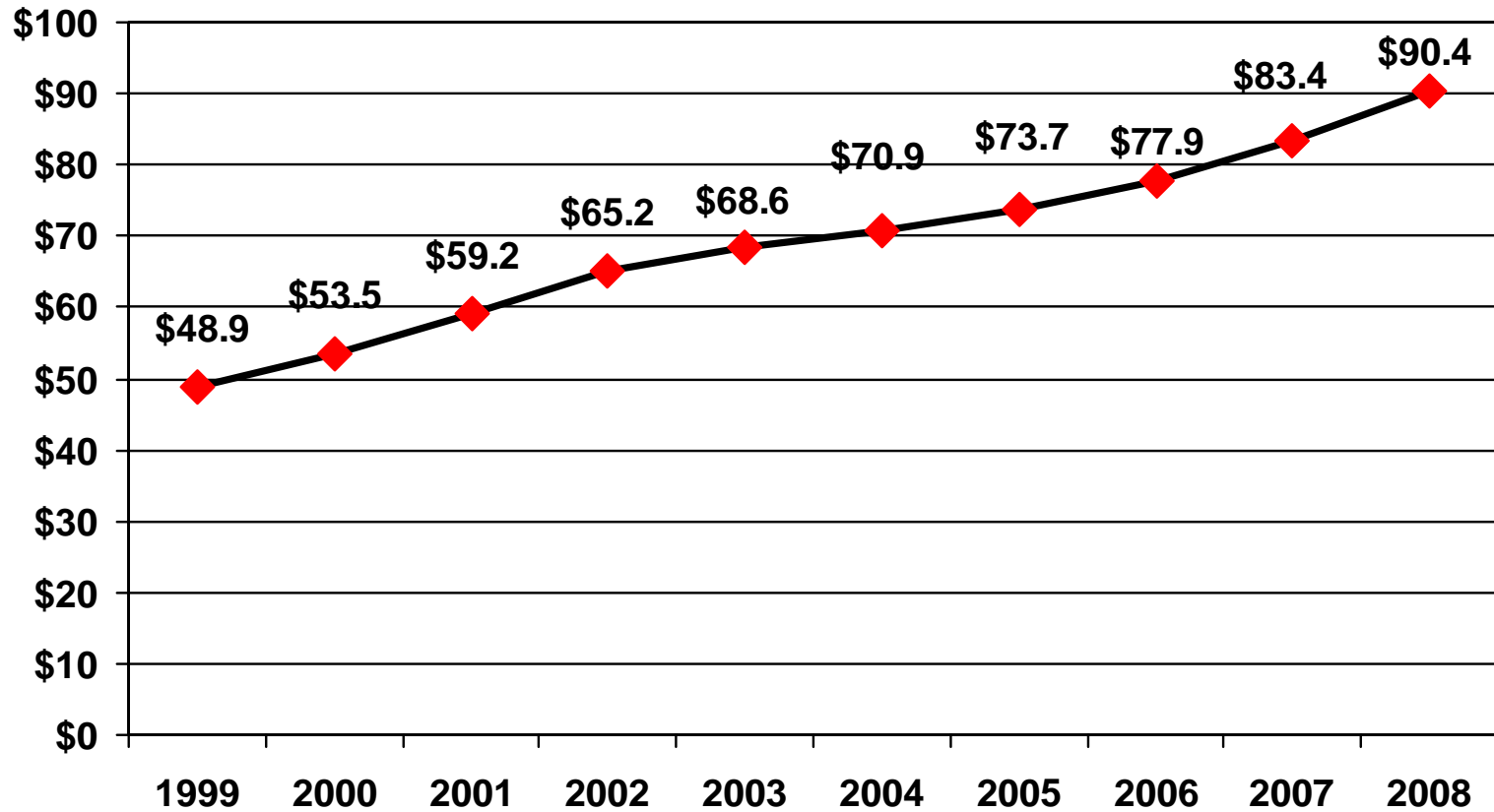


***Office of Finance
June 25, 2007***



LOCAL TAX ROLL

Total Assessed Value 1999-2008





TOTAL TAX RATE (M&O AND I&S)

M&O Tax Rates	Maintenance & Operations	Debt Service	Total
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



TOTAL REVENUES – POST HB1

- Level of revenue available is governed by a hold harmless provision referred to as target revenue.

