# 2012–2013
## ADOPTED DISTRICT BUDGET

# ORGANIZATIONAL SECTION

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## Houston Independent School District

# District Structure and Organization
## Houston Independent School District

## District Overview

The Houston Independent School District (HISD) is the largest public school system in Texas and the seventh largest in the United States. It serves the city of Houston, Texas, the fourth largest city in the United States with a population of more than 1.9 million and a land area of 594 square miles. The city and greater metropolitan area are ethnically and culturally diverse. The district encompasses 301 square miles within greater Houston, encompassing approximately 54% of the geographic area of the City of Houston, all or part of four other cities or villages and certain unincorporated areas. It serves an enrollment of approximately 200,000 students in prekindergarten through twelfth grade programs. The district has an average daily attendance of approximately 185,000 in 298 schools and academic programs.

HISD was established on March 23, 1923, by an act of the 38th Texas Legislature, repealing an earlier law that gave the City of Houston jurisdiction over the public schools, and creating the "Houston Independent School District, separate and apart from the municipal government of the City of Houston." The law gave the district the power to levy and collect taxes, to issue and dispose of bonds, and to provide payment for them. Since its inception, the district has grown in size and stature over the past 87 years to become one of the premier urban school districts.

In 2010-2011, HISD reorganized the district structure to focus on placing a quality teacher in every classroom and an exemplary principal in every school, giving them the resources and support they need to perform at their best. The goal of the new organizational structure is to 1) optimize functions and services for schools through economies of scale and use of best practices and 2) ensure accountability at all levels.

The reorganization divided the district by school levels (elementary, middle, and high), the new structure focuses on modifying the regional-superintendent and executive-principal structure and central-office departments and functions.

The new structure that replaced the Regional Offices consists of 3 Chief School Officers, one for Elementary, Middle, and High Schools as well as 25 School Improvement Officers, 3 Directors, and one School Compliance Officer.

In 2012-2013 the district further divided the Elementary School Office into three offices.

The Chief Elementary Officer for Area 1 has 5 School Improvement Officers and 53 Schools.

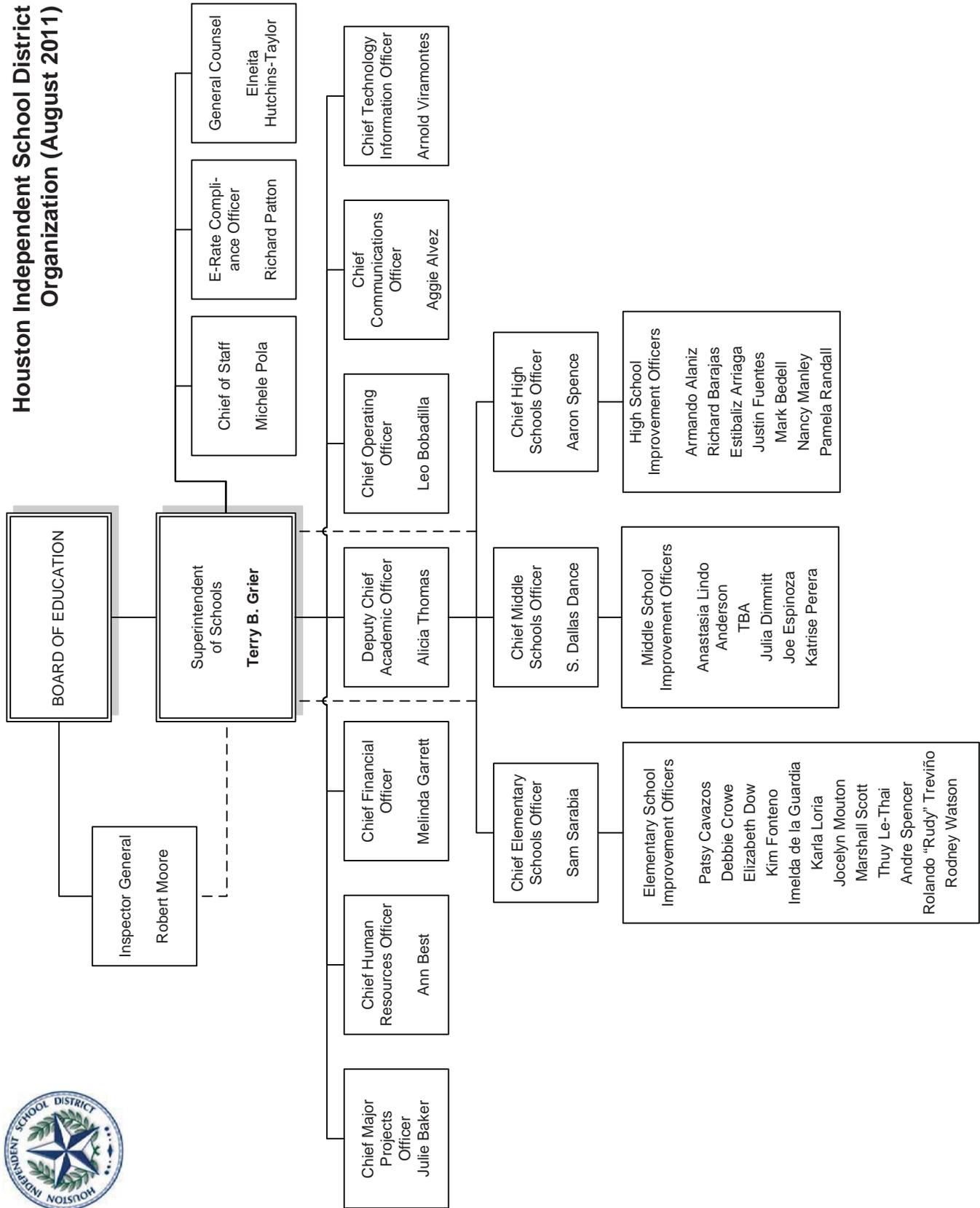The Chief Elementary Officer for Area 2 has 5 School Improvement Officers and 65 Schools.

The Chief Elementary Officer for Area 3 has 5 School Improvment Officers and 57 Schools.

