

# Schools FIRST

2013 Report for the 2011-2012 Fiscal Year



October 10, 2013

# 2011-2012 *Schools FIRST* Rating



## HOUSTON INDEPENDENT SCHOOL DISTRICT

### 2013 BOARD OF EDUCATION

**Anna Eastman, President**  
**Juliet Stipeche, First Vice President**  
**Manuel Rodriguez, Jr., Second Vice President**  
**Rhonda Skillern-Jones, Secretary**  
**Michael L. Lunceford, Assistant Secretary**  
**Paula Harris**  
**Lawrence Marshall**  
**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 76<sup>th</sup> 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

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- 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

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- 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  $\geq 64$  & 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

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- 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

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- Did the district collect sufficient tax revenue to cover its cost of operations and debt payments?
- Is the district accurately reporting it's 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 it's 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.

# Fiscal 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	\$	841,387,207
Function 11 - Instruction		
Function 12 - Instructional Resource Media		
Function 13 - Curriculum and Staff Development		
Function 31 - Guidance & Counseling		
-Administrative Expenditures	\$	38,819,660
Function 21 - Instructional Leadership		
Function 41 - General Administration		

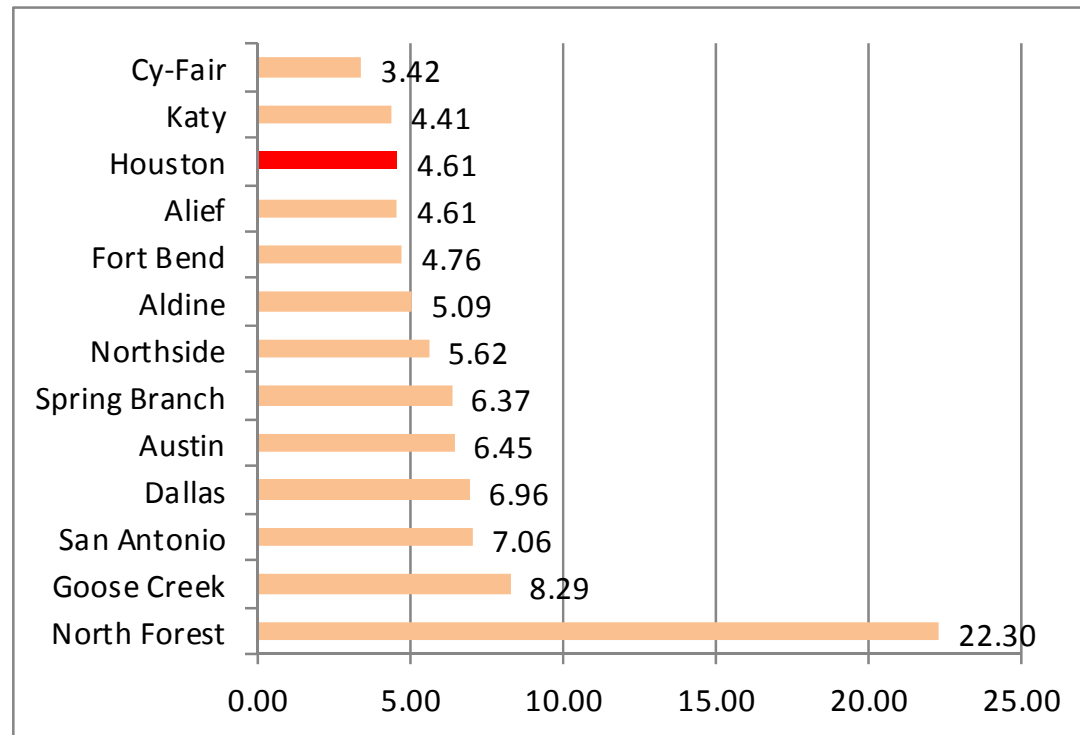
Administrative Cost Ratio	\$	38,819,660		=	0.0461
	\$	841,387,207			

