

School FIRST

2014 Report for the 2012-2013 Fiscal Year

Date: 10/19/2014

Presenter:

Sharon Eaves

Director, Budgeting and Financial Planning



2012-2013 School FIRST Rating

HOUSTON INDEPENDENT SCHOOL DISTRICT

2014 BOARD OF EDUCATION

Juliet Stipeche, President

Rhonda Skillern-Jones, First Vice President

Manuel Rodriguez, Jr., Second Vice President

Anna Eastman, Secretary

Wanda Adams, Assistant Secretary

Michael L. Lunceford

Paula Harris

Greg Meyers

Harvin C. Moore

ADMINISTRATION

Terry B. Grier, Ed.D., Superintendent

Kenneth Huewitt, Chief Financial Officer

Sherrie Robinson, Controller

Sharon Eaves, General Manager, Budgeting and Financial Planning

Purpose

- Expands the public education accountability system in Texas to the Financial Services.
- Originated by SB875 of the 76th Texas Legislature in 1999.
- Primary goal: to improve management of school district's financial resources.
- Indicators developed by Texas Business and Education Council (TBEC), Texas Education Agency (TEA), Comptroller's Office, and the Texas Association of School Business Officials (TASBO).

Objectives

- Assess quality of financial management in Texas public schools.
- Measure and report extent to which financial resources are allocated for direct instructional purposes.
- Fairly evaluate quality of financial management decisions.
- Openly report results to general public.

Overview

- School FIRST rating based on 2011-2012 data.
- Rating based on 20 indicators
- District's School FIRST rating can impact special education determination status

Rating Categories

- Superior Achievement 64-70 & Yes to Indicator 7
- Above Standard Achievement 58-63 or ≥ 64 & No to Indicator 7
- Standard Achievement 52-57
- Substandard Achievement < 52 or No to one default Indicator (1-6)
- Suspended – Serious data quality problems

- Numerical scores based on 20 indicators

**This is the number
of positively
answered
indicators.**

What is HISD's Rating?

- Superior Achievement
 - HISD received a total score of 70 on all indicators.
 - The district has received the highest rating possible as established under guidelines and rules established by the Texas Education Agency.

Critical Indicators 1-6

- Does the district have sufficient fund balance to meet it's obligations?
- Checks to see if the district has more assets than liabilities.
- Has the district filed all of the required reports timely?
- Does the external audit indicate the district is handling the finances in accordance with Generally Accepted Accounting Principals and maintaining good internal controls to safeguard the district's assets?
- A “no” answer to any of these indicators is an automatic rating of Substandard.

Fiscal Performance Indicator 7-11

- Did the district collect sufficient tax revenue to cover its cost of operations and debt payments?
- Is the district accurately reporting its financial information to the Texas Education Agency?
- What is the district's debt burden in relation to the number of students in the district and can we generate sufficient funds to meet our obligations through I & S taxes?
- Is the district in compliance with all state and federal mandates? **Such as: Maintenance of Effort, Categorical Minimums and Comparability**
- Is the district fully accredited in its funds management practices?

Fiscal Performance Indicators 12-14

- Indicators 12-14 look at the relationship of total revenue to total expenditures to determine if the district is consistently reducing their fund balance for operational cost.
- It also looks at the aggregate fund balance in the General Fund and Capital Projects Fund to see if it was less than zero, were construction projects adequately financed?
- Another area that indicates a problem can be the ratio of cash and investments to deferred revenues (excluding amount equal to net delinquent taxes receivables) in the General Fund = or 1:1?
- Each of these indicators can be a signal that a district is over expending their available funds and could lead to a financial crisis.

Financial Performance Indicator 15

- Was the administrative cost ratio less than the standard in state law?
 - TEA and state law sets a cap on the percentage of the budget that Texas school districts can spend on administration. Did you exceed the cap for districts of your size? For Large Districts the cap is 11.05%.

