



Recommended Budget **Fiscal Year July 1, 2011 – June 30, 2012**

HOUSTON INDEPENDENT SCHOOL DISTRICT

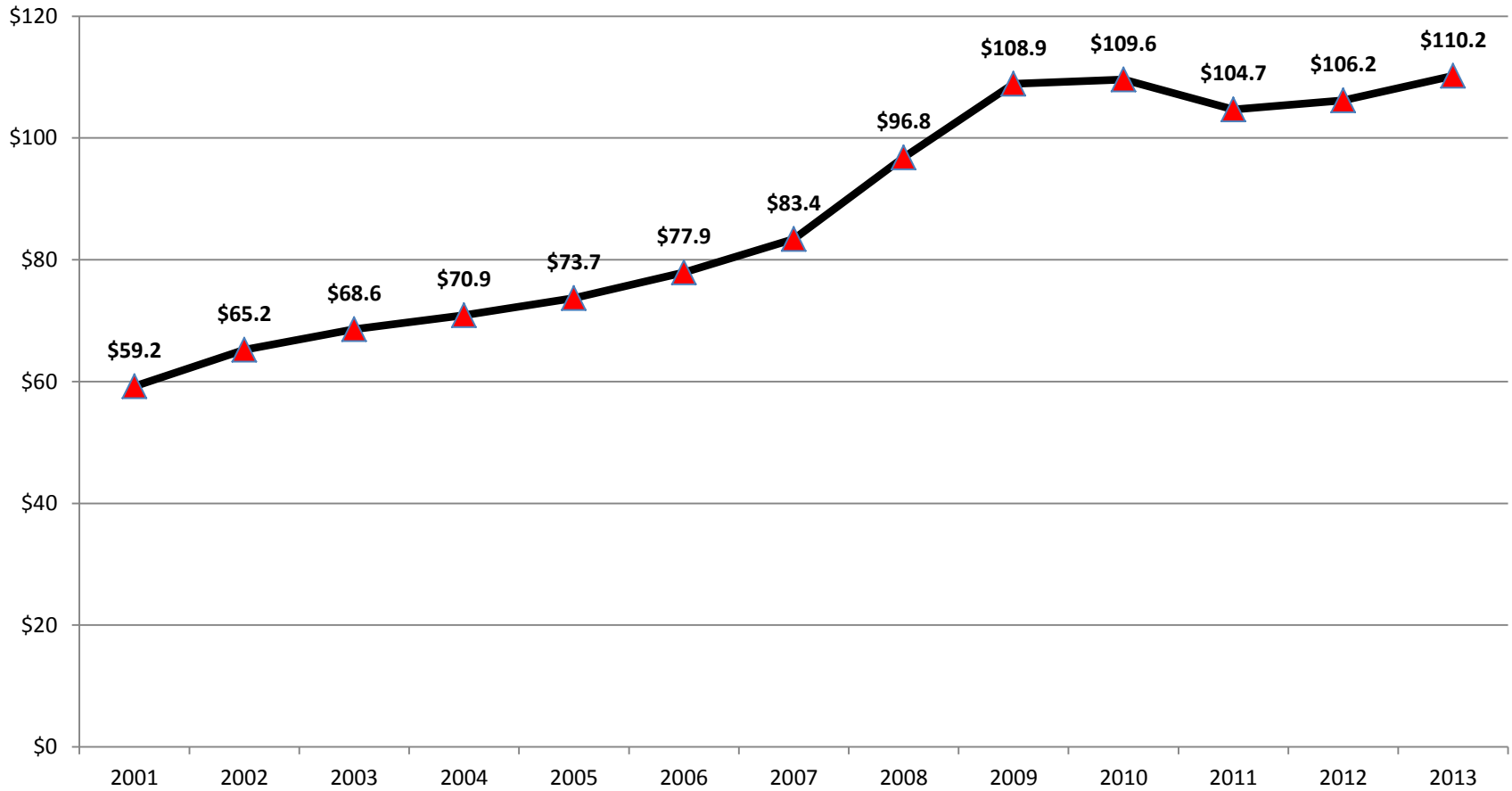
Revenue Assumptions

- Local Roll \$109.78 B (5.58% increase from prior year original budget)
- Enrollment 201,594
- Average Daily Attendance 182,244
- Comptroller's Property Tax Value (CPTD) \$106.445 B
- Local Tax Rate remains the same as 2011-2012 at \$1.1567 total