Comparison Data	
FY2011 Administrative Cost Ratio	0.0465

# Fiscal Performance Indicator 15

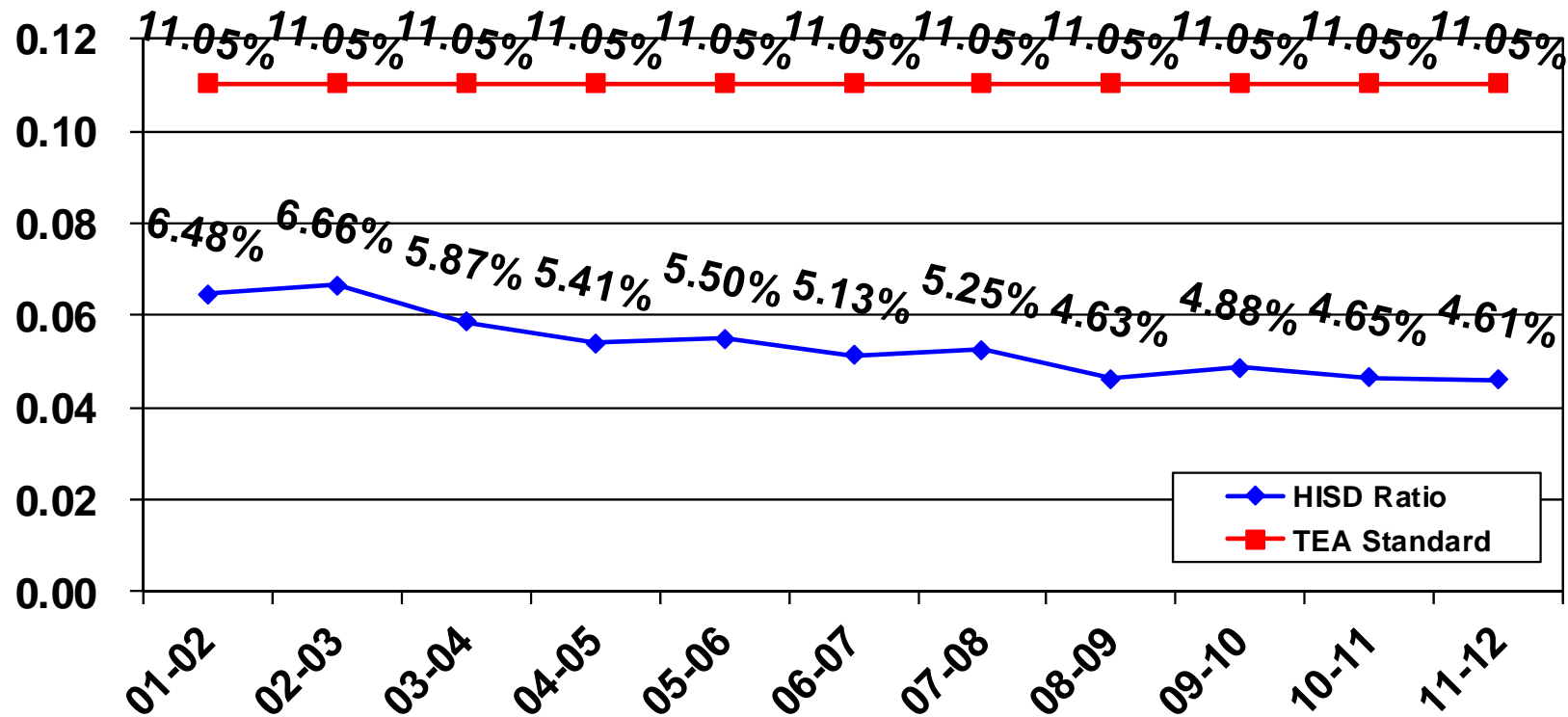
## Comparisons to other Districts

District	Administrative Cost Ratio
Cy-Fair	3.42
Katy	4.41
Alief	4.61
<b>Houston</b>	<b>4.61</b>
Fort Bend	4.76
Aldine	5.09
Northside	5.62
Spring Branch	6.37
Austin	6.45
Dallas	6.96
San Antonio	7.06
Goose Creek	8.29
North Forest	22.30