TARGET REVENUE CALCULATION

	REVENUE	WADA*	REVENUE PER WADA
2005-2006	\$ 1,201,040,070	261,032	\$ 4,703
2006-2007 (using 2005-2006 M&O rate)	\$ 1,288,917,297	255,356	\$ 5,048
Target Revenue =	2006-2007 revenue per WADA times 2007-2008 WADA		
	\$ 5,048	250,892	\$ 1,266,386,031

*Weighted Average Daily Attendance



ADDITIONAL STATE AID FOR TAX REDUCTION

Calculation of Additional State Aid for Tax Reduction

Target Revenue	\$ 1,266,386,031
Formula Calculations:	
Total Cost of Tier I	\$ 777,837,634
Less Local Share	\$ (715,507,331)
Tier 1 State Aid (Per Capita)	\$ 62,330,303
Tier II State Aid	\$ 5,307,795
\$110 Per WADA Allotment	\$ 19,943,506
Salary Transition Allotment	\$ -
Hold Harmless Additional State Aid (Homestead Exemption Change)	\$ -
M&O Tax Collections at Compressed Rate (2007-2008)	\$ 832,041,509
Total State/Local Revenue Before Hold Harmless	\$ 919,623,113
Additional State Aid for Tax Reduction	\$ 346,762,918



