

Public Hearing on 2002 Budget and Tax Rate

**HISD Office of
Budgeting and Financial Planning**



***The Houston
Independent School District***



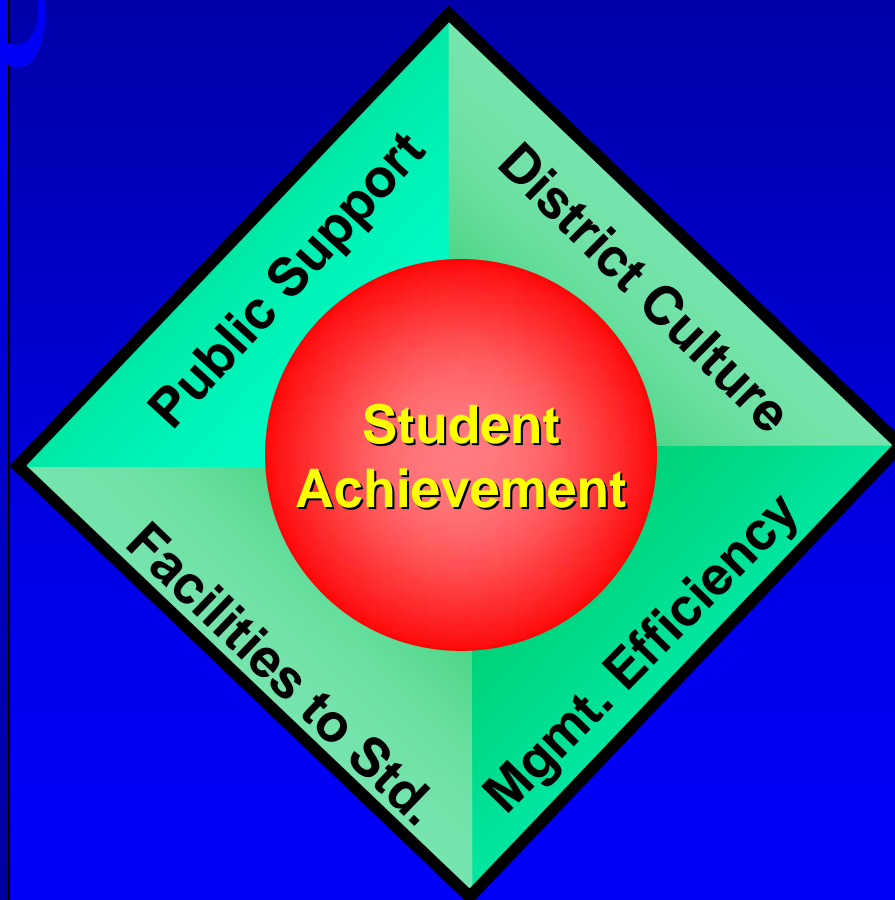
**The
Educational
System of
Choice**



2002 BUDGET

2001-2002 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

2002 Budget

2001-2002 Budget Report

Budget Development Process



2002 Budget

2001-2002 Budget Report

Budget Timeline - Legal Requirements

School districts must publish notice of public meeting to discuss budget and proposed tax rate.

The notice must be published after the school district receives the certified roll from the Appraisal District.

School districts must wait 10 days after publishing the notice before the hearing and discussion can occur.

School districts must adhere to the Truth-in-Taxation guidelines published by the Comptroller's Office of Public Accounts.

Certified Roll:	August 13th
Notice Published:	August 17th
Earliest Possible Meeting:	August 28th