The Chief Middle School Officer has 5 School Improvement Officers and 56 Schools.

The Chief High School Officer has 5 School Improvment Officers and one School Compliance Officers and 43 Schools.

# Houston Independent School District Organization (August 2011)

**BOARD OF EDUCATION**

**Superintendent of Schools** — **Terry B. Grier**

Inspector General — Robert Moore

General Counsel — Elneita Hutchins-Taylor

E-Rate Compliance Officer — Richard Patton

Chief of Staff — Michele Pola

Chief Technology Information Officer — Arnold Viramontes

Chief Communications Officer — Aggie Alvez

Chief Operating Officer — Leo Bobadilla

Chief High Schools Officer — Aaron Spence

High School Improvement Officers
- Armando Alaniz
- Richard Barajas
- Estibaliz Arriaga
- Justin Fuentes
- Mark Bedell
- Nancy Manley
- Pamela Randall

Deputy Chief Academic Officer — Alicia Thomas

Chief Middle Schools Officer — S. Dallas Dance

Middle School Improvement Officers
- Anastasia Lindo Anderson
- TBA
- Julia Dimmitt
- Joe Espinoza
- Katrise Perera

Chief Financial Officer — Melinda Garrett

Chief Elementary Schools Officer — Sam Sarabia

Elementary School Improvement Officers
- Patsy Cavazos
- Debbie Crowe
- Elizabeth Dow
- Kim Fonteno
- Imelda de la Guardia
- Karla Loria
- Jocelyn Mouton
- Marshall Scott
- Thuy Le-Thai
- Andre Spencer
- Rolando "Rudy" Treviño
- Rodney Watson

Chief Human Resources Officer — Ann Best

Chief Major Projects Officer — Julie Baker

# HISD Purpose, Goals, and Values
## Houston Independent School District

## Purpose

The **Houston Independent School District** exists to strengthen the social and economic foundation of Houston by assuring its youth the highest-quality elementary and secondary education available anywhere.

## Strategic Intent

To earn so much respect from the citizens of Houston that HISD becomes their prekindergarten through grade 12 educational system of choice.

## Goals

### Increase Student Achievement

HISD student performance will demonstrate gains as evidenced by scores on TAKS, SAT, and other state and national tests, thus narrowing the achievement gap, and graduating students who are college- and career-ready.

### Improve Human Capital

The district seeks to create a performance culture that values employees who are results-oriented, talented, innovative thinkers; individuals who strive to increase student achievement and contribute to the reformation of public education.

### Provide a Safe Environment

The district shall create a safe environment conducive to learning for all students and provide safety and security measures at district schools and facilities, and while attending district-related events.

### Increase Management Effectiveness and Efficiency

The district shall have a decentralized organizational structure that will promote autonomy and innovation in schools. With a districtwide commitment to performance over compliance and a shared accountability system in place, the district shall employ best practices of administrative principles to make optimal use of district resources and taxpayer dollars.

### Improve Public Support and Confidence in Schools

The schools belong to the people; hence, the board, administration, and support staff are public servants who exist to support the schools and the relationship between teachers, students, and parents. Public confidence will increase as the district increases transparency, accountability at all levels, and meaningful engagement of the community.

### Create a Positive District Culture

The district's clearly articulated purpose will serve as the catalyst for creating a powerful sense of community and a shared direction among personnel, parents, students, and the public. Because the district realizes the value of investing in human capital, the district will work to attract and retain the best teachers and staff members, and create working conditions in which their talents can flourish.

## Core Values

### Safety Above All Else

Safety takes precedence over all else. A safe environment must be provided for every student and employee.

### Student Learning Is the Main Thing

All decisions and actions, at any level, focus on and support "the main thing": effective student learning.

### Focus on Results and Excellence

Each employee focuses on results and excellence in individual and organizational efforts.

### Parents Are Partners

Parents are valued partners in the educational process, serving as the child's teacher in the home. All school and district activities will give proper consideration to the involvement of parents.

### Common Decency

The district shall be responsive and accountable to the public and its employees. Community members and employees shall receive respectful and courteous treatment.

### Human Capital

Through recruitment, retention, dismissal and professional-development programs, the district will work to make sure students are served by the top talent available, from teachers to superintendents.

Along with the development of the high level components of the strategic plan for the district, many specific initiatives have been undertaken to facilitate accomplishment of the stated goals.

The following represents a partial list of the various district-wide initiatives and programs as they correspond to the six goals of the district as well as an indication of the progress towards accomplishment of these goals. Some of these initiatives are already underway and some will begin in the 2012-2013 school year.

## Goal 1: Increase Student Achievement
### Strategies and Initiatives

*HISD student performance will demonstrate gains as evidenced by scores on TAKS, STAAR, SAT, and other state and national tests, thus narrowing the achievement gap, and graduating students who are college- and career-ready.*

### ASPIRE Award Program
HISD is proud to recognize and celebrate the impact of our highly effective teachers and campuses in accelerating student progress and achievement. Through the 2010-2011 ASPIRE Award Program, HISD distributed $35.1 million across 12,390 campus-based staff members whose work led to increased student academic achievement and progress levels during the 2010-2011 school year. HISD students showed significant academic progress. The number of students not just passing, but scoring at the tougher "commended" level on the Texas Assessment of Knowledge and Skills has never been higher. The district's dropout rate has never been lower under the state's current reporting system, and the percentage of students graduating from high school on time has never been higher.

### State of Texas Assessments of Academic Readiness (STAAR)
The State of Texas Assessments of Academic Readiness, or STAAR, replaced the Texas Assessment of Knowledge and Skills (TAKS) program in spring 2012. The STAAR program at grades 3–8 assessed the same grades and subjects as were assessed on TAKS. For high school, general subject-area TAKS tests are replaced with twelve STAAR end-of-course (EOC) assessments. STAAR EOC assessments are available for Algebra I, Geometry, Algebra II, Biology, Chemistry, Physics, English I, English II, English III, World Geography, World History, and U.S. history. The purpose of the EOC assessments is to measure

students' academic performance in core high school courses and to become part of the graduation requirements beginning with the freshman class of 2011–2012. The TEA issued its last TAKS-based school accountability ratings in 2011. Ratings have been suspended for 2012 during the development stages of the new accountability system based on the new state tests. The agency will start using the new rating system in 2013. The Texas Education Agency (TEA), in collaboration with the Texas Higher Education Coordinating Board (THECB) and Texas educators, developed this new assessment system in response to requirements set forth by the 80th and 81st Texas legislatures. This new system focuses on increasing postsecondary readiness of graduating high school students and helps to ensure that Texas students are competitive with other students both nationally and internationally.