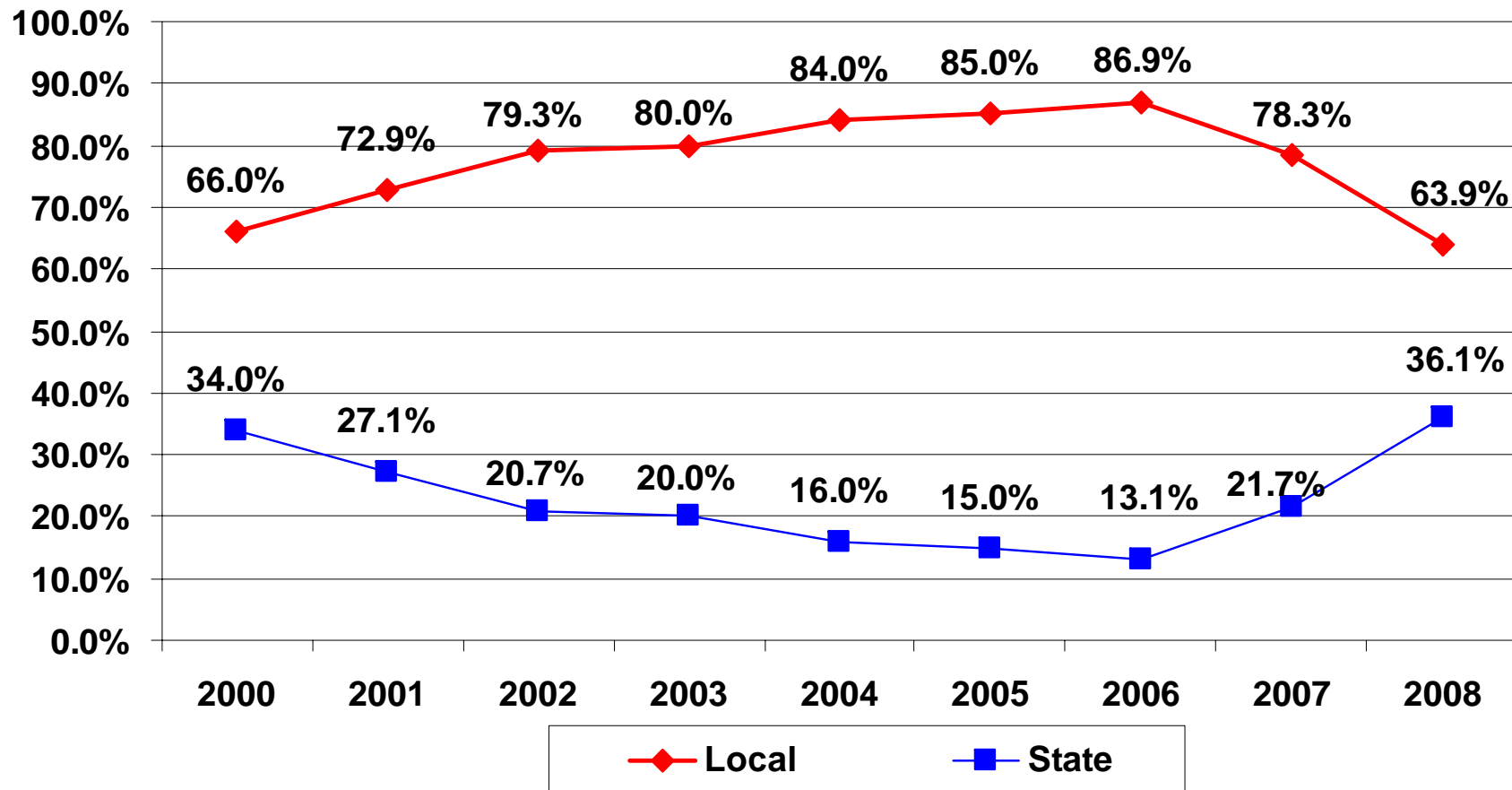
TOTAL STATE AND LOCAL M&O REVENUES

2007-2008 State/Local M&O Revenue

Target Revenue	\$	1,266,386,031
Salary Allotment	\$	32,822,500
High School Allotment	\$	11,869,646
Staff Allotment	\$	4,989,000
Technology Allotment/Transfers	\$	4,801,382
M&O Collections for \$.04 above compressed rate	\$	34,414,672
Tier II at level II	\$	12,530,555
New Teacher Raise	\$	5,926,688
Total Local M&O and State Revenue	\$	<u>1,373,740,474</u>
General Fund Portion	\$	1,356,938,634
Special Revenue Portion	\$	16,801,840



LOCAL TAXES VS. STATE FORMULA FUNDING



Note: 2000-2006 Are Actual Revenues; 2007-2008 are Projected Revenues



GENERAL FUND REVENUES

Revenue Source	2006-2007 Projected	2007-2008 Projected	Difference
Sale of bonds	\$ 13,000,000	\$ 23,500,000	\$ 10,500,000
Transfers from other funds	13,200,000	13,200,000	-
Proceeds-leases	75,000	75,000	-
Taxes, current year	1,050,866,880	840,456,181	(210,410,699)
Taxes, delinquent prior years	24,000,000	24,000,000	-
Taxes, penalty and interest	20,000,000	20,000,000	-
Revenue in lieu of taxes	1,350,000	1,350,000	-
Tuition	350,000	350,000	-
Interest earnings	24,000,000	24,000,000	-
Rental of facilities	150,000	150,000	-
Miscellaneous revenues	3,000,000	3,000,000	-
Revenue other governments	3,247,660	3,247,660	-
Per capita state revenues	72,479,241	62,330,303	(10,148,938)
Foundation school program	224,658,950	428,152,150	203,493,200
Other state revenues	722,000	722,000	-
TRS on behalf of	61,000,000	61,000,000	-
Fed revenue through TEA	3,113,400	3,113,400	-
Army/Air Force/Navy revenue	2,049,739	2,049,739	-
Grand Total	\$ 1,517,262,870	\$ 1,510,696,433	\$ (6,566,437)



