



Recommended Budget Fiscal Year July 1, 2013 – June 30, 2014



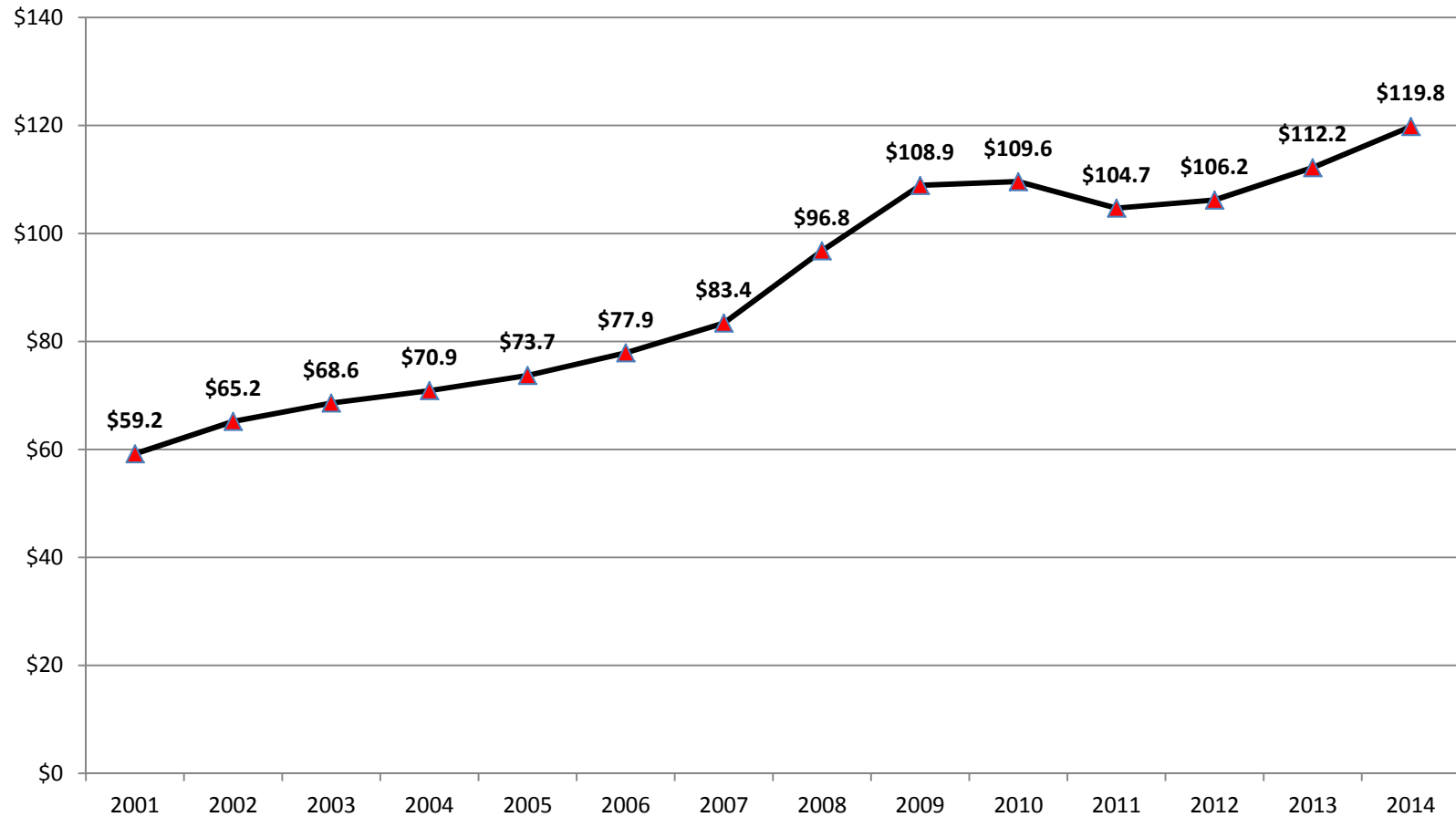
Revenue Assumptions

- Local Roll \$119.78 B (8.18% increase from prior year original budget)
- Enrollment 202,312
- Average Daily Attendance 182,986.61
- Comptroller's Property Tax Value (CPTD) \$112.35 B
- Local Tax Rate proposed increase to \$1.1767 total