LOCAL TAXES

Local Tax Roll

Total Assessed Value 2001 - 2012



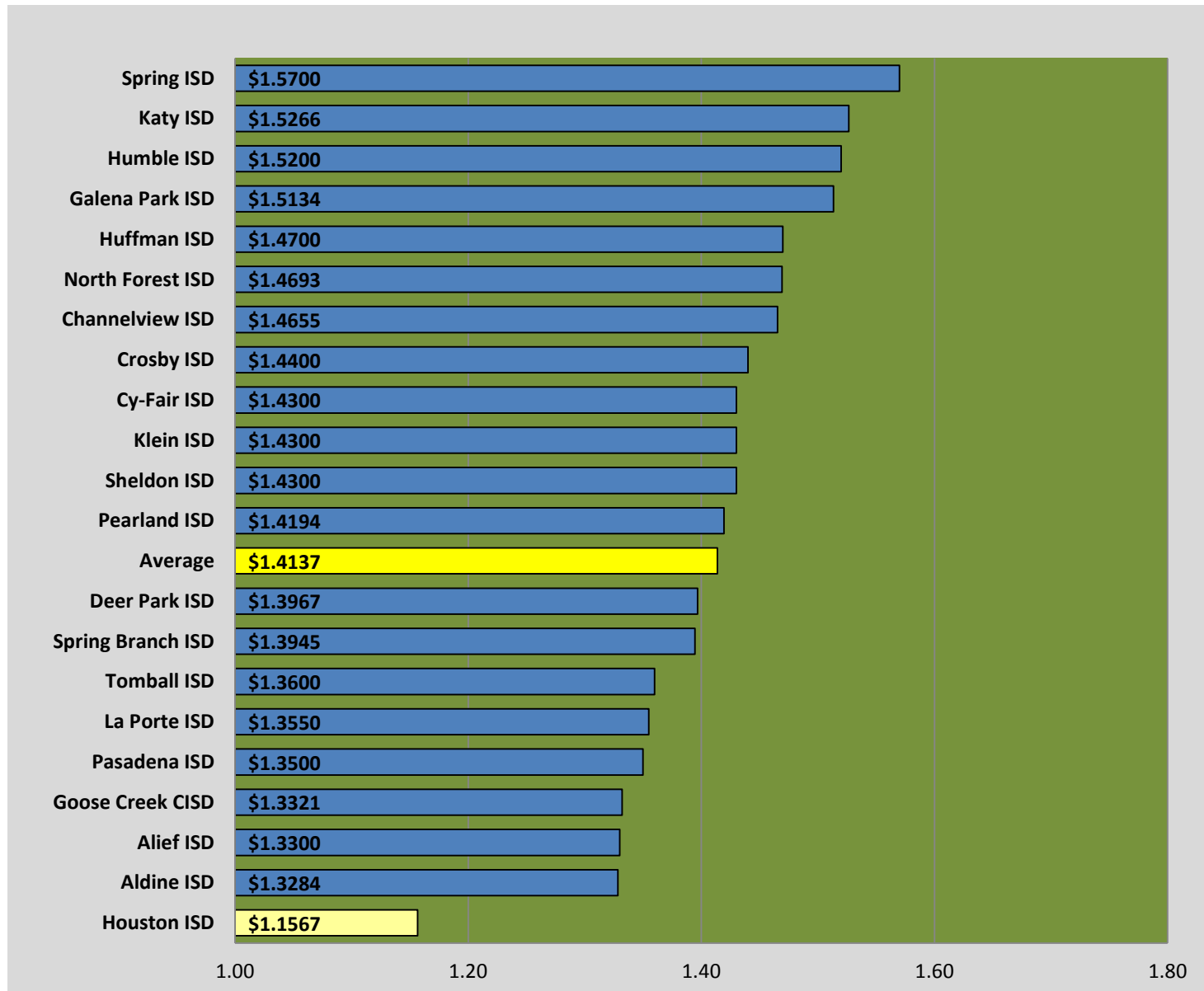
Note: 1999-2012 are HCAD Certified, 2013 is HCAD Certified Estimated

Total Tax Rate (M&O and I&S)

M&O Tax Rates	Maintenance & Operations	Debt Service	Total
2005-2006	\$1.4500	\$0.1700	\$1.6200
2006-2007	\$1.3257	\$0.1500	\$1.4757
2007-2008	\$1.0067	\$0.1500	\$1.1567
2008-2009	\$1.0067	\$0.1500	\$1.1567
2009-2010	\$1.0067	\$0.1500	\$1.1567
2010-2011	\$1.0067	\$0.1500	\$1.1567
2011-2012	\$1.0067	\$0.1500	\$1.1567
2012-2013	\$1.0067	\$0.1500	\$1.1567

Recommended

FY 2012 Adopted Harris County District Tax Rates (2011 Tax Year)



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?