-Instructional Expenditures	\$	864,366,656
Function 11 - Instruction		
Function 12 - Instructional Resource Media		
Function 13 - Curriculum and Staff Development		
Function 31 - Guidance & Counseling		
-Administrative Expenditures	\$	41,485,660
Function 21 - Instructional Leadership		
Function 41 - General Administration		

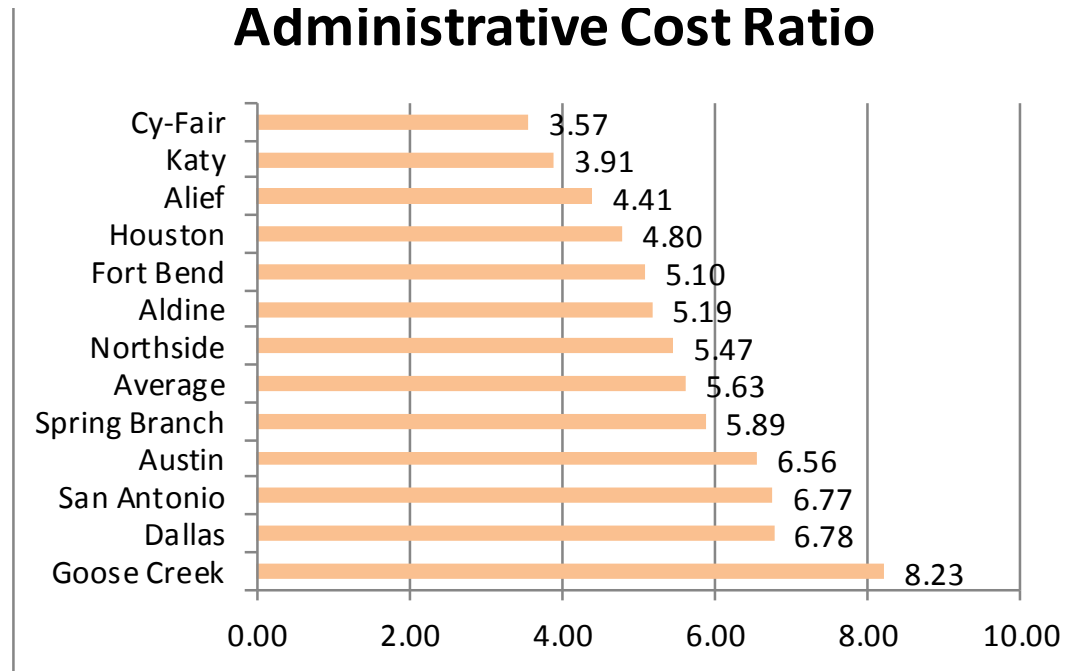
Administrative Cost Ratio	\$	41,485,660	=	0.0480
	\$	864,366,656		