LOCAL TAXES

Local Tax Roll

Total Assessed Value 2001 - 2014



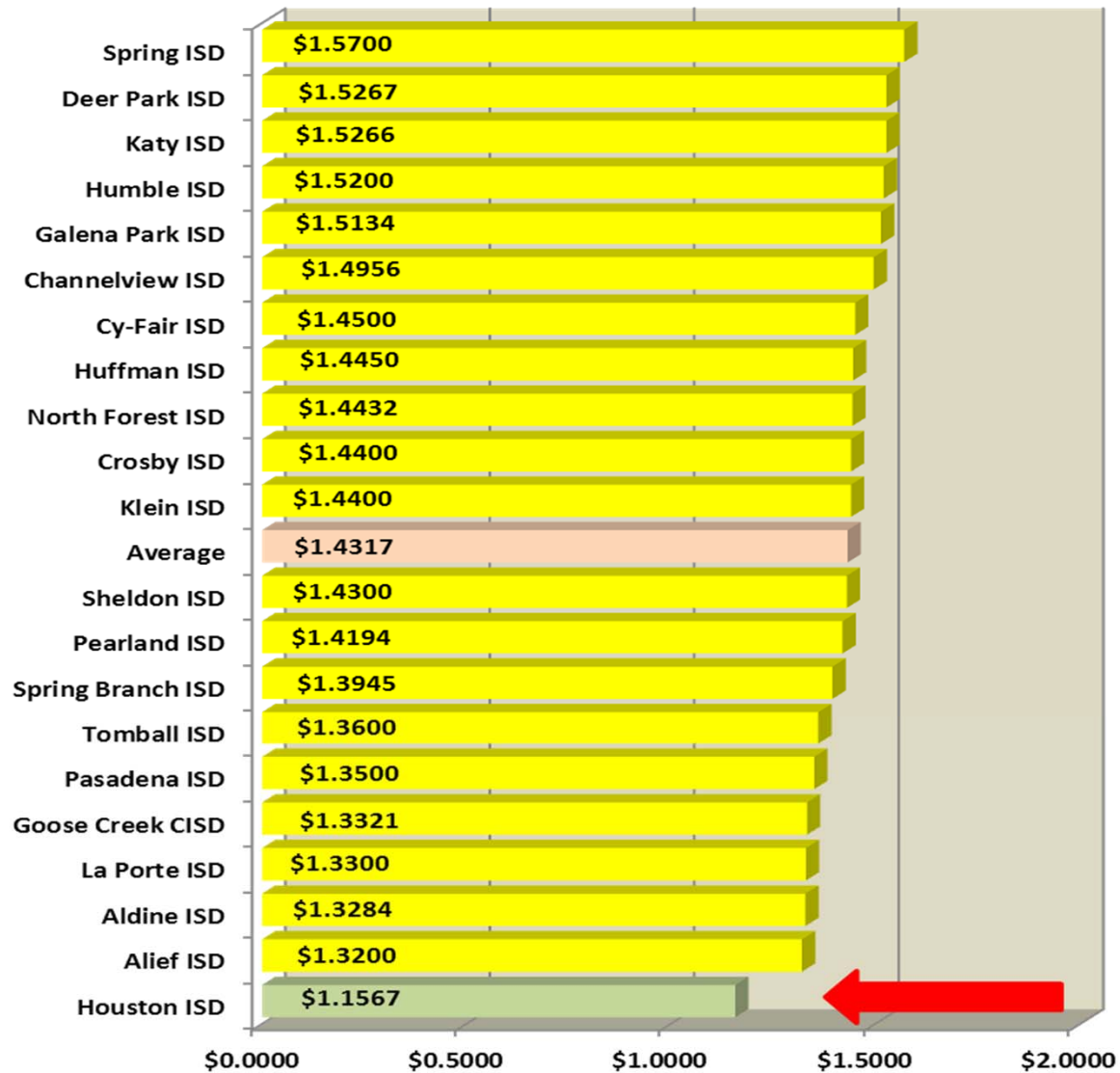
Note: 1999-2013 are HCAD Certified, 2014 is HCAD Certified Estimated