### Groundbreaking Apollo 20 Academic Achievement Gains Match Top Charters
It was a first-of-its-kind program built on the idea that practices from the nation's most successful charter schools would produce the same results in a large, urban school district. After just one year of increased instructional time and tutoring, the results can be summed up in two words: it's working.

Apollo 20, a groundbreaking program designed to improve the academic achievement of students in HISD's historically underperforming schools, is creating models for excellent teaching and learning that can be adopted throughout the district – and the country.

"No one has tried to do this in public schools; they just have not because of how hard it is," said nationally recognized education reformer Geoffrey Canada, President and CEO of the Harlem Children's Zone. "I don't want to pretend it is going to be easy, but I am going to say it is absolutely doable."

The Apollo 20 model features five key practices from the nation's most successful charter schools, including: increased instructional time; highly effective teachers and principals; intensive, small-group tutoring; a data-driven approach to teaching and learning; and establishing a culture of high expectations for all students, regardless of background or past performance.

In 2010–2011, the academic gains were particularly strong in math, the subject for which all sixth- and ninth-grade Apollo 20 students received intensive tutoring.

The percentage of Apollo 20 ninth-graders passing the TAKS math exam increased 16 points last school year, compared with a 2-point increase districtwide.

## HISD Students Reach or Exceed National Average in Four of Five Subjects

HISD students this year matched or beat the average scores posted by students across the nation on the Stanford and Aprenda exams in reading, math, science, and language.

Forty-seven percent of HISD's students exceeded the average national score in the fifth tested subject, social science. Texas school districts are not required to administer the Stanford and Spanish-language Aprenda exams, but HISD does so to track how students compare to the rest of the country.

HISD students in grades 1-8 took the exams this Spring. The number of students exceeding the national average increased from the 2010-2011 school year in the subjects of reading (50 percent) and language (53 percent). However, the percentage of HISD students scoring above the national average in math (61 percent) and social science declined (47 percent). The percentage of students scoring above the national average in science was unchanged (63 percent). HISD scores in all five subjects are higher than they were in 2009.

Houston's student population is made up of more minority and low-income students than the national sample of students who serve as the reference group for the Stanford and Aprenda to which all students are compared. In HISD, 92 percent of students are non-white and more than 80 percent are from low-income families. The national sampling of students who set the standard on the Stanford exam, meanwhile, is 55 percent white and 40 percent low/middle income.

"Houston's teachers have done a great job helping our students narrow the achievement gap that separates them from their peers across the nation," said HISD Superintendent Terry Grier. "But narrowing the gap is not good enough, and no one on Team HISD will be satisfied until it is eliminated. We must do more to achieve our goal of consistently delivering an academically rigorous education to every child in HISD, regardless of where they live.

## More HISD Students Excelling on SAT and Advanced Placement Exams

The number of HISD students earning college credit on Advanced Placement Exams and posting top scores on the SAT has never been higher, Superintendent Terry Grier announced at Westside High School, which ranks among the top campuses in terms of SAT and AP performance.

In the 2010-2011 school year, HISD high school students scored a 3 or better - the score most colleges require to grant course credit - on 6,657 college-level AP exams, a 35 percent increase from 2009. The number of AP Scholars - students who passed three or more AP exams before graduation - reached 1,070 last year, more than triple the number of AP Scholars just a year earlier in 2010.

At the same time, the number of HISD students scoring 500 or higher on each of the three subjects tested on the SAT college entrance exam is up significantly from the previous year--18 percent in math, 13 percent in reading, and 10 percent in writing. The 500-point threshold is important because research shows that students who achieve this score are more likely to succeed in that subject in college.

The number of HISD students scoring 21 or better on the ACT college entrance exam reached 1,081 last school year, an increase of more than 200 students over 2010.

HISD covers all AP exam fees for students, and this March, every HISD high school junior will have an opportunity to take the SAT exam during regular class time for free. Last year, HISD became just the second school district in America to make its juniors such an offer.

Dr. Grier announced the encouraging AP data on the heels of a College Board report that found 60 percent of students with potential to pass AP exams never get the chance.

## HISD Schools on Washington Post Challenge

Twenty-one HISD high schools earned recognition in the Washington Post High School Challenge, a list of 1,800 schools representing the top 9 percent in the nation when it comes to preparing graduates for college. Only 125 Texas high schools made the list, and HISD campuses – Carnegie Vanguard, Eastwood Academy, and DeBakey High School for Health Professions–represent three of the national top 100.

## HISD Addresses Special Education Needs

HISD is using cutting-edge technology to teach students with special needs. Last summer, 583 Universally Designed for Learning computer workstations were delivered to 224 campuses housing self-contained special education programs supporting students with the most-significant, disability-related needs. The workstations feature adjustable-height desks, computer monitors on monitor arms that can be raised and lowered and viewed at any angle, and special learning software. All stations also feature flatbed scanners to enable teachers to convert text-based materials into digital text that can support students with special needs to independently read, edit, and respond to the text.

HISD Manager of Occupational/Physical Therapy Elizabeth Goodrich said the power of these workstations is in the flexibility they afford teachers to design instruction

to meet an individual student's learning needs. "If any child needs to be able to utilize technology, it is the child with special needs," she said. "This technology builds a bridge that helps children with special needs overcome the barrier to learning that they may experience as a result of disability."

The workstations were installed after an independent review of the District's Special Education Department identified a number of areas in which the District could improve. The Universally Designed for Learning workstations align directly with recommendations made in the review. HISD has also created a Special Education Advisory Committee to obtain feedback directly from parents and other student advocates.