# Administrative Cost Indicator 15

## History



# Staffing Patterns Indicator 16

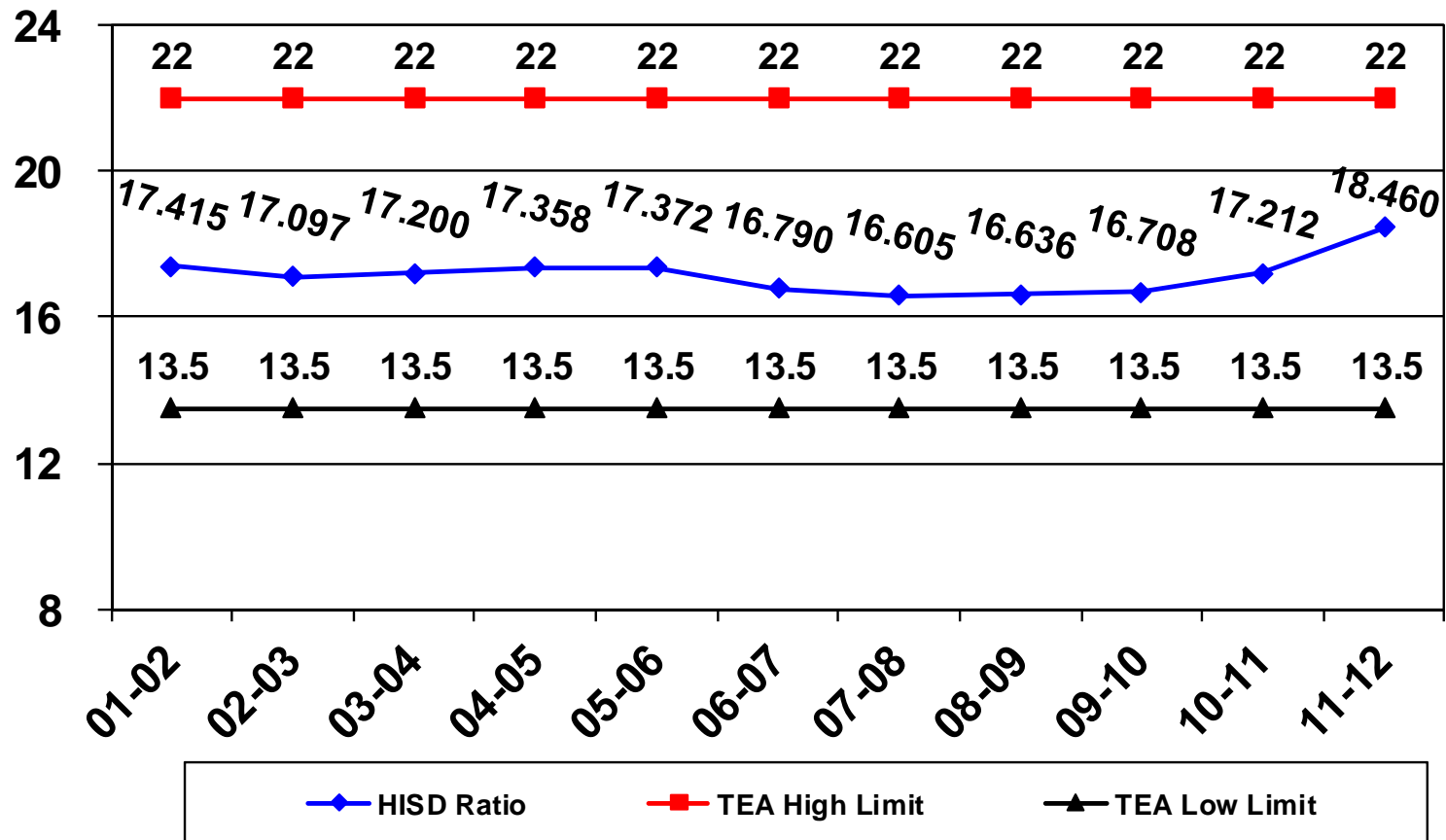
- Was the ratio of students to teachers within the ranges established according to district size?
  - *This indicator measures your pupil-teacher ratio to ensure that it is within TEA recommended ranges for districts of your student population range. For example, districts with a student population over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

$$\text{Students to Teacher} = \frac{\text{No. Students}}{\text{No. Teachers}} = \frac{201,594}{10,920} = 18.46$$