2001-2002 Budget Report

Overview of Texas School Finance

School Finance: Complex, Counter-Intuitive

Large Number of Influential Participants

Governor

Legislature

Comptroller

TEA

Appraisal District

Attorney General

School Board

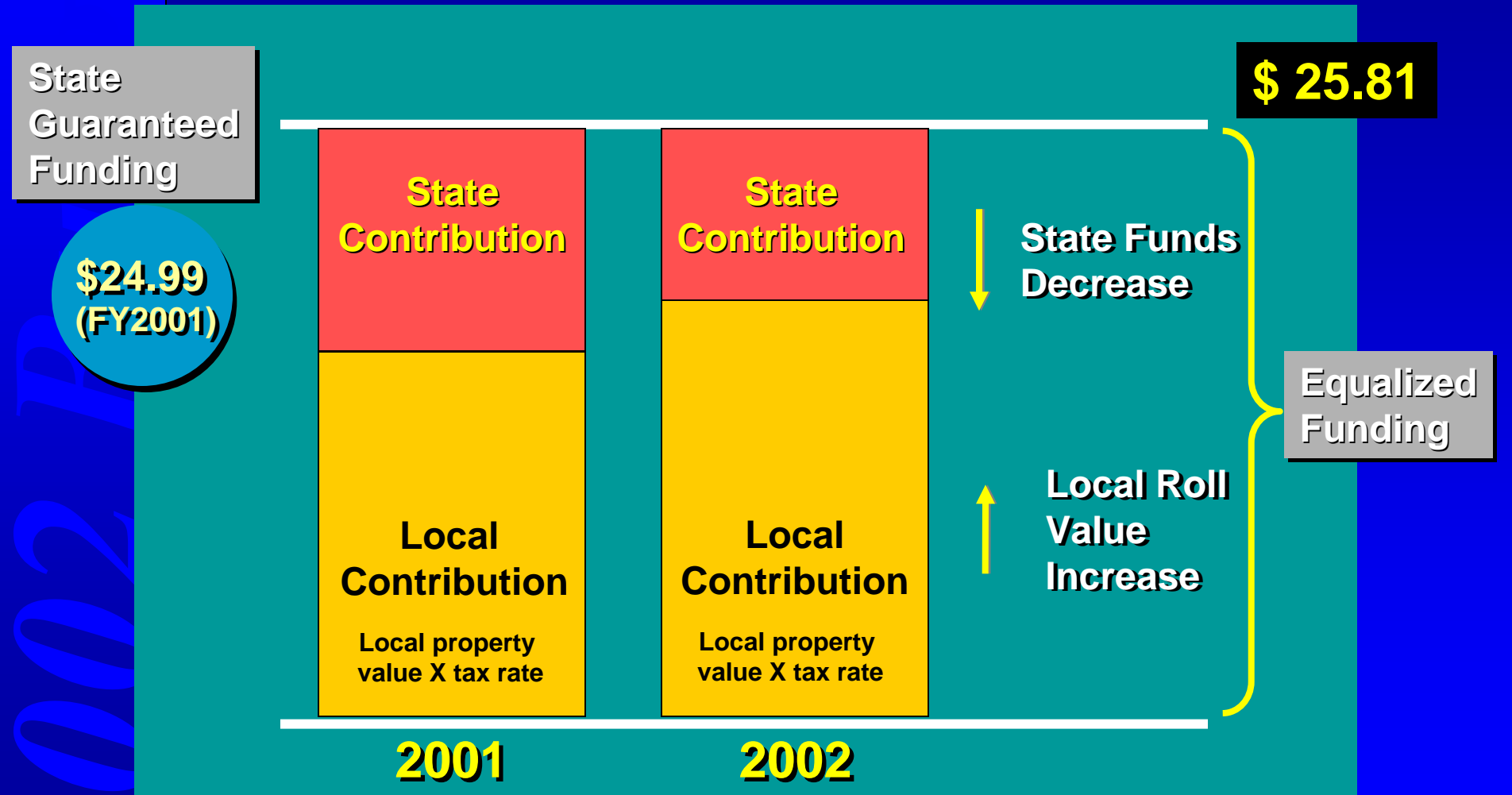
Superintendent

Community

Highly Technical Issues

2002 Budget

What Happens When the Tax Roll Rises?