## HISD Launches Houston Innovative Learning Zone

Students at six HISD campuses will have the chance to earn associate's degrees and receive career training in high-demand technical fields.

HISD plans to establish the Houston Innovative Learning Zone (HILZ) schools in direct response to frequent requests from students, and the Houston community at large, for HISD to bolster its portfolio of Career and Technical Education offerings.

Students who successfully complete the program will graduate from high school with an associate's degree and valuable industry credentials that can lead to rewarding careers in high-growth technical fields.

Working in partnership with the Houston Community College System, HISD will be prepared to open these six new HILZ academies in time for the 2012-2013 school year:

- The School of Logistics and Global Supply at Sterling
- The School of Manufacturing Engineering Technology at Washington
- The School of Electronic Engineering Technology at Furr
- The School for Process Technology at Kashmere
- The School for Pharmacy Technology at Long
- The School for Network and Computer Administration at Scarborough

## HISD Schools Listed on Newsweek's List of Americas Best High Schools

HISD high schools occupy 9 out of 1,000 positions on Newsweek's 2012 List of America's Best High Schools. Only 86 Texas high schools made the Newsweek list. The HISD schools are Carnegie Vanguard ranked No. 13; Eastwood Academy ranked No. 72; DeBakey High School for Health Professions ranked No.75; High School for the Performing and Visual Arts ranked No. 162; Bellaire High School ranked No. 439; Challenge

Early College High School ranked No. 446; High School for Law Enforcement and Criminal Justice ranked No. 685; Lamar High School ranked No. 883; and Mount Carmel Academy ranked No. 957.

## HISD Schools Win National Blue Ribbon Award

Two HISD schools were named today as 2012 National Blue Ribbon Schools by U.S Department of Education Secretary Arne Duncan. East Early College High School and Project Chrysalis Middle School are among only 269 schools nationwide and 18 in Texas that achieved the honor this year.

The National Blue Ribbon Schools Award honors public and private elementary, middle, and high schools where students perform at very high levels or where significant improvements are being made in students' levels of achievement.

East Early College High School and Project Chrysalis Middle School were both recognized as "Exemplary Performing" schools.

"Our nation has no greater responsibility than helping all children realize their full potential," Duncan said. "Schools honored with the National Blue Ribbon Schools award are committed to accelerating student achievement and preparing students for success in college and careers. Their work reflects the conviction that every child has promise and that education is the surest pathway to a strong, secure future."

## More HISD Students Earning Diplomas Through Twilight High Schools

Recent HISD graduates Juanita Bonilla and Marc Leal didn't think a high school diploma was in their future, but thanks to the district's Twilight High School program, the two now have their sights set on pursuing higher education.

HISD's Twilight High School initiative, which allows students to take online courses for high-school credit during the evening and weekend hours, appealed to both students, who had dropped out of high school to work and support their families. A postcard mailed to their homes prompted them to come back to HISD in early 2011, and since then, they have managed to earn enough credits to graduate this summer.

"When I got the postcard in the mail and it said I could attend in the evening, it made me very hopeful and excited," says Juanita, who had dropped out of Madison High School in her senior year to take care of her two children, as well as her siblings. Juanita ended up calling Elisabeth Carswell, the Twilight coordinator at Jones High School, every day asking when she could begin.

"I have never seen such dedication and determination to get a diploma," says Carswell. "Juanita not only worked a full-time job and managed a household with

two children, but she went to school as well. She is just a wonderful example of what someone can accomplish if they set their mind to it."

According to his Twilight coordinator, Marc Leal exhibited the same drive and determination. "The Twilight Program is really helping students who are overage and feel uncomfortable in a typical classroom environment," says Marie Hampton, the Twilight coordinator at Yates High School. "I know that it helped Marc achieve his dream of not only getting a diploma, but a better job as well."

Both Marc and Juanita now want to attend college. Juanita would like to pursue a degree in nursing and Marc just wants to steer clear of manual labor. "It's hard and grueling work, and without a high-school education, that's the only kind of work you can find," he says. "I learned my lesson the hard way, but thankfully I was able to come back to school and graduate."

### High School Ahead Recruiting Overage Seventh-Graders

Middle school can be a tough transition for many children, especially for overage students who are one or two grades behind their peers. That's why HISD offers a special school to get these boys and girls back on track. It's called High School Ahead and the campus is essentially an overage middle school that exposes students to an accelerated curriculum combining two years into one.

In May, the school celebrated success with nearly 90 percent of its students making up two grades. "These students will now join their peers in eighth grade at a comprehensive middle school or go on to ninth grade and be on a trajectory to graduate in four years," said High School Ahead Principal Tynette Guinn.

The school is currently recruiting incoming seventh-grade students who are at least one year behind. Students can live anywhere in the district and will be provided with free transportation. Those who qualify to enroll will be exposed to individualized lesson plans and double blocks of reading and math. They also will be taught in a smaller classroom environment with teachers trained in accelerated instruction. The school has a licensed social worker on staff and offers a variety of counseling services for students, including anger management and conflict resolution.

## Goal 2: Improve Human Capital

### Strategies and Initiatives

*The district seeks to create a performance culture that values employees who are results-oriented, talented, innovative thinkers; individuals who strive to increase student achievement and contribute to the reformation of public education.*

### HISD Board of Education Approves Next Step in Effective Teacher Initiative

The HISD Board of Education paved the way for the design of new career pathways for highly effective teachers who want to grow professionally and increase their impact on students without pursuing traditional administrative jobs that take them out of classrooms.

The Board approved partnering with the Parthenon Group to analyze data on HISD's current pay system for teachers and incorporate the best practices from across K-12 education and other industries. Parthenon will also help HISD gather input from a broad array of stakeholder groups, including teachers and parents. The $1.7 million contract with Parthenon will be funded entirely by a 5-year, $31.5 million competitive federal grant that HISD won in 2010.

Developing a new career pathway and differentiated compensation model for teachers is just one of four strategies of HISD's Effective Teachers Initiative that aims to ensure that every student in the District is taught by an effective teacher. Working with The New Teacher Project, HISD engaged thousands of teachers and community members to create a new teacher appraisal and development system that the Board of Education adopted in the Spring. The new system provides teachers more regular feedback and will include student performance data as part of teachers' evaluations.