Comparison Data	
FY11 Students to Teacher	17.21

# Staffing Patterns Indicator 16

## History



# Staffing Patterns Indicator 16

## Comparisons to other Districts

District	Student to Teacher Ratio
<b>HOUSTON</b>	<b>18.4609</b>
FORT BEND	17.3501
CY-FAIR	17.2442
ALDINE	16.9304
NORTH FOREST	16.4087
KATY	16.1024
<b>AVERAGE</b>	<b>16.0494</b>
SAN ANTONIO	16.0303
GOOSE CREEK	15.8662
NORTHSIDE	15.6291
SPRING BRANCH	15.5091
DALLAS	15.2856
ALIEF	15.2784
AUSTIN	14.9584



# Staffing Patterns Indicator 17

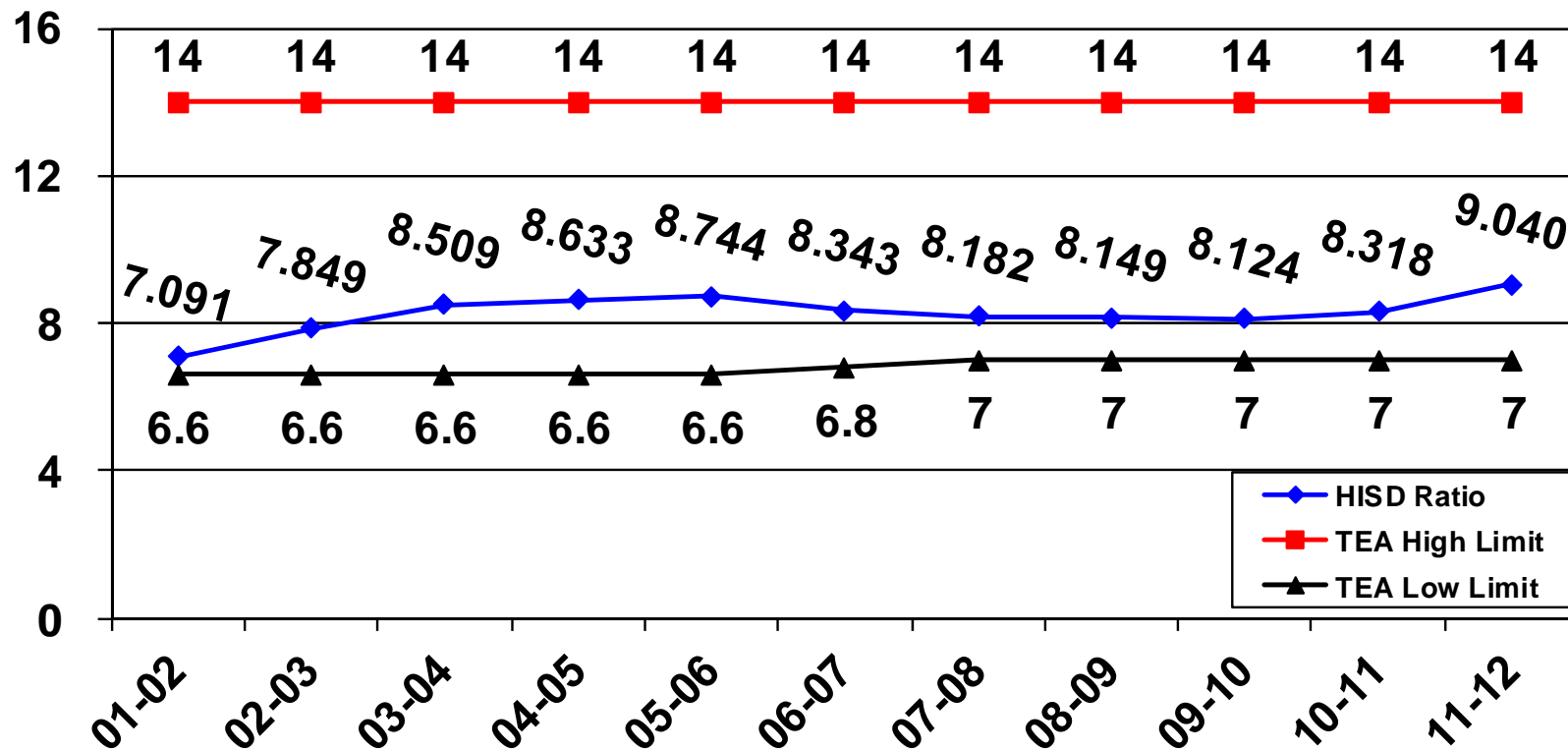
- Was the ratio of students to total staff within the ranges established according to district size?
  - *This indicator measures your pupil-staff ratio to ensure that it is within TEA recommended ranges for district's of your student population range. For example, districts with a student population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