- For the first time in 60 years, the legislature failed to appropriate funds based on current law.
- Foundation Program state aid was decreased by \$4B.
- Special Program grant funding was decreased by \$1.3B.
- The total decrease was \$5.3B when the cost of enrollment growth, property value decline, and other factors are taken into account.

IMPACT OF STATE FUNDING REDUCTION

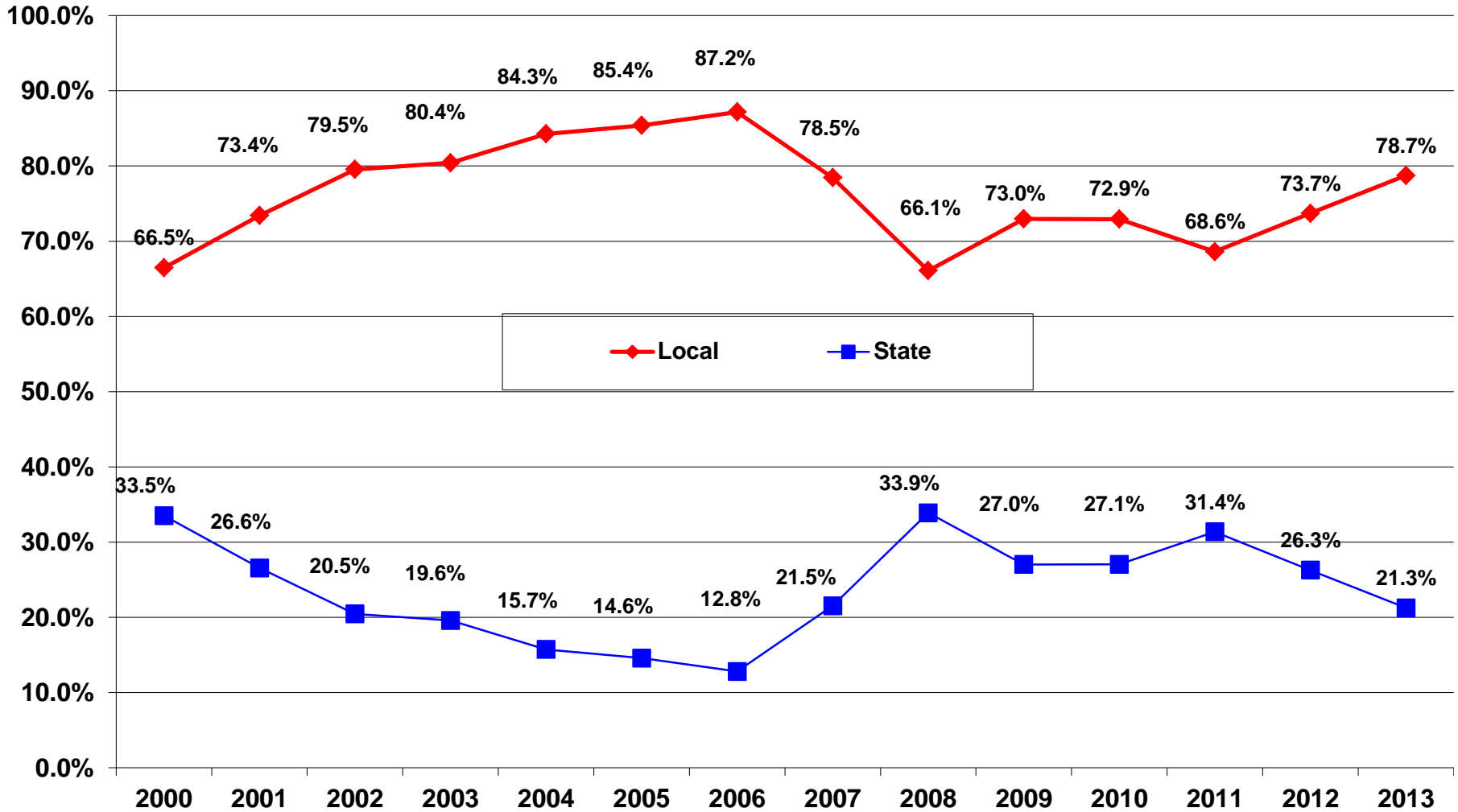
	2010-2011	2011-2012	2012-2013
	Adopted	Adopted	Recommended
Local Property Taxes	\$ 979,987,868	\$ 985,863,347	\$ 1,059,711,675
State Foundation School Program (FSP)	478,990,558	406,949,121	285,945,854
Total Local Property Taxes and FSP	1,458,978,426	1,392,812,468	1,345,657,529

