



Town Hall Meeting - Public Education Funding

HOUSTON INDEPENDENT SCHOOL DISTRICT

May 14, 2012

Budget Update

- **Historical Perspective of HISD Budget**
- **State Finance**
- **Local Roll Valuation**
- **2012-2013 Proposed Budget Deficit**
 - **Deficit Options**
- **Title Funding**
- **Preliminary Salary Survey - TASB**
- **Department Reductions (\$1.6M)**
- **Unique PUA**



Historical Budget Information

- **Original budget FY2003** **\$1,410,428,699**
- **Original budget FY2012** **\$1,575,145,373**
- **FY 2003 Budget Adjusted for Inflation** **\$1,698,370,962**
- **Lowest tax rate of all Harris County school districts**
- **20% homestead exemption-One of 8 Harris County school districts**
- **Budget reductions since 2002 have been required to balance the budget.**



General Fund Staffing FY2000 versus FY 2012

General Fund Staffing by Assignment

	<u>2000</u>	<u>2012</u>	<u>Difference</u>	Percentage
School Staff	16,973	14,626	(2,347)	-13.83%
Central Office	2,018	1,532	(486)	-24.08%
Operations	2,168	1,890	(278)	-12.82%
	<u>21,158</u>	<u>18,048</u>	<u>(3,111)</u>	<u>-14.70%</u>



School Funding for the 2012-2013 Biennium

- For the first time in 60 years, the Texas Legislature failed to appropriate funds based on current law.
- The total decrease was \$5.3B when the cost of enrollment growth, property value decline, and other factors are taken into account.

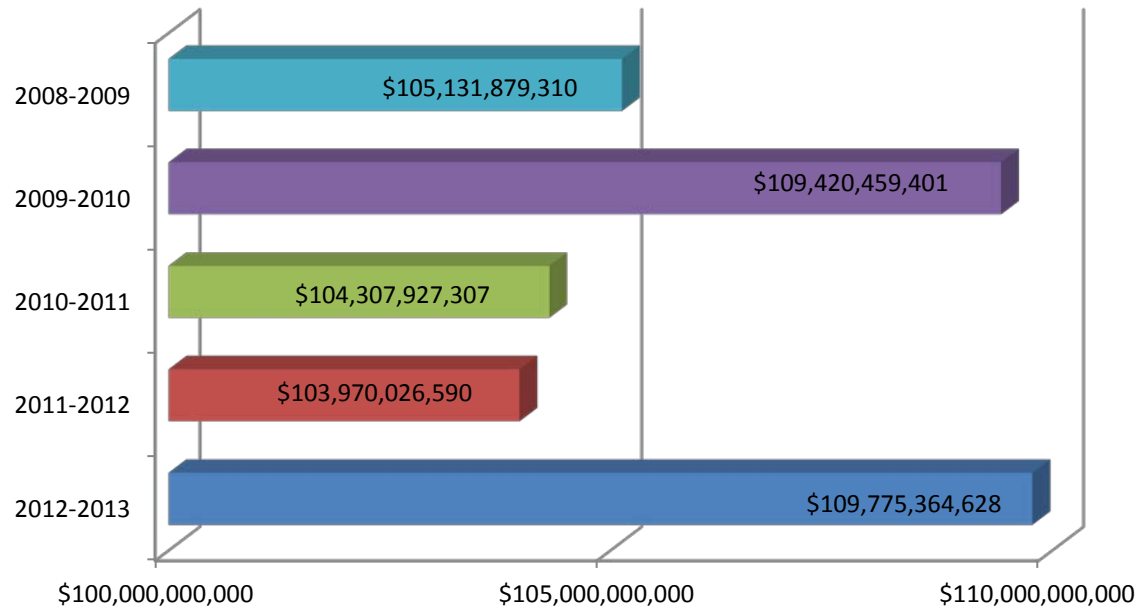


HISD Budget Reductions for FY 2013

- Additional cut of \$44M in state funding
- Additional fixed cost increases of \$9M.
- \$5.6M cut in Federal Title I funds
- Possible 9.1% reduction in all entitlement grant funding