Comparison Data	
FY2012 Administrative Cost Ratio	0.0461

Fiscal Performance Indicator 15

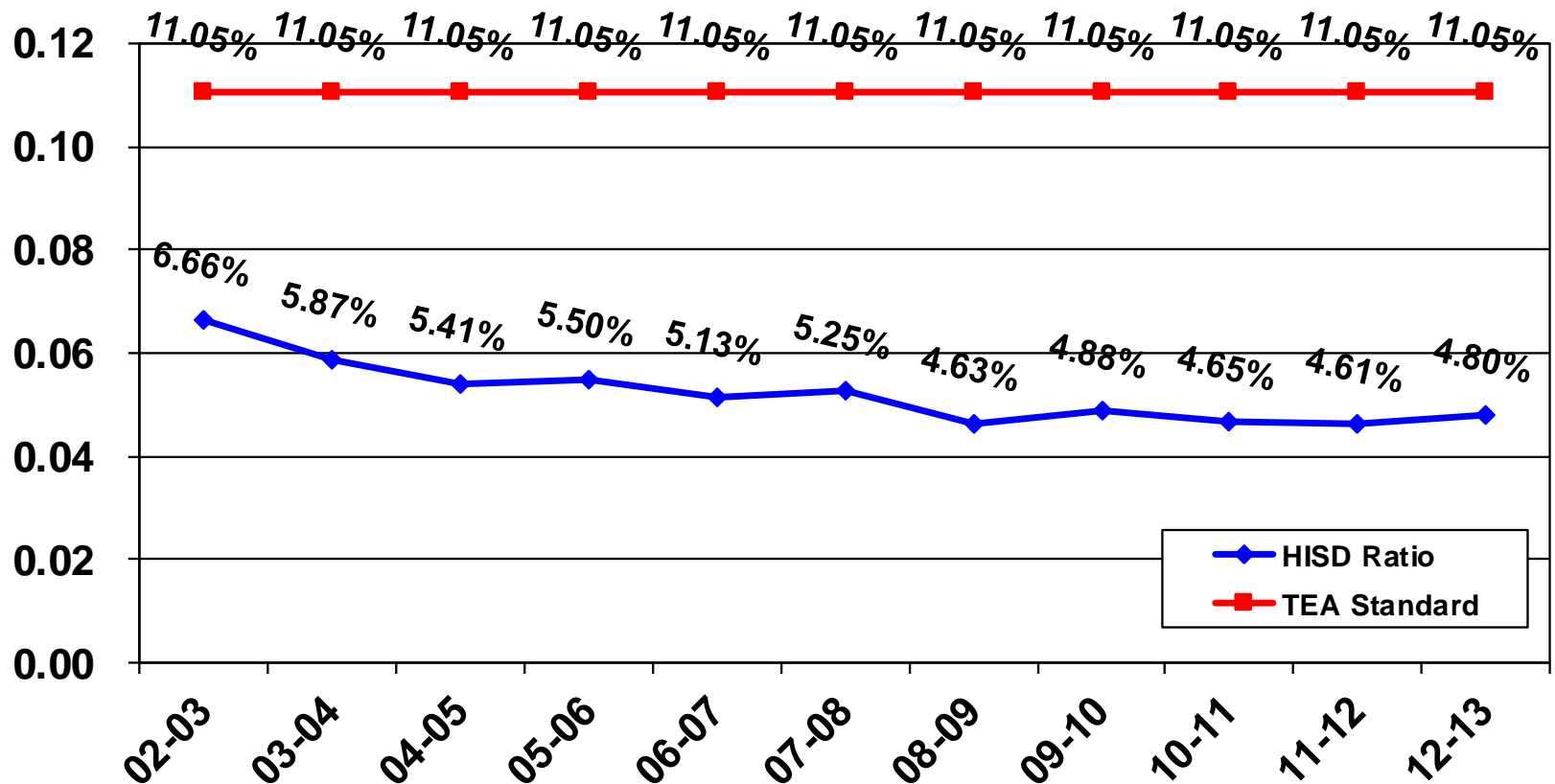
Comparison to other districts

Goose Creek	8.23
Dallas	6.78
San Antonio	6.77
Austin	6.56
Spring Branch	5.89
Average	5.63
Northside	5.47
Aldine	5.19
Fort Bend	5.10
Houston	4.80
Alief	4.41
Katy	3.91
Cy-Fair	3.57