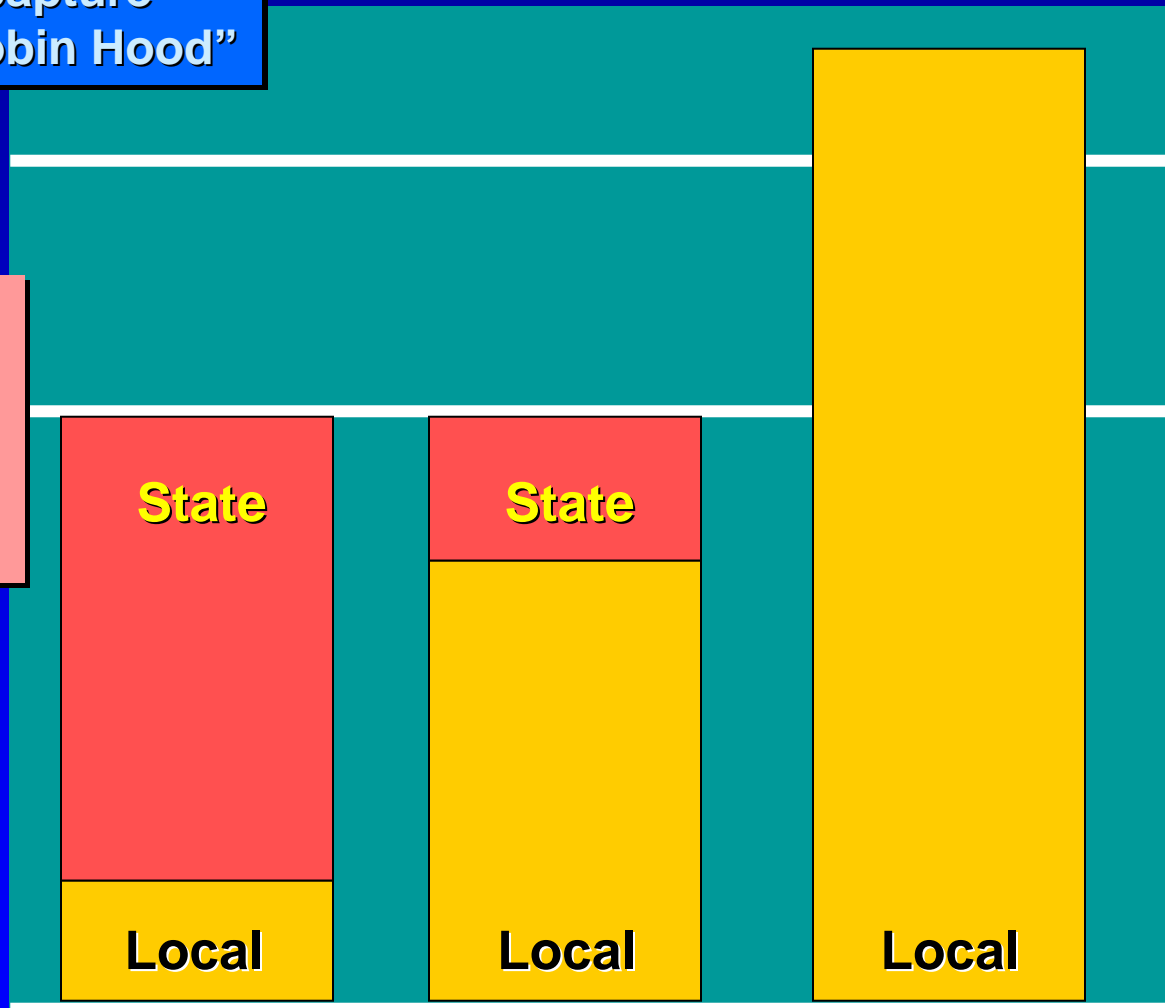


When Local Values Rise - State Funding Falls

How the Tax Rate Generates Revenue

Recapture -
"Robin Hood"

State
Guaranteed
Funding
Level per
Student



\$ 30.00

Retained
Unequalized
Enrichment

\$ 25.81

Equalized
Funding

1 Penny in
North Forest

1 Penny in
HISD

1 Penny in
Deer Park

2002

Revenue Differences Between the City of Houston and HISD

City of Houston Revenues:

Local Roll Value x Tax Rate = Revenue to City



Roll Values



City Revenue

2002 Budget

Revenue Differences Between the City of Houston and HISD

Houston ISD Revenues:

What TEA Calculates the HISD Program Should Cost minus

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

The image displays three overlapping spreadsheets from the Texas Education Agency (TEA) used for calculating state funding for HISD. The top spreadsheet is a 'Summary of Total Statewide Revenue' showing total revenue for the state. The middle spreadsheet is a 'Summary of Total HISD Revenue' showing revenue for HISD. The bottom spreadsheet is a 'Summary of Total HISD Revenue' showing revenue for HISD. The spreadsheets contain various data points such as revenue from state taxes, local taxes, and other sources.