In addition to the federal competitive grant, the Effective Teacher Initiative is being funded through a $6 million grant from the Laura and John Arnold Foundation and a $1.5 million grant from the Bill & Melinda Gates Foundation.

### More HISD Students Graduate on Time as Dropout Rate Hits Historic Low

HISD's streak of declining dropout rates and increasing graduation rates hit four years for the class of 2011, according to preliminary Class of 2011 figures released by the Texas Education Agency.

HISD's latest dropout rate of 11.8 percent and four-year graduation rate of 78.5 percent are the best they have been under the accountability system Texas put into place in 2007. While the District's overall enrollment has remained steady during that time period, the number of annual graduates has risen strongly from 6,978 graduates in the Class of 2007 to 9,070 graduates in the Class of 2011 – a 30-percent increase of 2,092 diplomas in just four years.

"Houston students are proving they are willing – and more than able – to achieve academically when we show faith in them and put them in a position to succeed," said Trustee Michael Lunceford, President of the HISD Board of Education. "We all know the dropout rate remains a critical problem in our city, but we are making strong progress. The students, with help from

the school administrators and teachers, have made a concerted effort to stem the tide of dropouts".

## Teacher Development Specialists Coach and Mentor Educators
When it came time to find the best people for coaching and mentoring teachers, HISD went to its deepest talent pool: the current teaching ranks.

The Teacher Development Specialists (TDS) provide teachers with professional development and training that aligns with the new teacher appraisal system. They spend time in teachers' classrooms observing and identifying development areas, and helping teachers with everything from planning lessons to asking questions that improve student performance.

Ben Hernandez spent nine years teaching at Lantrip Elementary before becoming a TDS. He encourages HISD teachers to reach out to other educators for help with lesson delivery and development.

"This initiative is changing the culture of the district by showing teachers that it's OK to share and to get feedback," Hernandez said. "My job is to show teachers that they are their own best resource."

HISD has hired 130 Teacher Development Specialists, and they have conducted more than 13,000 observations this school year.

"The TDS position is an example of how HISD values its teachers," Hernandez said. "Creating a system that focuses on individually tailored development is a testament to the tremendous respect the district has for teachers."

## Goal 3: Provide a Safe Environment
### Strategies and Initiatives
*The district shall create a safe environment conducive to learning for all students and provide safety and security measures at district schools and facilities, and while attending district-related events.*

### U.S. Senator Praises HISD Police Department, Calls It a Model for Other Districts
U.S. Senator John Cornyn praised the HISD Police Department for taking proactive steps to protect students, staff, and district visitors. "I am here to say 'Well done,' to not only the Houston Independent School District, but also to their Police Department," Senator Cornyn said. "I think this is a great example that can be implemented across, not only Texas, but across the rest of the country."

Senator Cornyn made the comments after a discussion with Superintendent Terry Grier, Board of Education Trustee Michael Lunceford, Chief Operating Officer Leo Bobadilla, and HISD Police Chief Jimmy Dotson. During the meeting, district leaders briefed the senator on HISD's partnerships with federal, state, and local

authorities to prevent crime.

HISD has a police force of 200 commissioned peace officers and is the only school police department in the country that is accredited by the Commission on Accreditation for Law Enforcement Agencies, the same group that provides accreditation for city police departments and county sheriff's offices.

### Houston ISD Police to Participate in National Click It or Ticket Campaign
The Houston Independent School District joined other state and local law enforcement officers and highway safety advocates across the country for the 2012 national Click It or Ticket seat belt enforcement mobilization. The campaign kicked off May 21 in an effort to help save lives by cracking down on those who **don't** buckle up. The goal of HISD's Police Department is to ensure the safety of all our schools with the help of the community. Drivers need to ensure that they wear a seatbelt at all times for their own safety, and our officers are committed to enforce seat belt laws at all times." said HISD Police Chief Jimmy Dotson. Seat belt use saves thousands of lives across America each year and HISD's Police Department is helping spread the word.

### Tools For Schools Program
The Tools For Schools Program sweeps to collect air quality data and points out issues. This Indoor Air Quality program is part of a joint venture with the University of Tulsa and HISD. CFS Environmental Services Manager and Tools For Schools (TFS) Program Coordinator William Cooper recently assisted in the indoor air quality inspections of 19 school campuses. This was in cooperation with the U.S. Environmental Protection Agency (EPA) and the University of Tulsa Indoor Air Program. "TFS catches poor indoor air quality early on. The goal is to increase attendance because students tend to miss school more often due to respiratory illnesses," said Cooper.

The HISD elementary schools recently tested include: Almeda, Codwell, Dailey, Ketelsen, Lantrip, Oak Forest, Park Place, Poe, Seguin, and Walnut Bend. Middle schools were: Clifton, Dowling, Ryan, and West Briar. High schools visited were: Chavez, DeBakey High School for Health, Milby, Waltrip, and Westside.

David Reisdorph, research associate for the University of Tulsa, explained that the program is vital in providing an optimum learning environment. "We look for air particles, carbon dioxide ($CO_2$) emissions, vent problems and air filtration issues," he said. The Indoor Air Program helps school districts to assess and address air quality that is affected by commercial and organic substances.

"The most common issues are moisture build-up, carbon dioxide increases, and poor ventilation because

of design standards or slow filtration scheduling," said Reisdorph. A large amount of CO2 is a good indicator of a ventilation system not working as it should. Typical concerns found in many HISD classrooms were clutter on top of vents and the use of air fresheners to mask musky smells. These actions can actually make it easier for mold to grow in a classroom.

"The walkthroughs are supported by an EPA grant," said Cooper. "They help CFS by providing current data to establish goals and plans for short-term or long-term action." All data collected are the district's baselines for each school. CFS will use this to measure results and improvements.