Administrative Cost Indicator 15

- History



Staffing Patterns Indicator 16

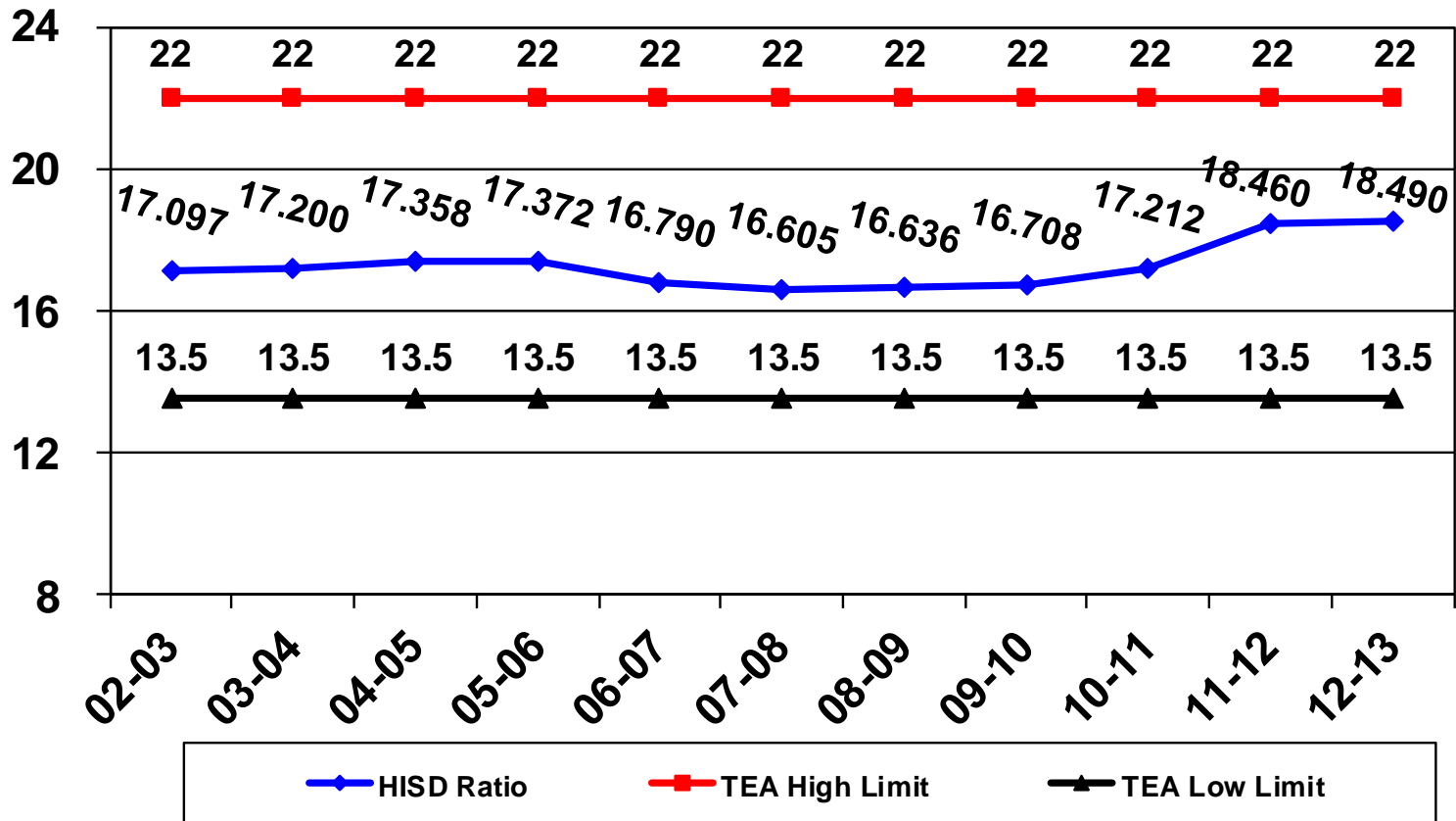
- Was the ratio of students to teachers within the ranges established according to district size?
 - This indicator measures your pupil-teacher ratio to ensure that it is within TEA recommended ranges for districts of your student population range. For example, districts with a student population over 10,000 should have no more than 22 students per teacher and no fewer than 13.5 students per teacher.

$$\text{Students to Teacher} = \frac{\text{No. Students}}{\text{No. Teachers}} = \frac{202,586}{10,957} = 18.49$$