State funding calculation sheets

2001-2002 Budget Report

Key Budget Assumptions

2000-2001

\$65.5 Billion

2001-2002

\$58.7 Billion

Increase
in Roll Value

\$ 6.8 Billion

**Revenue Forecast Based on 190,500 in
Average Daily Attendance for Both Years**

2002 Budget

2001-2002 Budget Report

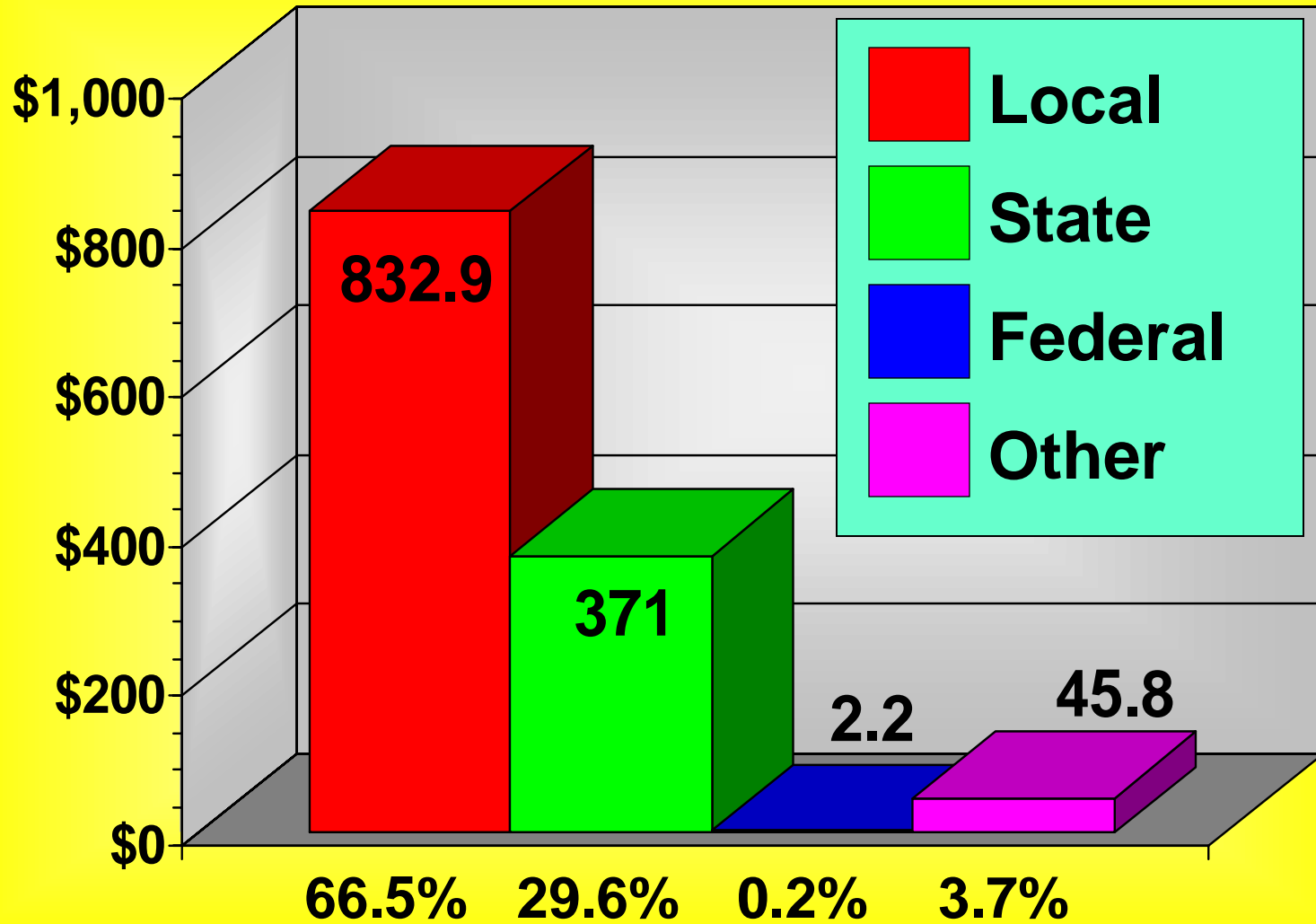
Total Budgets for All Funds

Fund	2001 Adopted Budget	2002 Proposed Budget	% Change
General	\$1,326,602,051	\$1,410,428,699	6.32%
Debt Service	\$83,376,778	\$106,089,641	27.24%
Special Revenue	\$152,817,353	\$153,671,546	0.56%
Capital Projects	\$238,841,250	\$200,063,780	-16.24%
Food Service	\$72,674,720	\$75,067,385	3.29%
Total Expenditures	\$1,874,312,152	\$1,945,321,051	3.79%