## HISD Receives 'Leadership in Action' Award

HISD's Green District Challenge energy conservation program was recognized with the 2012 Leadership in Action Award for Environmental Improvement during the Leadership Houston awards luncheon.  The annual award recognizes Houston corporations and nonprofits that have made extraordinary contributions to the greater Houston community, through programs and projects in 10 different categories, including Environmental Improvement.

"We are proud of our efforts to model for our students what it means to be good stewards of our financial and natural resources," said HISD Superintendent Terry Grier. "Our schools are long term investments, so it's important that we build facilities that use less energy. Through our Green School Challenge, our students are learning the important role they play in energy conservation. "HISD Chief Operating Officer Leo Bobadilla accepted the award on the district's behalf.

The District earned the Leadership in Action award for its precedent-setting implementation of a three-pronged initiative and comprehensive approach to energy efficiency, including capital improvements, process improvements, and behavioral change programs.  The District's initiative features energy-efficient building designs, green building practices, fuel-efficiency initiatives, and behavioral change programs at the school campuses, and is complemented by a new energy performance contracting program that will allow districtwide retrofits of facilities with emerging technology in energy-efficient lighting, building controls, HVAC equipment, and other building systems.

HISD is also committed to building new facilities to the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) standards for the design, construction, and operation of high-performance "green" buildings.

## HISD Transportation Celebrates Historic Showing at Annual Mechanics Rodeo

Four mechanics from the Houston Independent School District recently participated in the Texas Association of School Bus Technicians' annual Mechanics Rodeo in McAllen.

Each year, school districts from around the state send their top mechanics to compete in various events, including mechanical troubleshooting and school bus inspections. This year, HISD's Transportation department had team members place in each section of the rodeo.

Luis Pedroza placed in the mechanical division, and Arturo Perez placed in the school bus inspection division. It's the first time in the competition's history that one school district placed in both the troubleshooting and inspection sections of the competition.

"It is an honor to work side by side with such an incredible group," HISD's Transportation General Manager Nathan Graf said. "I'm very grateful for the services they provide to the children and district every day."

"To say that we are elated is an understatement. (Being) the only district to place in each division is a milestone," said HISD's Senior Manager of Fleet Operations Mark Swackhamer. "Day in and day out, this outstanding group of individuals are committed to make sure Houston's children are provided with safe, reliable, and environmentally friendly transportation."

## HISD is a No Bullying Zone

Every student deserves to feel safe at school. When a child is bullied, their school work and self esteem can suffer. We owe it to the students of the Houston Independent School District to make sure bullying is identified early and stamped out immediately.

In February, HISD held a districtwide Anti-Bullying Awareness Week. Campuses across the city participated in a variety of activities aimed at creating a safe, friendly, and positive school environment where bullying is not tolerated.

HISD is already working hard to make sure our students are safe. HISD bus drivers have pledged to stand against bullying on buses by learning to respond to bullying behavior. Jackson Middle School and many other campuses are teaching students and parents about the devastating effects of bullying.

***Bullying will not be tolerated in our schools!***

## HISD Police Department Partners with ARAMARK Education to Promote "Kids with Character" Mentoring Program

The HISD Police Department introduced a new partnership with ARAMARK Education to promote positive character building in HISD schools.  The Kids with Character mentoring program will recognize elementary students who have displayed outstanding

citizenship in their classes.

Twice a month, HISD officers will eat lunch with students who have shown strong character. During the lunch the officers will also serve as role models by showing students how to be good leaders.

HISD Police Chief Jimmy L. Dotson says the program will give HISD officers a new opportunity to serve as mentors and role models and he believes their presence will boost the sense of security at HISD campuses. He also stated that HISD is committed to keeping our students safe and this new innovative program will provide a unique opportunity for our officers to continue to protect our campuses while reaching out to the students.

ARAMARK Education Resident District Manager Ray Danilowicz says this latest initiative is another way the company is committed to promoting student excellence. "For 15 years ARAMARK Education has provided management of the food service program at HISD, serving healthy meals that fuel the student's' academic day. This latest initiative is just one of the many ways ARAMARK Education is committed to helping all students flourish," said Danilowicz.

## Goal 4: Increase Management Effectiveness and Efficiency

### Strategies and Initiatives

*The district shall have a decentralized organizational structure that will promote autonomy and innovation in schools. With a districtwide commitment to performance over compliance and a shared accountability system in place, the district shall employ best practices of administrative principles to make optimal use of district resources and taxpayer dollars.*

### Four New Schools Opened for the 2012-2013 School Year

Four new school buildings funded by the 2007 voter-approved bond program opened on the first day of school.

### Carnegie Vanguard High School

The Carnegie Vanguard Magnet program serves students who have been identified as gifted and talented in intellectual ability. In 2002, the Vanguard school moved to the former Carnegie Elementary campus which was originally built in 1963. The new building is located adjacent to the Gregory-Lincoln Education Center.

### Billy Reagan K-8 Education Center

The school will offer a two-way dual English and Spanish language program to its kindergarten class in an effort to develop full bilingualism and bi-literacy for all students. The center will implement this program in one of the kindergarten classes during the 2012-2013 academic year and will add one grade per year until there is a complete two-way dual language program in grades K-8.

### Lockhart Elementary School

The replacement school will now serve pre-kindergarten through fifth grade. Students from the former Lockhart and Turner Elementary schools will attend the new campus.

### Neff Elementary School

The replacement campus will serve students in grades 2-5. The former Neff campus is being converted into an early childhood campus for students in pre-kindergarten through first grade.

### HISD Cuts Construction and Maintenance Costs While Improving Service to Schools

HISD has saved taxpayers millions of dollars by cutting employee overtime, restructuring contracts, reducing energy consumption, and taking other proactive actions in the Construction and Facility Services Department.

"By implementing a customer-focused, solution-driven, 'way of work,' our CFS team continues to collaboratively work with our customers to meet our schools' needs with less financial resources," said Leo Bobadilla, HISD's Chief Operating Officer. "We have streamlined reporting, developed a no-excuses, team-work culture, and increased our customer satisfaction rating by over 50 percent, all while working within budget shortfalls."