(\$66,165,958)

(\$47,154,939)

Change in State Funding Formula	2011-2012	2012-2013
Net of enrollment increase	\$ (66,165,958)	\$ (47,154,939)
Enrollment increase	(12,570,044)	4,194,793
Net reduction in state	\$ (78,736,002)	\$ (42,960,146)

Local Taxes vs. State Formula Funding



Note: 2000-2011 Are Actual Revenues; 2011-2012 and 2012-2013 are Projected Revenues

GENERAL FUND REVENUE

General Fund Revenues

		2011-2012 Original Budget	2012-2013 Original Budget
00-5611	SALE OF BONDS	23,500,000	14,500,000
00-5612	TRANSFERS FROM OTHER FUNDS	30,400,000	39,960,550
00-5711	TAXES, CURRENT YEAR	970,863,347	1,044,711,675
00-5712	TAXES, DELINQUENT PRIOR YEARS	15,000,000	15,000,000
00-5719	TAXES, PENALTY AND INTEREST	17,000,000	17,000,000
00-5720	REVENUE IN LIEU OF TAXES	1,300,000	1,300,000
00-5733	TUITION, SUMMER	91,000	43,150
00-5739	TUITION, REGULAR DAY	650,000	650,000
00-5738	INSURANCE RECOVERY PROCEEDS	446,000	-
00-5742	INTEREST EARNINGS	1,700,000	1,273,000
00-5746	RENTAL OF FACILITIES	750,000	1,270,427
00-5749	MISCELLANEOUS REVENUES	4,250,000	3,400,000
00-5769	REVENUE OTHER GOVERNMENTS	2,400,000	2,300,000
00-5811	PER CAPITA STATE REVENUES	47,748,084	44,987,294
00-5812	FOUNDATION SCHOOL PROGRAM	359,201,037	240,958,560
00-5829	OTHER STATE REVENUES	300,000	264,963
00-5831	TRS ON BEHALF OF	71,000,000	63,600,000
00-5929	FED REVENUE THROUGH TEA	3,100,000	3,374,500
00-5939	FED REVENUE OTHER AGENCIES	-	8,139
00-5943	ARMY SALARY REVENUE	2,000,000	1,854,436
00-5944	AIR FORCE REVENUE	39,000	65,064
00-5945	NAVY SALARY REVENUE	184,000	240,800
00-59XX	DIRECT FEDERAL REVENUE	200,000	294,780
	GRAND TOTAL	1,552,122,468	1,497,057,338

GENERAL FUND APPROPRIATIONS

2012-2013 Financial Analysis – General Fund

REVENUES	\$ 1,497,057,338
CARRYOVER APPROPRIATIONS NET OF FALLOUT	1,520,145,373
TOTAL INCREASES	39,820,811
TOTAL DECREASES	(35,481,598)
TOTAL APPROPRIATIONS NET OF FALLOUT	<u>1,524,484,586</u>
DEFICIT TO BE FUNDED BY FUND BALANCE AND RESERVE CARRYFORWARD FROM EDUJOBS	<u><u>\$ (27,427,248)</u></u>

2012-2013 General Fund – Appropriations

MAJOR INCREASES

Salary Proposals	20,000,000
Per Unit Allocation Allotment	18,490,403
Electricity	5,931,877
Property Insurance	3,300,000
Worker's Compensation	3,147,506

MAJOR DECREASES

Transfers out	(9,139,450)
Campus Allocations (Special Population Adjustments & Unique PUA)	(7,179,196)
Benefits	(7,066,916)
ASPIRE	(5,000,000)
General Department Reductions	(1,642,576)