Taxable Property Values

Historical & Projected Taxable Property Values



FY 2013 General Fund Projection, Updated

Estimated revenue	\$	<u>1,485,610,846</u>
Carryover appropriations, net of fallout		1,525,145,373
Mandatory increases		1,416,495
Budget adjustments with offsetting revenues		(15,670,335)
Budget increases		32,801,239
Budget decreases		<u>(4,868,642)</u>
Beginning appropriations, net of fallout	\$	<u>1,538,824,130</u>
Projected budget deficit		(53,213,284)
Fund balance transfer after 8/11/11 board meeting		<u>18,490,403</u>
Projected budget deficit including one-time transfer	\$	<u><u>(34,722,881)</u></u>

Balancing the Deficit-Step 1

Deficit to be Funded

Projected budget deficit after one-time transfer	\$	(34,722,881)
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Potential Reductions

ASPIRE		(5,000,000)
General Departmental Reductions (Still to be identified)		(1,500,000)
Special Education as a Result of Declining Student Population		(1,297,421)
Proposed Instructional Times		(1,200,000)
Consolidation of Administrative Offices		(615,000)
T -Bldg Reduction (removal of 153 excess buildings--operational cost)		(600,000)
Stipends (reduction of teacher development stipends--from \$1.4M to \$900K)		(500,000)
Boy's and Girl's School Transportation (Transportation can handle without an increase)		(350,000)
Cut SAS contract--require all funding for ASPIRE project to come from ASPIRE budget)		(314,536)
AP Exams for Non Title Students		(264,625)
District-wide Operating		(225,000)
Principal Change-Eliminate paying for liabilities incurred by leaving principal)		(160,500)
Transfer of CPR/AED program to Athletics		(113,057)
Transfer UIL membership costs to Athletics		(41,000)
Effective Teaching --Extra Duty Pay-Teacher Appraisal Committees		(40,116)
Textbooks (now funded in grant funds as part of the IMA allotment)		(35,000)
Total of Potential Reductions	<u>\$</u>	<u>(12,256,255)</u>

Campus Reductions

Per Unit Allocation Reduction	(Special Education and Bilingual Reduction)	\$	(4,194,793)
Small School Subsidy Reduction			
Unique PUA Reduction			
Special Education Funds			
Campus Based Non-Resource Funds and Capital Outlay			
Magnet Program Reduction			
Total Campus Reductions		<u>\$</u>	<u>(4,194,793)</u>

Remaining Deficit to be funded

	<u>\$</u>	<u>(18,271,833)</u>
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Title I Funding

	Current Approved Budget	Beginning Budget for 2012-2013	Adjustment	Draft Recommended Budget
Sources of Funding				
Planning Entitlement	\$ 97,532,804	\$ 99,560,396	\$ -	\$ 99,560,396
Carryover Funds	\$ 15,500,000	\$ 8,500,000	\$ -	\$ 8,500,000
Planning Budget	\$ 113,032,804	\$ 108,060,396	\$ -	\$ 108,060,396
Use of Funds:				
Grant Required				
Supplemental Education Service Providers	\$ 19,506,561	\$ 19,912,079	\$ -	\$ 19,912,079
Professional Development	\$ 9,753,280	\$ 9,956,040	\$ -	\$ 9,956,040
Indirect Costs	\$ 2,680,458	\$ 2,562,543	\$ -	\$ 2,562,543
Private School and other Miscellaneous	\$ 1,189,752	\$ 961,356	\$ -	\$ 961,356
Parent Engagement	\$ 964,739	\$ 995,604	\$ -	\$ 995,604
Highly Qualified		\$ 113,747	\$ -	\$ 113,747
Homeless Allocation		\$ 205,000	\$ -	\$ 205,000
Other Initiatives				
Campus Allocations	\$ 33,503,331	\$ 33,503,331	\$ -	\$ 33,503,331
Pre-K Programs	\$ 21,387,640	\$ 21,887,640	\$ -	\$ 21,887,640
Summer School	\$ 16,000,000	\$ 15,885,977	\$ 247,512	\$ 16,133,489
Twilight Schools	\$ 1,236,400	\$ 1,236,400	\$ (1,236,400)	\$ -
General Administration	\$ 2,160,000	\$ 1,829,567	\$ -	\$ 1,829,567
APEX Online Course Fee	\$ 1,192,500	\$ 1,926,208	\$ (1,926,208)	\$ -
PSAT Testing	\$ 507,247	\$ -	\$ -	\$ -
AP/IB Exams	\$ 1,454,336	\$ 1,457,667	\$ (1,457,667)	\$ -
Campus Online	\$ 600,000	\$ 600,000	\$ (600,000)	\$ -
Naviance	\$ 401,706	\$ 401,706	\$ (401,706)	\$ -
Houston Urban Debate League	\$ 394,854	\$ 394,854	\$ (394,854)	\$ -
Scholastic Scheduling Solutions	\$ 100,000	\$ -	\$ -	\$ -
Total Title I Funding	\$ 113,032,804	\$ 113,829,719	\$ (5,769,323)	\$ 108,060,396