2001-2002 Budget Report

General Fund Revenue Sources (in millions)

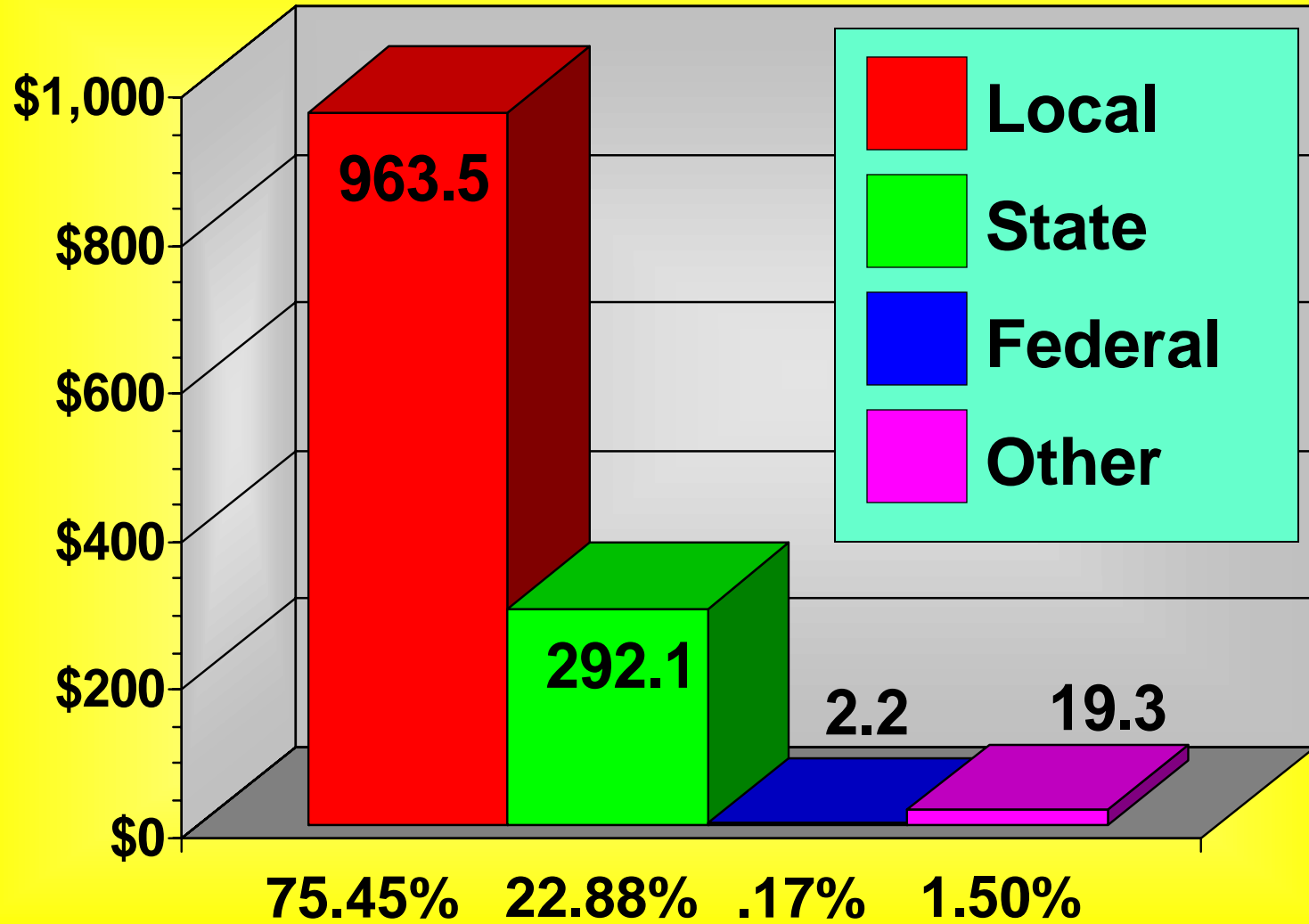
2001



2001-2002 Budget Report

General Fund Revenue Sources (in millions)