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
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
2011-2012 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2012-2013 Tax Rate	\$1.0067	\$0.1500	\$1.1567
2013-2014 Tax Rate	\$1.0267	\$0.1500	\$1.1767

FY 2012 Adopted Harris County District Tax Rates (2013 Tax Year)

2012 Harris County School District Tax Rates



HARRIS COUNTY DISTRICTS WITH OPTIONAL HOMESTEAD EXEMPTIONS

Jurisdiction / Taxing Unit	Homestead Percent
CYPRESS-FAIRBANKS ISD	20%
DEER PARK ISD	20%
GALENA PARK ISD	20%
HOUSTON ISD	20%
LA PORTE ISD	20%
SHELDON ISD	20%
SPRING BRANCH ISD	20%
STAFFORD MSD	20%
GOOSE CREEK ISD	10%
PASADENA ISD	10%
CLEAR CREEK ISD	5%

STATE FUNDING

The Current Biennium – Where did we end up?

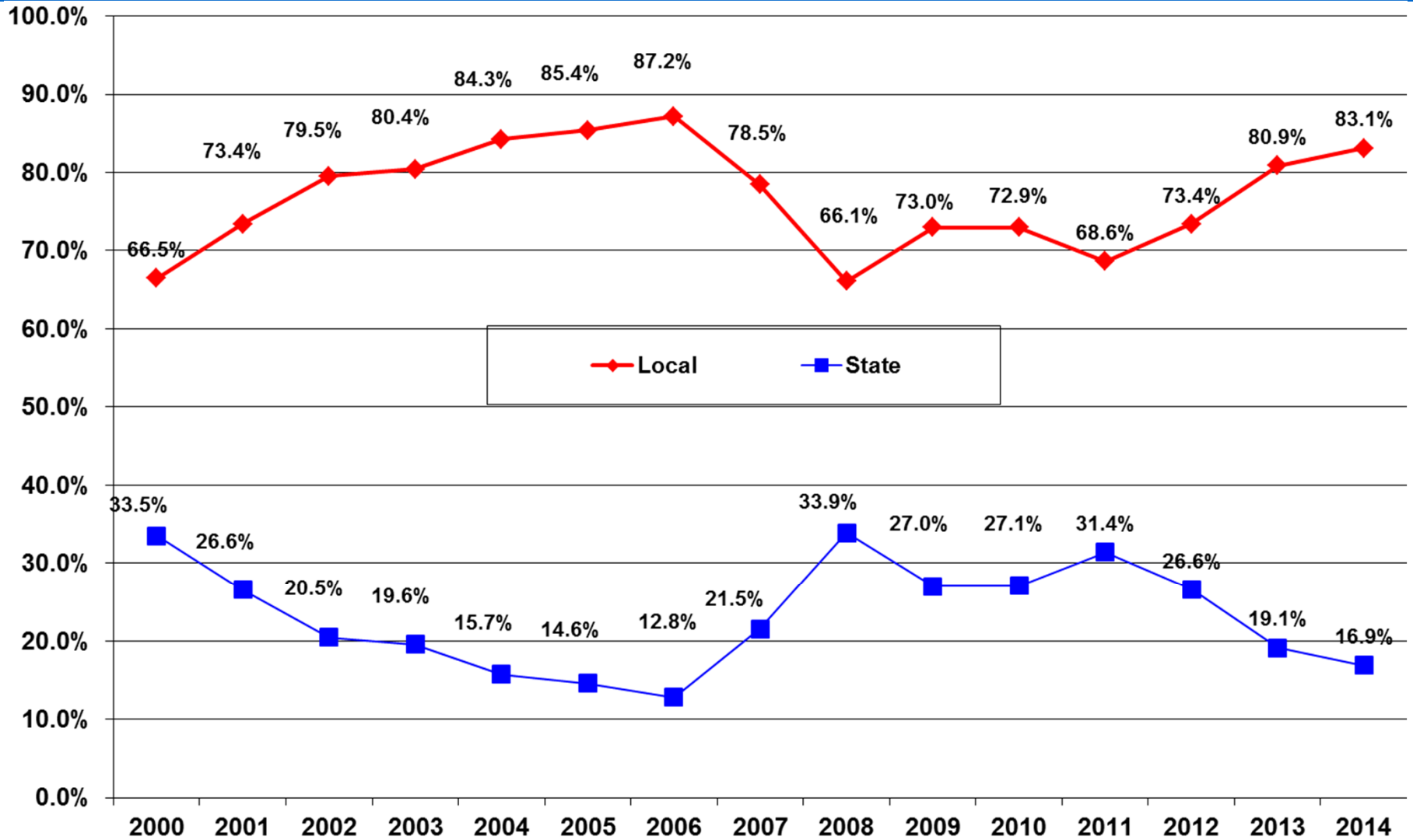
SB 1 and HB 1025 – State Budget

- Increases per pupil formula funding by \$3.4 billion over the biennium.
- Includes \$330 million for one-time transition aid to districts for the Teacher Retirement System.
- Restores partial funding to grant programs:
 - Increases the Student Success Initiative by \$10.5 million for prevention of academic failure.
 - Includes \$30 million for Prekindergarten grants.
 - Restores \$11 million to Communities in Schools.
 - Restores \$2.5 million to the Advance Placement Initiative.

IMPACT OF STATE FUNDING FORMULA CHANGES

	Current Tax Rate 2013-2014 before SB1	Current Tax Rate 2013-2014 after SB1	Change from Current Tax Rate and Current Tax Rate after SB 1
Revenues			
Local	\$ 1,170,779,464	\$ 1,190,333,571	\$ 19,554,107