Comparison Data	
FY12 Students to Teacher	18.46

Staffing Patterns Indicator 16

History



Staffing Patterns Indicator 16

- Comparisons to other districts

District	Student to Teacher Ratio
HOUSTON	18.4878
FORT BEND	17.1848
CY-FAIR	17.1683
ALDINE	16.9991
NORTHSIDE	16.7044
SAN ANTONIO	16.1061
AVERAGE	16.1055
DALLAS	15.9946
SPRING BRANCH	15.9434
GOOSE CREEK	15.8461
KATY	15.8315
ALIEF	14.7498
AUSTIN	14.6319

Staffing Patterns Indicator 17

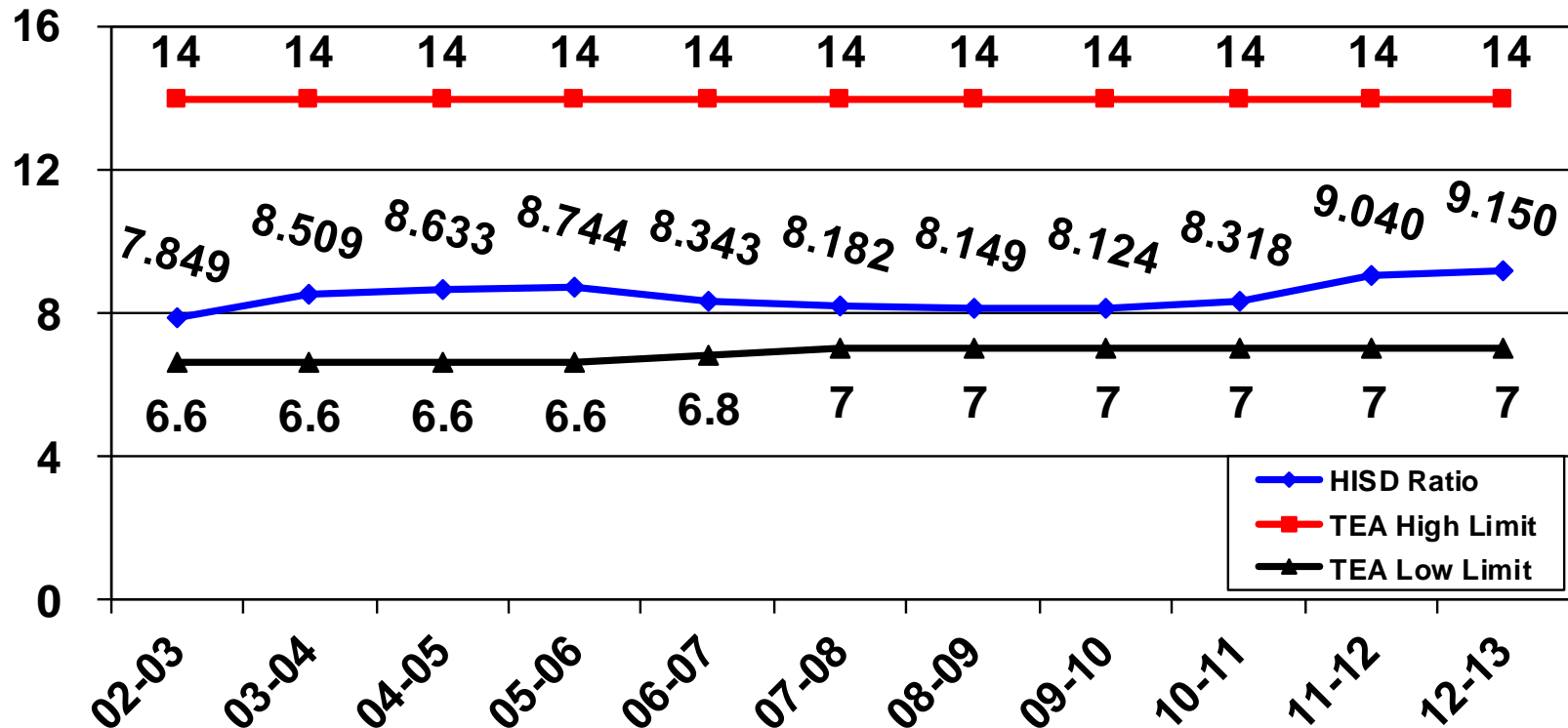
- Was the ratio of students to total staff within the ranges established according to district size?
 - This indicator measures your pupil-staff ratio to ensure that it is within TEA recommended ranges for district's of your student population range. For example, districts with a student population over 10,000 should have no more than 14 students per staff member and no fewer than 7.0 students per district employee.