2002



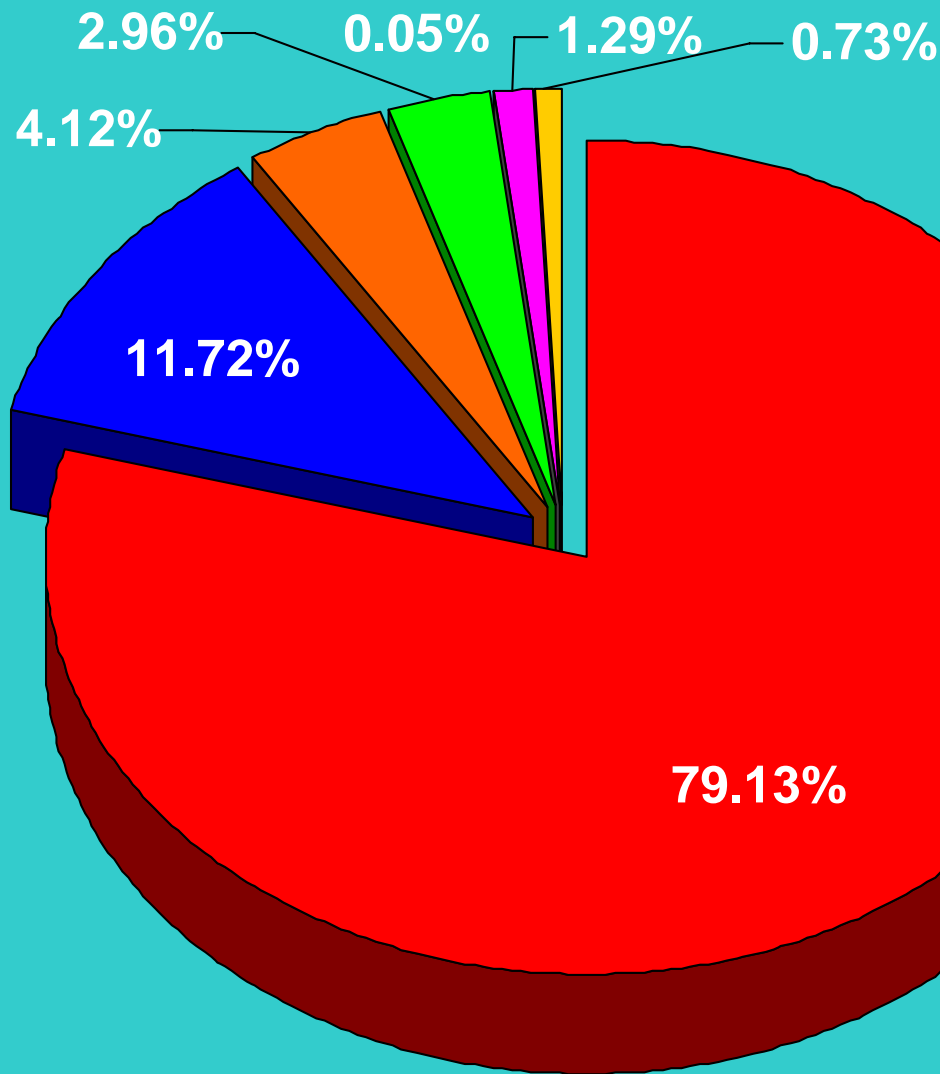
2001-2002 Budget Report

General Fund Expenditures by Object

Object	2001 ADOPTED Budget	2002 Proposed Budget	% Change
Salaries	\$1,055,039,317	\$1,116,130,507	5.79%
Contracted Services	\$153,899,608	\$165,274,015	7.39%
Supplies & Materials	\$47,867,092	\$58,180,102	21.55%
Other Operating Exp.	\$26,301,489	\$41,705,037	58.57%
Debt Services	\$744,191	\$649,915	-12.67%
Capital Outlay	\$39,508,479	\$18,151,748	-54.06%
Other Uses	\$3,241,875	\$10,337,375	218.87%
Total Expenditures	\$1,326,602,051	\$1,410,428,699	6.32%