Projected Deficit \$ (5,769,323)

Required distributions under federal law

Fund from the High School Allotment which will reduce the PUA for HS Allotment from \$192 to \$167

Funding will have to be considered as part of the General Fund

PRELIMINARY SALARY SURVEY INFORMATION-TASB

- 306 of the 480 districts that responded (roughly 64%) are planning for a salary increase in 2012-13.
- All 7 of the districts that have responded with 50,000+ students are planning for an increase.
- Among those planning for an increase in 2012-13, 44% are planning for increases in the 1.1-2% range and 38% are proposing a 2.1-3% increase.
- Across the state, roughly 77% of the districts that have responded to the survey did not issue an increase to any employee group in the 2011-12 school year.
- Within Region 4, 84% of districts did not have an increase in 2011-12 but roughly 59% are planning for an increase this upcoming year,
- The vast majority (89.5%) of districts that are planning for an increase in 2012-13 are increasing salaries for all employees.

DEPARTMENT BUDGET REDUCTION - PROPOSED

DEPARTMENT	Cuts Accepted	Salary Cuts	Non-Salary Cuts	Percent of Budget	Positions
General Administration	\$ 43,700	\$ 60,000	\$ (16,300)	1.46%	1.00
Chief of Staff	\$ (82,542)	\$ (38,670)	\$ (43,872)	-5.35%	(1.00)
Major Projects	\$ 31,120	\$ 35,000	\$ (3,880)	5.91%	0.50
Human Resources	\$ (41,850)	\$ 91,319	\$ (133,169)	-0.73%	2.00
Finance	\$ (88,497)	\$ (58,465)	\$ (30,032)	-1.36%	(1.00)
Academics	\$ (472,806)	\$ (336,879)	\$ (135,927)	-2.40%	(11.00)
Operations	\$ (641,127)	\$ (28,459)	\$ (612,668)	-2.95%	(3.00)
Communications	\$ (117,825)	\$ (64,748)	\$ (53,077)	-2.83%	(1.25)
Information Technology	\$ (272,750)	\$ (56,066)	\$ (216,684)	-1.48%	(3.00)
DEPARTMENT TOTALS	\$ (1,642,577)	\$ (396,968)	\$ (1,245,609)	-2.02%	\$ (16.75)
Total Budget	81,386,089				

Unique Per Unit Allocation Proposal

	Current	Recommended	Reduction
High School for Performing and Visual Arts	\$ 605,248	\$ 605,248	\$ -
High School for Law Enforcement and Criminal Justice	306,043	213,710	92,333
Barbra Jordan High School	711,875	450,000	261,875
The Rice School	927,514	469,740	457,774
T. H. Rogers*	2,120,580	1,245,580	875,000
Michael E. DeBakey High School for Health Professions	964,046	964,046	-
	<u>\$ 5,635,306</u>	<u>\$ 3,948,324</u>	<u>\$ 1,686,982</u>

*Includes Magnet component as well as identified recurring costs for non-funded special education needs.

Additional Recommendation: Eliminate the name “Unique PUA” and reclassify this funding to the Magnet budget as part of the overall district magnet allocation.