Appropriation Roll Forward from Prior Year

2006-2007 Appropriation	\$1,484,901,643
Budget Increases	\$ 101,440,496
Budget Decreases	\$ (27,645,704)
2007-2008 Recommended Appropriation (Including fallout and fund balance contribution)	\$1,558,696,433
2007-2008 Fund Balance Contribution	\$ (15,000,000)
2007-2008 Expected Fallout	<u>\$ (33,000,000)</u>
2007-2008 Net Appropriations	\$1,510,696,433



2007-2008 APPROPRIATION INCREASES

INCREASES TO APPROPRIATIONS:

Salary Package		
<i>District Provided Salary Increase</i>	\$	45,929,179
<i>State Provided Salary Increase</i>	\$	5,929,387
<i>Payroll Taxes and TRS fees</i>	\$	-
School Resources		
<i>Capital Funds-One-time</i>	\$	11,500,000
<i>Capital Funds-Recurring</i>	\$	1,500,000
<i>Magnet Funding</i>	\$	772,500
<i>Funding for Non-Title One Schools</i>	\$	141,705
<i>Other Miscellaneous Increases</i>	\$	43,380
Transfers to Other Funds		
<i>Transfer to Capital Projects for Pay As You Go Program, .04 pennies</i>	\$	16,072,491
<i>Transfer to Debt Service for 4 cent increase in M&O</i>	\$	1,686,972
<i>Transfer to Debt Service for Food Service Debt</i>	\$	25,639
<i>Transfer to Internal Service Funds</i>	\$	600
Charter Schools		
<i>Salary Adjustment</i>	\$	493,197
Instructional Related		
<i>Sallie Mae Express</i>	\$	600,000
<i>Extracurricular Travel Funds</i>	\$	550,000
<i>Dyslexia Program</i>	\$	532,034
<i>Camp Olympia and Camp Cullen Contract Increase</i>	\$	22,000
Department Increases		
<i>Construction and Facility Services</i>	\$	3,000,000
<i>Chancery</i>	\$	1,481,700
<i>Police Officers (20)</i>	\$	796,780
<i>Technology Software Maintenance Increases</i>	\$	106,488
<i>Student Assessment Testing</i>	\$	69,000
Capital	\$	-
<i>School Buses</i>	\$	9,000,000
District-wide Increases		
<i>Property Insurance</i>	\$	937,442
<i>Background Checks</i>	\$	250,000
TOTAL INCREASES	\$	101,440,494



ANALYSIS OF SALARY INCREASE PROPOSAL

	SALARY INCREASE		
	STATE FUNDED	DISTRICT FUNDED	TOTAL
Teacher Pay Increase	\$ 5,929,387	\$ 27,954,755	\$ 33,884,142
Teacher Incentive	\$ -	\$ 7,000,000	\$ 7,000,000
Master Schedule <i>(excluding Principals and Assistant Principals)</i>	\$ -	\$ 7,373,368	\$ 7,373,368
School Administrators <i>(Principals and Assistant Principals)</i>	\$ -	\$ 2,180,608	\$ 2,180,608
Bus Drivers	\$ -	\$ 478,521	\$ 478,521
Hourly	\$ -	\$ 458,097	\$ 458,097
Substitutes	\$ -	\$ 265,698	\$ 265,698
Truck Driver Study	\$ -	\$ 5,212	\$ 5,212
Police Department Study	\$ -	\$ 212,920	\$ 212,920
Total Cost of Salary Package	\$ 5,929,387	\$ 45,929,179	\$ 51,858,566



TEACHER SALARY SCHEDULE

- Market Adjustments to steps 1-9
 - Places HISD in top ¼ of Region IV school district salaries
- Increase all steps by 3%
 - 2% funded by district and 1% funded by state
- Step Increase