2001-2002 Budget Report

General Fund Expenditures by Object

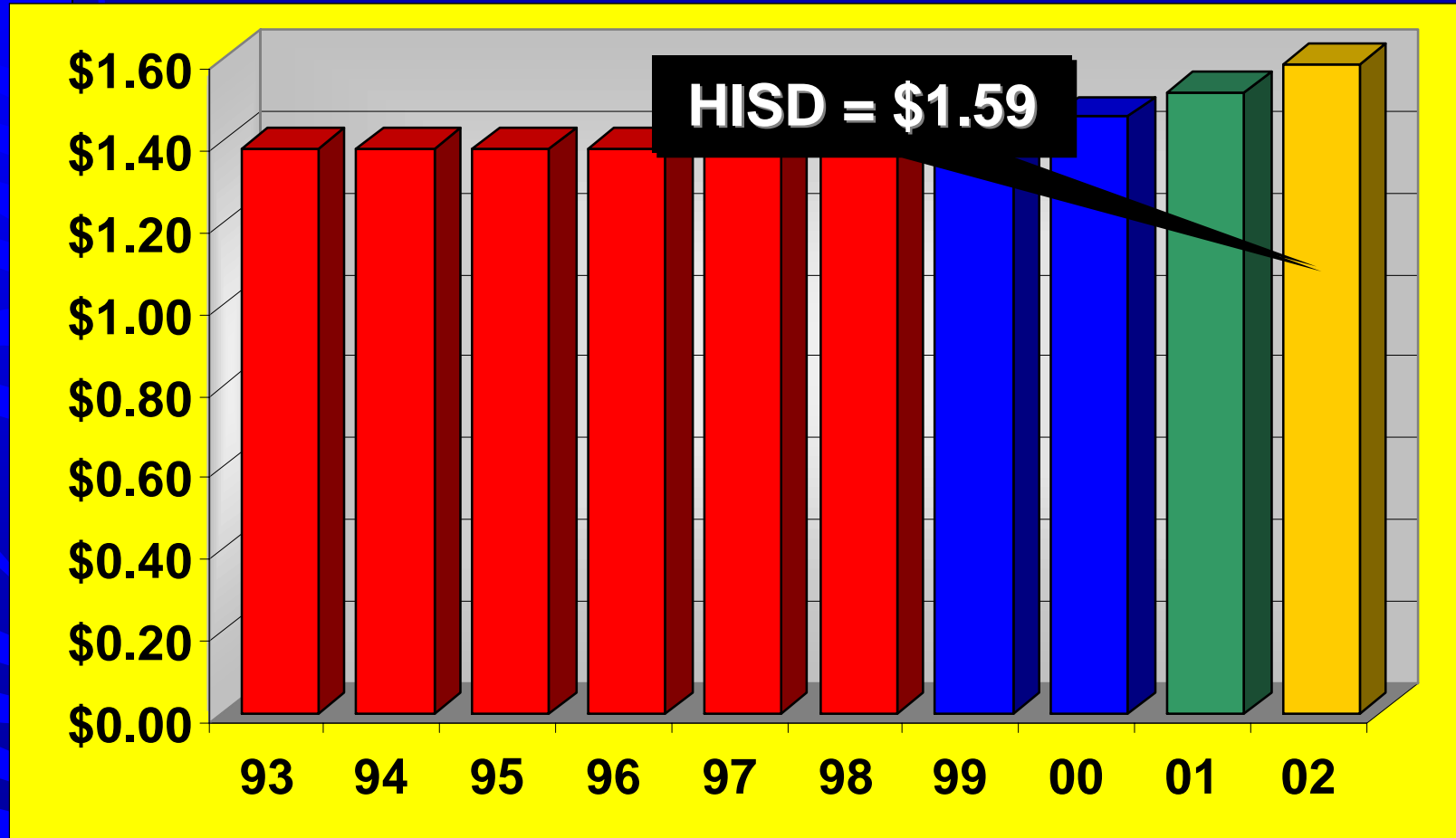


2002 GF Budget by Major Object

- Salaries
- Contract Serv
- Supplies
- Other Oper Exp
- Debt
- Capital
- Other Uses