State	262,005,601	297,308,406	35,302,805
Federal	5,752,233	5,752,233	-
Other sources	38,360,550	38,360,550	-
Total revenues	\$ 1,476,897,848	\$ 1,531,754,760	\$ 54,856,912

Local Taxes vs. State Formula Funding



Note: 2000-2012 Are Actual Revenues; 2012-2013 and 2013-2014 are Projected Revenues

GENERAL FUND REVENUE

General Fund Revenues

		2012-2013 Original Budget	2013-2014 Original Budget
00-5611	SALE OF BONDS	14,500,000	-
00-5612	TRANSFERS FROM OTHER FUNDS	39,960,550	38,260,550
00-5711	TAXES, CURRENT YEAR	1,044,711,675	1,172,124,594
00-5712	TAXES, DELINQUENT PRIOR YEARS	15,000,000	15,000,000
00-5719	TAXES, PENALTY AND INTEREST	17,000,000	15,500,000
00-5720	REVENUE IN LIEU OF TAXES	1,300,000	1,700,000
00-5733	TUITION, SUMMER	43,150	43,150
00-5739	TUITION, REGULAR DAY	650,000	808,209
00-5742	INTEREST EARNINGS	1,273,000	1,315,000
00-5746	RENTAL OF FACILITIES	1,270,427	1,452,290
00-5749	MISCELLANEOUS REVENUES	3,400,000	3,400,000
00-5769	REVENUE OTHER GOVERNMENTS	2,300,000	2,300,000
00-5811	PER CAPITA STATE REVENUES	44,987,294	51,236,251
00-5812	FOUNDATION SCHOOL PROGRAM	240,958,560	189,989,011
00-5829	OTHER STATE REVENUES	264,963	288,514
00-5831	TRS ON BEHALF OF	63,600,000	63,600,000
00-5929	FED REVENUE THROUGH TEA	3,374,500	3,490,867
00-5939	FED REVENUE OTHER AGENCIES	8,139	1,261
00-5943	ARMY SALARY REVENUE	1,854,436	1,777,752
00-5944	AIR FORCE REVENUE	65,064	60,804
00-5945	NAVY SALARY REVENUE	240,800	243,924
00-59XX	DIRECT FEDERAL REVENUE	294,780	177,625
	GRAND TOTAL	1,497,057,338	1,562,769,802