Key accomplishments achieved by following the industry's best practices and steadfastly tracking more than 70 metrics and expanded performance indicators include:

- A 60-percent reduction districtwide in maintenance and operations overtime resulting in a $5.2 million savings;
- $3 million savings through contract restructuring;
- $2.8 million savings through department reorganization;
- A 50 percent reduction in reactive work orders by reinstating an effective preventative maintenance program; and
- $935,000 in energy savings as a result of installing energy efficient equipment and implementing a four-day summer work week.

In addition, the voter-approved Bond Program continues to deliver on promises made to the community with 85 projects either under construction or already completed, 64 other projects either under design or in a bid/award phase and an additional 29 projects that will move into the design phase next year.

During the 2011-2012 school year, the CFS team will be implementing an energy enterprise management system, an expanded and improved single-stream recycling program, a retro-commissioning program, an energy performance contracting program to maximize energy savings district-wide, and various other initiatives to continue to improve service delivery to

schools, maximize the efficient use of resources and reduce costs.

CFS manages more than 29-million square feet of property, one of the largest real estate portfolios in the country.

## HISD Focuses on Green Schools

The seed was planted just five short years ago for a 'Green' building to replace the existing Berry Elementary School. Houston designers Tom McKittrick and Barry Moore worked with the University of Houston School of Architecture in a university study to explore the possibility of a new "green" school. Environmental friendly designs were becoming practical, and the new building would be built using LEED® certification criteria. LEED® stands for Leadership in Energy and Environmental Design. It is an important name in environmentally conscious construction developed by the U.S. Green Building Council (USGBC).

"Sustainability is at the core of our mission," said Gavin Dillingham, PH. D., manager of the Energy and Sustainability Department for HISD. "We know that all HISD schools can produce optimum learning environments under a LEED program. Building and maintaining high-performance buildings is very important in allowing the District to reduce its energy and water consumption and to lower maintenance costs over the long-term."

Today, Berry Elementary School is an example of the District's commitment to high-performance campuses. The Gensler Architect design firm now is awaiting confirmation of LEED® Gold certification from the USGBC for the new Berry campus. The LEED® goals for this campus included a 38% reduction in previous water use and a 24% reduction in previous energy consumption.

Participating in LEED® is not restricted to new school construction. There is a program that can incorporate existing HISD buildings. There is also a special operations and maintenance program. The LEED® Green Building Rating System is the national benchmark for design, construction, and operations of high-performance green buildings.

Many other HISD campuses are active in the movement for lowered environmental impact and efficient operation. The participating elementary schools include Almeda, Crockett, Cunningham, DeChaumes, Gregg, Herod, Horn, Lewis, Patterson, Peck, Billy K. Reagan K-8 Educational Center, Theodore Roosevelt, Sherman/ Crawford, and Southmayd. Henry W. Grady Middle School is also on board.

For Robert C. Patterson Elementary, a literature magnet school, the road to LEED® Silver was slightly different for the Construction and Facility Services (CFS) Team. "The demands on participating schools to conserve water, recycle, and use energy efficiently

are major themes of the LEED® program," says, CFS Construction Services Senior Manager Travis Stanford. His team members included Construction Services Representative Ronnie Pendleton and the architectural/ engineering team. They sought out a new construction design for the Patterson campus that incorporated:

• 78% day lighting for learning spaces.

• 19% reduction in previous energy consumption.

• 37% reduction in previous water consumption.

All of which was part of a quality and innovative design through the architectural firm of Sustaita Architects. Abe Sustaita, president, and his son, A. J. Sustaita, manage the firm. The Patterson campus received LEED® Silver certification December 2011.

## HISD Receives Approval for More Than $70.6 Million in E-Rate Funding

HISD received approval for more than $70.6 million in E-Rate funding that is expected to allow the District to upgrade technology at 210 schools. The money can be used to establish wireless and hardwired connections that provide service to classrooms, labs, and other instructional areas that don't currently have access to the internet and the HISD network. Many of our schools have gone without major technology improvements since 2007. Principals and teachers have been asking for these upgrades and we expect 154,000 students will benefit from the E-Rate allocation.

Federal E-Rate funding can be used to support the technology infrastructure in school districts and is prioritized based on the number of students who qualify for free and reduced price lunch. By using E-Rate dollars to cover the cost of improvements at those campuses, we can free up more district funds to pay for upgrades to our overall network. Students and staff across the District would benefit from those upgrades. We would have more bandwidth and faster access, which could ultimately lead to new opportunities such as the use of video conferencing for distance learning and professional development.

HISD's new Chief Technology Officer Arnold Viramontes is leading the effort to strengthen our infrastructure. He recently received national recognition from the Council of the Great City Schools for his exemplary work in the field of information technology.

## Goal 5: Improve Pubic Support and Confidence in Schools
### Strategies and Initiatives

*The schools belong to the people; hence, the board, administration, and support staff are public servants who exist to support the schools and the relationship between teachers, students, and parents. Public confidence will increase as the district increases transparency, accountability at all levels, and meaningful engagement of the community.*

## HISD Property Tax Rate to Remain Lowest in Harris County

The Houston Independent School District Board of Education today unanimously approved maintaining the lowest school property tax rate among the 26 school systems in Harris County.

Superintendent Terry Grier recommended keeping the HISD property tax rate of $1.1567 per $100 taxable value despite the loss of $125.1 million in state funding over the past two years.  Since 2002:

•Districtwide general fund spending is down $170 million, when adjusted for inflation.

•HISD building utility costs have climbed $18.6 million, a 40 percent increase.

•Spending on central administration has declined from 6.5 percent of the budget a decade ago to a projected 4 percent for the current 2012-2013 school year.

HISD's property tax rate is a full 20 cents below the county average of $1.3576 per $100 taxable value. This means the owner of a home with a taxable value of $200,000 in HISD pays about $400 less per year than the owner of a $200,000 home in another Harris County school district.  The savings are even greater in many cases, because HISD is among just eight Harris County school districts that grant homeowners an additional 20 percent homestead exemption.

## HISD Seniors to Receive $150,000 in Broad Foundation Scholarships

This Spring 2012, HISD graduates will receive $150,000 in scholarships from the Eli and Edythe Broad Foundation.