$$\text{Students to Total Staff} = \frac{\text{No. Students}}{\text{No. Total Staff}} = 9.15$$

Comparison Data	
FY12 Students to Total Staff	9.04

Staffing Patterns Indicator 17

- History



Staffing Patterns Indicator 17

- Comparisons to other districts

HARRIS COUNTY DISTRICTS	TOTAL STUDENT TO STAFF RATIO
HOUSTON	9.1452
DALLAS	8.8022
FORT BEND	8.7047
CY-FAIR	8.6283
KATY	8.3195
NORTHSIDE	8.2095
SPRING BRANCH	8.2046
ALDINE	8.1671
AVERAGE	8.1079
GOOSE CREEK	7.7516
ALIEF	7.6660
AUSTIN	7.5212
SAN ANTONIO	7.2119

Cash Management Practices

Indicators 18-20

- These indicators examine if the district is consistently spending more than it is receiving in revenue.
- Is there sufficient cash and investments to meet the cash flow needs of the district?
- It also examines the interest earnings of the district in relation to the current market for Treasury Bills to determine if the district is maximizing the earnings.

Management Report

Reimbursements (Board and Superintendent)

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended June 30, 2013

Description of Reimbursements	Dr. Terry B. Grier	Anna Eastman	Rhonda Skillern-Jones	Manual Rodriguez, Jr.	Paula M. Harris	Michael L. Lunceford	Greg Meyers	Harvin C. Moore	Juliet K. Stipeche	Lawrence Marshall
	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	
Meals	\$ 3,612.20	\$ 6.99	\$ 178.87	\$ 85.64	\$ 48.13	\$ -	\$ -	\$ 110.30	\$ 31.41	\$ 93.49
Lodging	3,105.16	409.50	1,759.67	1,592.03	1,271.18	950.17	-	1,152.41	248.52	412.02
Transportation	16,241.47	410.50	1,257.70	384.04	944.90	747.30	-	1,164.45	15.00	408.10
Motor Fuel	102.40	-	-	-	-	-	-	-	-	-
Other	2,096.07	1,084.61	1,572.95	1,325.00	2,348.69	725.00	855.00	1,081.48	913.81	725.00
Total	\$ 25,157.30	\$ 1,911.60	\$ 4,769.19	\$ 3,386.71	\$ 4,612.90	\$ 2,422.47	\$ 855.00	\$ 3,508.64	\$ 1,208.74	\$ 1,638.61

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
Ended June 30, 2013

Name(s) of Entity(ies)	Amount Received
University of North Alabama	\$ 811.91
SUPES, LLC	3,000.00
The University of Texas at Austin	3,000.00
Total	\$ 6,811.91

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
Ended June 30, 2013

Total	Dr. Terry B. Grier	Anna Eastman	Rhonda Skillern-Jones	Manual Rodriguez, Jr.	Paula M. Harris	Michael L. Lunceford	Greg Meyers	Harvin C. Moore	Juliet K. Stipeche	Lawrence Marshall
	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended June 30, 2013

Amounts	Anna Eastman	Rhonda Skillern-Jones	Manual Rodriguez, Jr.	Paula M. Harris	Michael L. Lunceford	Greg Meyers	Harvin C. Moore	Juliet K. Stipeche	Lawrence Marshall
	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

Superintendent's 2009 Employment Contract and
Amendments
included in presentation packet
as required

Thank you

Date: 10/19/2014

Presenter:

Glenn Reed

Director, Budgeting and Financial Planning