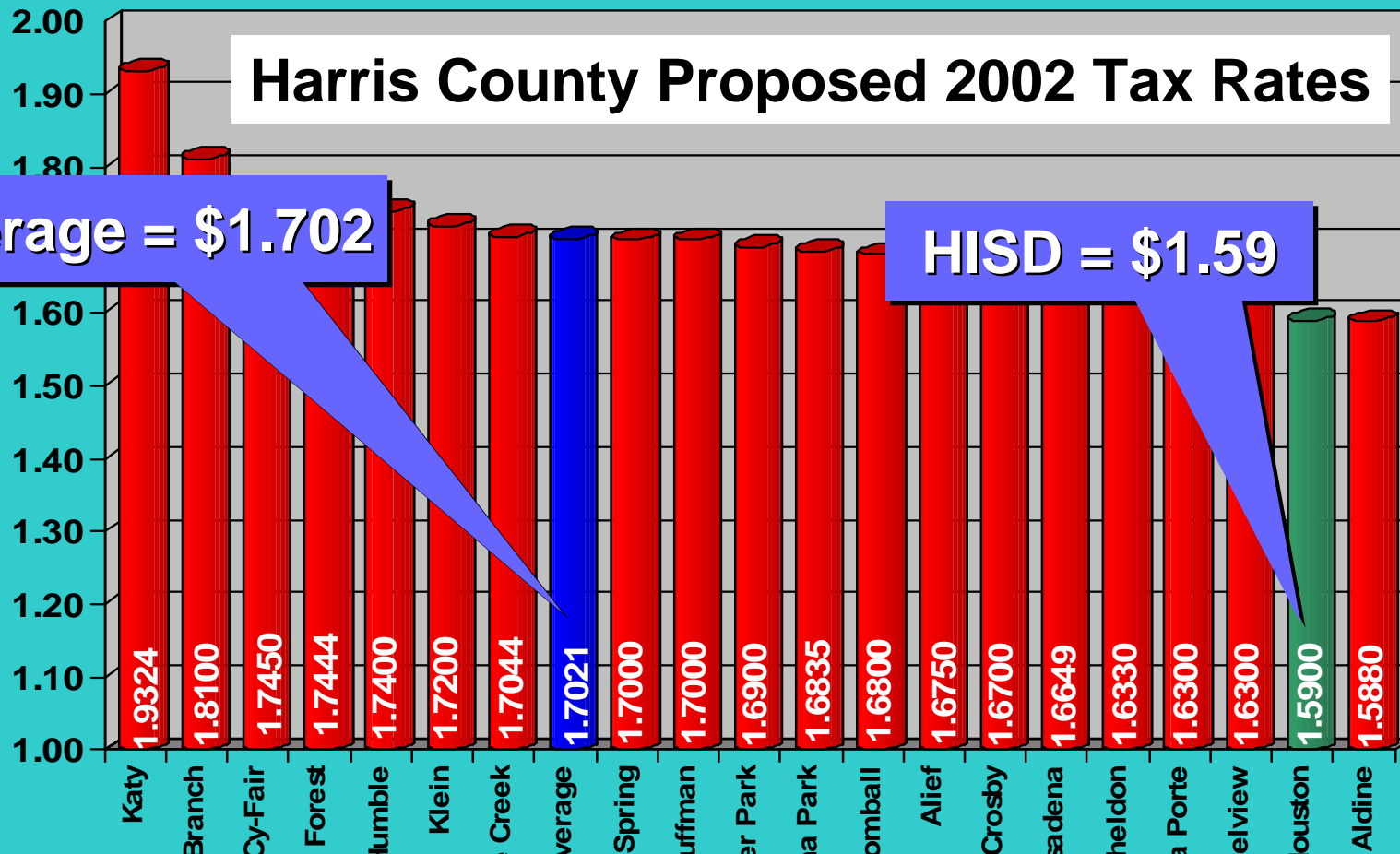
2001-2002 Budget Report

Tax Rate History



2001-2002 Budget Report

Proposed Tax Rate Comparison Chart



Average = \$1.702

HISD = \$1.59

HISD IS 11.2 CENTS BELOW THE AVERAGE

2001-2002 Budget Report

Tax Rate Comparison

	Aldine ISD	Houston ISD
Home Value	\$125,000	\$125,000
Regular Exemption	\$15,000	\$15,000
HISD Exemption	\$ -	\$ 25,000
Taxable Value	\$110,000	\$85,000
Tax Rate	\$1.588	\$1.59
Taxes Due	\$1,746.80	\$1,351.50

HISD \$395.30 Lower!

2001-2002 Budget Report

Budget Summary

Selected Highlights:

- **Value Package** \$50.5 M
- **Technology** \$3.0 M
- **Library Investments** \$2.5 M
- **School Support Services** \$4.0 M
- **Contractual Obligations** \$5.0 M
- **Administrative Cuts** - \$2.2 M

2001-2002 Budget Report

Budget Summary

THE BUDGET IS SOUND

SCHOOL CENTERED

**FACILITATES COST
EFFECTIVE
MANAGEMENT**

2002 Budget




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