GENERAL FUND APPROPRIATIONS

2013-2014 Financial Analysis – General Fund

REVENUES	\$ 1,562,769,802
CARRYOVER APPROPRIATIONS NET OF FALLOUT	1,519,484,586
TOTAL INCREASES	45,241,113
TOTAL DECREASES	(7,853,592)
TOTAL APPROPRIATIONS NET OF FALLOUT	<u>1,556,872,107</u>
EXCESS FUNDS TO BE APPROPRIATED	<u><u>\$ 5,897,695</u></u>

2013-2014 General Fund – Appropriations

MAJOR INCREASES TO APPROPRIATIONS:

Supplemental instructional time and services for low performing schools	20,000,000
Transfers out for .04 pennies	15,318,193
Gasoline for Buses	3,000,000
Appraisal District Fees	1,664,545
AP/IB Testing	1,600,000
Mandatory Increases	1,544,332
Formative Assessment -Public Consulting Group-EdPlan	1,400,000

DECREASES WITH OFFSETTING REVENUES:

Capital Outlay (sale of contractual obligations)	(14,500,000)
Tax Increment Reinvestment Zone (TIRZ)	(4,287,905)

MAJOR DECREASES TO APPROPRIATIONS:

TRS Above State Minimum	(4,047,202)
Unemployment Insurance	(1,500,000)
Workers' Compensation	(1,241,582)
Campus Online	(600,000)

School Resources

Weighted Student Allocations

	2012-2013 Total	2012-2013 Salary Adjustment	2013-2014 Total
Elementary Schools	\$3,341	\$37	\$3,378
Middle Schools	\$3,366	\$37	\$3,403
High Schools	\$3,330	\$37	\$3,367

Title Funds 2013-2014

Title I Regular Funding	Tier I Schools	\$	300	per student
	Tier II Schools	\$	269	per student
Title III, Part A	All Schools	\$	42	per student

FEDERAL FUNDS

2013-2014 Local, State & Federal Grants

	<u>2012-2013</u> <u>Budget</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>% Change</u>
<u>Local sources</u>			
MISC PROJECT GRANTS	368,000	368,000	0.00%
Total Local Sources	<u>368,000</u>	<u>368,000</u>	<u>0.00%</u>
<u>State Sources</u>			
INSTRUCTIONAL MATERIALS ALLOTMENT	9,339,679	22,000,000	135.55%
ONLINE COLLEGE AND CAREER PREP TECH	472,096	133,036	-71.82%
DATE GRANT	4,202,184	4,237,275	0.84%
MISC STATE GRANTS	<u>2,354,908</u>	<u>2,354,908</u>	<u>0.00%</u>
Total State Sources	<u>16,368,867</u>	<u>28,725,219</u>	<u>75.49%</u>
<u>Federal Sources</u>			
TITLE I - PART A	103,082,376	106,619,360	3.43%
TITLE I - MIGRANT	545,698	570,668	4.58%
TITLE II - PART A	11,687,484	13,190,083	12.86%
TITLE III - PART A - LEP	6,163,538	7,212,184	17.01%
SPECIAL ED	37,396,137	30,192,319	-19.26%
SPECIAL ED-PRESCHOOL	471,675	442,639	-6.16%
CARL PERKINS	2,967,552	2,730,773	-7.98%
E-RATE	11,647,135	16,331,682	40.22%
21ST CENTURY	3,414,516	2,305,914	-32.47%
USDE MAGNET GRANT	3,954,157	3,296,062	-16.64%
TTIPS	6,729,722	685,856	-89.81%
TEACHER INCENTIVE	5,630,766	6,807,157	20.89%
MISC FEDERAL GRANTS	<u>3,752,909</u>	<u>3,752,909</u>	<u>0.00%</u>
Total Federal Sources	<u>197,443,665</u>	<u>194,137,606</u>	<u>-1.67%</u>
TOTAL REVENUES	<u><u>214,180,532</u></u>	<u><u>223,230,825</u></u>	<u><u>4.23%</u></u>

Note: 2012-2013 Budget includes all grants received including carryover funding from prior years. Fiscal year 2013-2014 only includes those grants that the district received NOGA's or pre-award notifications as of June 1, 2013. The budget will be adjusted throughout 2013-2014 as grants awards are received.