AVERAGE TEACHER INCREASE 5.7%



PRINCIPAL AND ASSISTANT PRINCIPAL SALARY PROPOSAL

- Changes to pay model
 - Middle School Principal's Base
 - Adjust base from \$68,000 to \$71,000
 - Experience Value Granted
 - Grant earlier, at step 2 vs. step 4
 - Enrollment size at the High School Level
 - Grant \$4,000 at 1,200 to 1,599 enrollment level

AVERAGE INCREASE 4.3%



MASTER SALARY SCHEDULE

- Master Schedule - 3%
 - Employees on the Master Salary Schedule (excluding Administrative Support)
- Administrative Support Employees (Secretaries, Clerks, Aides, etc...) – 6.3%
 - Deloitte Study of Administrative Support Positions
 - Implement study recommendations following promotional guidelines
 - Award 3% salary adjustment to those whose job description does not warrant a salary grade change
- Move the Master Salary schedule ranges by 2%
- Align duty schedule to 254 days for 12 month staff in Grade 16 and below
- Police Market Study
- Truck Driver Study



ADDITIONAL SALARY SCHEDULES

- Bus Drivers – 3%
- Substitutes – 3%
- Food Service Employees – 3%
- All other Hourly Employees – 3%



PER UNIT ALLOCATION TO SCHOOLS

FY07 Final Approved Including Salary Increase	\$638,798,955
FY08 Units based on Preliminary Budget	207,977
Per Unit Allocation	\$ 3,071
FY07 Appropriations after loss of students	\$615,684,171
FY08 Units based on Preliminary Budget	207,977
Per Unit Allocation	\$ 2,960
Difference	\$ 111



SCHOOL RESOURCES

- Capital Funding
 - \$11.5 million one time funds
 - \$ 1.5 million recurring funds
- Allocated on an enrollment basis to all schools and all contracted charter schools.
- \$7,250,000 (\$36 per student) earmarked for Fine Arts capital purchases for such items as band uniforms, musical instruments, art equipment, lighting, sound systems, photography, risers, etc...
- \$5,750,000 (\$28 per student) earmarked for one-time capital purchases such as furniture, library books, technology, playground equipment, etc...



INSTRUCTIONAL RELATED INCREASES

- Sallie Mae Express – College Connection program of \$600,000.
- Extracurricular travel funds – Provides funds for school who travel to national events; funding is provided at 30% of estimated costs (\$550,000).
- Dyslexia Program – Increases costs for testing, ongoing teacher training and services to identified students (\$532,034).
- Camp Olympia and Camp Cullen – Increase to basic services; first increase in three years (\$22,000).



DEPARTMENT INCREASES

- Construction and Facilities Services (\$3,000,000)
 - Integrated Pest Management Program
 - Training – technical, leadership development, and safety
 - Grounds program
 - Best Practice Inspections
 - HVAC repairs and services
- Chancery (\$1,481,700)
 - Implementation was funded from a one-time allocation from fund balance.
 - SIS team downsized and funded at level needed to maintain operations with schools.
- Police Officers (\$796,780)
 - Increase 20 positions
 - 6 Special response team
 - 4 Gang Suppression Unit
 - 10 Campus Officers



2007-2008 APPROPRIATION DECREASES

DECREASES TO APPROPRIATIONS

<i>Appropriation Adjustment due to enrollment decline</i>	\$	(11,000,000)
<i>Reserve Adjustments</i>	\$	(8,000,000)
<i>Workers' Compensation</i>	\$	(4,000,000)
<i>Katrina Funding</i>	\$	(2,037,494)
<i>Department Cuts</i>	\$	(1,650,491)
<i>Transfer Out for Maintenance Tax Notes</i>	\$	(598,500)
<i>Food Service Allocation</i>	\$	<u>(359,219)</u>
TOTAL DECREASES TO BUDGET	\$	<u>(27,645,704)</u>



APPROPRIATION CHANGES SINCE FY02

Total Increases	\$ 406,689,193
Total Decreases	\$ (308,067,519)
Net Change	<u>\$ 98,621,674</u>
Average Over 7 Years	<u>\$ 14,088,811</u>