School Resources

Weighted Student Allocations

	2011-2012 Total	2011-2012 Salary Adjustment	2011-2012 PUA Adjustment	2012-2013 Total
Elementary Schools	\$3,257	\$0	\$84	\$3,341
Middle Schools	\$3,282	\$0	\$84	\$3,366
High Schools	\$3,246	\$0	\$84	\$3,330

Title Funds 2012-2013

Title I Regular Funding	Tier I Schools	\$	210 per student
	Tier II Schools	\$	175 per student
Title III, Part A	All Schools	\$	45 per student

General Fund Staffing by Assignment - FY2000 versus FY 2013

	<u>2000</u>	<u>2013</u>	<u>2013 Diff</u>	<u>Percentage</u>
School Staff	16,857	14,688	(2,169)	-12.86%
Central Office	2,029	1,500	(529)	-26.07%
Operations	<u>2,273</u>	<u>2,130</u>	<u>(144)</u>	<u>-6.31%</u>
	<u><u>21,159</u></u>	<u><u>18,318</u></u>	<u><u>(2,841)</u></u>	<u><u>-13.43%</u></u>

DEPARTMENT BUDGET REDUCTION

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	\$ 33,115	\$ (1,995)	5.91%	0.50
Human Resources	\$ (41,850)	\$ 112,028	\$ (153,878)	-0.73%	(0.86)
Finance	\$ (88,497)	\$ (58,468)	\$ (30,029)	-1.36%	(1.00)
Academics	\$ (1,365,705)	\$ (424,772)	\$ (940,933)	-6.92%	(13.00)
Operations	\$ (641,127)	\$ 26,636	\$ (667,763)	-2.95%	(2.00)
Communications	\$ (117,825)	\$ (37,832)	\$ (79,993)	-2.83%	(1.25)
Information Technology	\$ (272,750)	\$ (55,329)	\$ (217,421)	-1.48%	(2.00)
DEPARTMENT TOTALS	\$ (2,535,476)	\$ (383,292)	\$ (2,152,184)	-3.12%	(19.61)

2013-2014 BUDGET IMPACT

	2013-2014 BUDGET IMPACT
2012-2013 CARRYOVER DEFICIT	(27,427,248)
INCREASE TRANSFER OUT-DEBT SERVICE TAX REVENUE	(17,000,000)
DECREASE TRANSFER OUT - CERTIFICATE OF OBLIGATIONS	7,344,672
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	(37,082,576)
REVENUE LOSS	(8,560,550)
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	(45,643,126)
FIXED COST INCREASE	(7,500,000)
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PROJECTED DEFICIT AFTER ADJUSTMENTS	<u><u>(53,143,126)</u></u>

FEDERAL FUNDS

2012-2013 Federal Programs

APPROPRIATIONS	2011-2012 Budget	2012-2013 Budget	2012-2013 % Change
<u>Local sources</u>			
MISC PROJECT GRANTS	5,970,000	368,000	-93.84%
Total Local Sources	5,970,000	368,000	-93.84%
<u>State Sources</u>			
INSTRUCTIONAL MATERIALS ALLOTMENT	-	9,339,679	0.00%
ONLINE COLLEGE AND CAREER PREP TECH	-	472,096	0.00%
DATE GRANT	13,923,104	4,202,184	-69.82%
MISC STATE GRANTS	4,709,815	2,354,908	-50.00%
Total State Sources	18,632,919	16,368,867	-12.15%
<u>Federal Sources</u>			
TITLE I - PART A	113,032,804	103,082,376	-8.80%
TITLE I - MIGRANT	54,670	545,698	898.17%
TITLE II - PART A	16,186,787	11,687,484	-27.80%
TITLE III - PART A - LEP	6,163,037	6,163,037	0.00%
SPECIAL ED	42,500,000	37,396,137	-12.01%
SPECIAL ED-PRESCHOOL	-	471,675	0.00%
CARL PERKINS	3,373,950	2,967,552	-12.05%
E-RATE	9,352,899	11,647,135	100.00%
21ST CENTURY	7,064,964	3,414,516	-51.67%
USDE MAGNET GRANT	3,741,658	3,954,157	100.00%
TTIPS	9,779,854	6,729,722	-31.19%
ED JOBS FUNDING	33,855,783	-	100.00%
TEACHER INCENTIVE	-	5,630,766	0.00%
GEAR UP	1,600,000	-	-100.00%
MISC FEDERAL GRANTS	7,257,483	3,752,909	-48.29%
Total Federal Sources	253,963,889	197,443,164	-22.26%
TOTAL BUDGET AND REVENUES	278,566,808	214,180,031	-23.11%

Note: 2011-2012 Budget includes all grants received including carryover funding from prior years. Fiscal year 2012-2013 only includes those grants that the district received NOGA's or pre-award notifications as of June 1, 2012. The budget will be adjusted throughout 2012-2013 as grant awards are received.