$$\text{Students to Total Staff} = \frac{\text{No. Students}}{\text{No. Total Staff}} = 9.04$$

Comparison Data	
FY11 Students to Total Staff	8.32

# Staffing Patterns Indicator 17

## History



# Staffing Patterns Indicator 17

## Comparisons to other Districts

HARRIS COUNTY DISTRICTS	TOTAL STUDENT TO STAFF RATIO
<b>HOUSTON</b>	<b>9.0401</b>
FORT BEND	8.7324
CY-FAIR	8.7114
DALLAS	8.5798
KATY	8.4964
NORTHSIDE	8.1429
ALDINE	8.1107
<b>AVERAGE</b>	<b>8.0207</b>
SPRING BRANCH	7.9232
GOOSE CREEK	7.7128
AUSTIN	7.7117
ALIEF	7.7026
SAN ANTONIO	7.3429
NORTH FOREST	7.0815

## 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, 2012

Description of Reimbursements	Manuel									
	Dr. Terry B. Grier Superintendent	Anna Eastman District 1	Ronda Skillern Jones District 2	Rodríguez, Jr. District 3	Paula M. Harris District 4	Michael L. Lunceford District 5	Greg Meyers District 6	Harvin C. Moore District 7	Juliet Stipeche District 8	Lawrence Marshall District 9
Meals	\$ 216.25	\$ -	\$ 331.86	\$ 238.32	\$ -	\$ 7.13	\$ -	\$ 172.77	\$ -	\$ 383.86
Lodging	2,598.02	1,282.40	1,526.61	1,961.81	1,336.90	425.97	-	2,219.19	-	1,127.23
Transportation	8,145.39	396.10	1,711.65	603.46	1,950.00	-	-	3,447.90	-	2,200.71
Other	1,421.77	175.00	859.91	1,179.37	175.00	308.24	100.00	1,357.85	-	2,215.00
<b>Total</b>	<b>\$ 12,381.43</b>	<b>\$ 1,853.50</b>	<b>\$ 4,430.03</b>	<b>\$ 3,982.96</b>	<b>\$ 3,461.90</b>	<b>\$ 741.34</b>	<b>\$ 100.00</b>	<b>\$ 7,197.71</b>	<b>\$ -</b>	<b>\$ 5,926.80</b>

## 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, 2012

Name(s) of Entity(ies)	Amount Received
None	
Total	\$ -

## 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, 2012

	Manuel										
	Dr. Terry B. Grier Superintendent	Anna Eastman District 1	Carol Mims-Galloway District 2	Ronda Skillern Jones District 2	Rodríguez, Jr. District 3	Paula M. Harris District 4	Michael L. Lunceford District 5	Greg Meyers District 6	Harvin C. Moore District 7	Juliet Stipeche District 8	Lawrence Marshall District 9
Total	\$ -	\$ -	Refused to Sign		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note - An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

## Business Transactions Between School District and Board Members

For the Twelve-Month Period  
 Ended June 30, 2012

Amounts	Manuel									
	Anna Eastman District 1	Carol Mims-Galloway District 2	Ronda Skillern Jones District 2	Rodríguez, Jr. District 3	Paula M. Harris District 4	Michael L. Lunceford District 5	Greg Meyers District 6	Harvin C. Moore District 7	Juliet Stipeche District 8	Lawrence Marshall District 9
	Refused to Sign		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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