Title I, Part A

Sources of Funding		Recommended Budget for 2013-2014
	Planning Entitlement	\$92,080,357
	Carryover Funds	\$14,539,003
Planning Budget		<u>\$106,619,360</u>
Use of Funds:		
Grant Required		
	Supplemental Education Service Providers	\$18,416,071
	Professional Development	\$10,608,036
	Indirect Costs	\$2,874,763
	Parent Engagement	\$1,049,821
	Private School and other Miscellaneous	\$1,115,460
	Homeless Allocation	\$205,000
	Highly Qualified	\$114,168
	Institutions for Neglected Children	\$14,000
Other Initiatives		
	Campus Allocations	\$46,981,585
	Pre-K Programs	\$20,589,586
	District-wide (1:1 initiative, See to Succeed, Dental)	\$1,800,000
	General Administration	\$2,155,578
	Summer Professional Development	\$695,292
Total Title I Funding		<u><u>\$106,619,360</u></u>

Required distributions under federal law

Title II, Part A (Professional Development)

		Recommended Budget for 2013-2014
Sources of Funding		
	Planning Entitlement	\$10,668,095
	Carryover Funds	\$2,000,000
Planning Budget		<u>\$12,668,095</u>
Use of Funds:		
Grant Required		
	Private School and other Miscellaneous	\$644,644
	Indirect Costs	\$381,262
	Highly Qualified	\$115,000
Other Initiatives		
	Professional Development	\$8,931,869
	Sign-On Bonuses	\$1,240,000
	Teach for America	\$600,000
	File Review Training	\$500,000
	General Administration	\$255,320
Total Title II Funding		<u><u>\$12,668,095</u></u>

Required distributions under federal law

Title III, Part A – Limited English Proficiency (LEP)

		Recommended Budget for 2013-2014
Sources of Funding		
	Planning Entitlement	\$5,625,935
	Carryover Funds	\$1,400,000
Planning Budget		<u>\$7,025,935</u>
Use of Funds:		
	Private Non-Profit	\$34,220
	Campus Allocations	\$2,529,996
	General Administration	\$2,586,758
District Initiatives		
	Aligned Bilingual/ESL Instructional Programming	\$1,345,751
	Newcomer Initiative	\$231,210
	Dropout Prevention of ELL Students	\$298,000
		<hr/>
Total Title III Funding		<u><u>\$7,025,935</u></u>

Required distributions under federal law

OTHER FUNDS

Total Budgets for Other Governmental Funds

Fund	2013 Original Budget	2014 Recommended Budget	% Change
Debt Service	\$ 256,897,050	\$ 263,204,040	2.46%
Special Revenue	214,180,532	223,230,825	4.23%
Capital Projects	112,038,544	114,087,694	1.83%
Total Expenditures	\$ 583,116,126	\$ 600,522,559	2.99%

Total Budgets for Internal Service Funds

Fund	2013 Adopted Budget	2014 Recommended Budget	% Change
Health Insurance Fund	\$ 99,097,734	\$ 110,929,000	11.94%
Workers' Compensation Fund	13,759,095	11,389,032	-17.23%
Athletic Fund	6,098,809	5,884,668	-3.51%
Special Education Shared Services	6,925,888	6,950,491	0.36%
Alternative Certification Fund	981,694	1,566,940	59.62%
Print Shop Fund	4,106,007	4,819,816	17.38%
UIL	962,256	937,519	-2.57%
Virtual Schools	-	40,338	100.00%
Total Internal Service	\$ 131,931,483	\$ 142,517,804	8.02%

Total Budgets for Enterprise Funds

Fund	2013 Adopted Budget	2014 Recommended Budget	% Change
Medicaid	\$ 41,003,992	\$ 53,679,625	30.91%
Food Services	112,992,645	113,327,508	0.30%
Business Development	11,783,000	5,175,882	-56.07%
Total Enterprise Funds	\$ 165,779,637	\$ 172,183,015	3.86%

Budget implications beyond 2014

- **Low Revenue Growth**
- **District contribution of 1.5% to Teachers Retirement System**
- **Cost of Federal Health Care Proposal**
- **Operational Fixed Cost Increases**
- **Future Salary Increases**
- **Academic Programs**