Title I, Part A

	Recommended Title 1 Budget
Sources of Funding	
Planning Entitlement	\$ 95,442,007
Carryover Funds	\$ 15,069,790
Planning Budget	<u>\$ 113,032,804</u>
Use of Funds:	
Grant Required	
Supplemental Education Service Providers	\$ 19,088,401
Professional Development	\$ 11,389,148
Indirect Costs	\$ 2,969,250
Private School and other Miscellaneous	\$ 907,315
Parent Engagement	\$ 1,252,452
Other Initiatives	\$ -
Campus Allocations	\$ 33,237,713
Pre-K Programs	\$ 20,934,739
Summer School	\$ 18,950,828
Twilight Schools	\$ 1,236,400
General Administration	\$ 1,905,578
Total Title I Funding	<u>\$ 113,032,804</u>

Title II, Part A (Professional Development)

	Recommended 2012-2013 Budget
Sources of Funding	
Planning Entitlement	\$ 10,438,020
Carryover Funds	\$ 6,367,387
Planning Budget	<u>\$ 16,805,407</u>
Use of Funds	
Campus Based Allocations	\$ -
Private Non-Profit	\$ 570,262
General Administration	\$ 195,320
Sign-On Bonuses	\$ 1,240,000
Teach for America	\$ 600,000
Professional Development	\$ 13,748,295
Highly Qualified Teachers and Staff	
Teacher Development/core content	
Teacher Development/special populations	
Leadership Development	
Indirect Costs	<u>\$ 451,530</u>
Total Title II Funding	<u><u>\$ 16,805,407</u></u>

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

	Recommended 2012-2013 Budget
Source of Funding:	
Planning Budget	\$ 5,443,656
Carryover Funds	\$ 1,495,000
Total Planning Budget	<u>\$ 6,938,656</u>
General Allocations:	
Campus Allocations	\$ 2,482,155
Private Non-Profit	\$ 44,050
General Administration	\$ 2,809,129
District Initiatives:	
Quality Bilingual/ESL Programs	\$ 1,029,322
Newcomer Support	\$ 276,000
Transitional Support	\$ 50,000
Dropout Prevention of ELL Students	<u>\$ 248,000</u>
Total Title III Allocations	<u>\$ 6,938,656</u>

OTHER FUNDS

Total Budgets for Other Governmental Funds

Fund	2012 Original Budget	2013 Recommended Budget	% Change
Debt Service	217,046,088	256,897,050	18.36%
Special Revenue	278,566,088	214,180,532	-23.11%
Capital Projects	261,893,544	112,038,544	-57.22%
Total Expenditures	\$ 757,505,720	\$ 583,116,126	-23.02%

Total Budgets for Internal Service Funds

Fund	2012 Adopted Budget	2013 Recommended Budget	% Change
Health Insurance Fund	\$ 123,202,508	\$ 99,097,734	-19.57%
Workers' Compensation Fund	15,001,039	13,759,095	-8.28%
Athletic Fund	6,324,955	6,098,809	-3.58%
Special Education Shared Services	5,834,574	6,925,888	18.70%
Alternative Certification Fund	855,185	981,694	14.79%
Print Shop Fund	3,992,696	4,106,007	2.84%
UIL	643,830	962,256	49.46%
Total Internal Service	\$ 155,854,787	\$ 131,931,483	-15.35%

Total Budgets for Enterprise Funds

Fund	2012 Adopted Budget	2013 Recommended Budget	% Change
Medicaid	\$ 31,913,615	\$ 41,003,992	28.48%
Food Services	116,747,242	112,992,645	-3.22%
Business Development	10,990,361	11,783,000	7.21%
Total Enterprise Funds	\$ 159,651,218	\$ 165,779,637	3.84%

Budget Implications beyond 2013

- **Declining State Revenues**
- **Cost of Federal Health Care Proposal**
- **Operational Fixed Cost Increases**
- **Future Salary Increases**
- **Academic Programs**