The scholarships are a result of HISD being among the four national finalists for the 2012 Broad Prize for Urban Education, which was awarded to the Miami-Dade County Public Schools. This was Miami-Dade's fifth time to be a Broad Prize finalist. HISD won the inaugural Broad Prize in 2002.

The Broad (rhymes with "road") Prize is awarded each year to the urban school district that demonstrated the greatest overall performance and improvement in student achievement while reducing achievement gaps among poor and minority students over several years.

The other finalists this year were: Corona-Norco Unified School District in Riverside County, Calif., Miami-Dade County Public Schools, and The School District of Palm Beach County, Fla. Students from all finalist school districts receive $150,000 in scholarship money from The Eli and Edythe Broad Foundation.

School districts cannot apply to be considered for the Broad Prize. Instead, they are chosen based on an objective review of multiple years of student achievement data.

In selecting the finalists, the review board looked for urban school districts that showed the greatest overall performance and improvement in urban student achievement while reducing achievement gaps among poor and minority students. Among the data they considered were SAT, ACT and Advanced Placement participation rates and outcomes, graduation rates, state assessments in reading, math and science, the National Assessment of Educational Progress, student demographics including poverty, state test rigor, per pupil expenditures and district size.

## By the Numbers: Recent Data Shows HISD's Progress

HISD is making significant gains in improving the education of all students in HISD, regardless of economic status. Under the Strategic Direction, which consists of five core initiatives to propel the district forward, HISD is making measurable progress. From 2010 to 2012, hundreds more students have scored 500 or higher in each subject on the SAT. There was a 45% increase from 2009 to 2012 in those who scored a 3 or higher on AP exams. The District's dropout rate is at an all-time low, and its graduation rate is at an all-time high. In addition, the Class of 2012 earned a record $180 million in scholarships.

# Goal 6: Create a Positive District Culture

### Strategies and Initiatives

*The district's clearly articulated purpose will serve as the catalyst for creating a powerful sense of community and a shared direction among personnel, parents, students, and the public. Because the district realizes the value of investing in human capital, the district will work to attract and retain the best teachers and staff members, and create working conditions in which their talents can flourish.*

## HISD to Launch Parent Super Centers

HISD and Microsoft are partnering to launch new Parent Super Centers across the district in an effort to promote parent engagement on campus.  The district unveiled the first of the five new centers on May 25, 2012 at the Sam Houston Math, Science and Technology Center.

"Research shows that increased parent engagement on campus leads to increased academic performance of students," said HISD Superintendent Terry Grier. "HISD is committed to providing resources on campus to help parents become more involved in their children's education."

Each new HISD Parent Super Center will have 12 desktop computers fully loaded with the latest version of Microsoft Office, internet access, laser printers and other software.

"In today's digital world it's essential for parents, students and members of the community to have access to technology, which is why we are delighted to partner with HISD," said Lori Aulds, Microsoft's education sales

director. "Microsoft has been and will always be committed to providing people with the training, education and tools needed to improve their digital literacy skills and grow in today's economy."

In addition, parents will receive computer training through Parent Engagement and curriculum provided by Microsoft to help them be computer savvy and master basic computer skills.

These centers will be available for parents to use before and after school, during summer school and on Saturdays during tutorials.

## HISD Students Earn Bikes for Improving in School

Hundreds of HISD students took home free bikes when the nonprofit Elves & More made a special delivery to schools around the city.

Students earned their new bikes by pledging to improve in "the four 'A's": academics, attendance, attitude and after-school participation. At the beginning of the school year, teachers worked with participating students to determine the areas they needed to improve. The students and their parents then signed a contract committing to uphold their end of the bargain. Students who followed through with their agreement reaped the reward.

Elves and More delivered more than 2,800 bikes to HISD students. Community partners donated helmets for every child, and volunteers were on hand to adjust bikes and make sure everything fit and worked properly.

J.R. Harris Principal Stephen Harding said the students were proud of their new bikes and the work they put in to get them. "We're always trying to motivate the kids and telling them that if they make good choices it will pay off in the end," Harding said. "Earning these bikes was a great example of that."

HISD Senior Manger of Community Engagement Lucy Bremond said the program was important because students earned the bikes by improving throughout the year. "We can demonstrate the impact these bikes are having on our kids," Bremond said. "We can directly correlate the bike with the achievement they've made. If students don't fulfill their contract, they don't get a bike."

## HISD to Help Train Next Generation of Health-Care Leaders

HISD is joining forces with the Children's Learning Institute at The University of Texas Health Science Center at Houston to better serve children with autism spectrum disorders and other neuro-developmental disabilities.

The LoneStar Leadership Education in Neurodevelopmental and Related Disabilities (LEND) program, funded through a $2.9 million grant from the U.S.

Department of Health and Human Services' Health Resources and Services Administration, is the first program of its kind in Texas and one of 44 LEND programs located at universities or major children's hospitals across the United States.

Houston's program will be led by Dr. Pauline Filipek, director of The Autism Center at the Children's Learning Institute, and will support up to 15 participants.

"Through this collaboration, medical trainees will have the opportunity to work with HISD staff to learn about Individualized Education Program (IEP) development and the transition planning process. They will also see how we conduct our student evaluations, attend IEP meetings in our schools, and observe how we meet with parents to share our findings and plan programs and services for students with disabilities" explained HISD's Assistant Superintendent of Special Education Services Sowmya Kumar

## HISD Gave Away New Car at Second Annual 'Cool to Be Smart' Celebration

More than 1,000 recent Houston Independent School District graduates qualified to win a brand new car at the second annual Cool to Be Smart celebration in August 2012.

The purpose of this annual event is to encourage and recognize scholars who completed five or more Advanced Placement (AP) or International Baccalaureate (IB) courses or a combination of both and took the corresponding exams. Students who score high enough on these exams are eligible to earn college credits.

"In HISD, not only have we raised the standards and rigor for all our students, we also celebrate their hard work and achievements," Superintendent Terry Grier said. "Cool to Be Smart recognizes students who challenged themselves academically by completing college-level coursework. I am so proud that more and more students in HISD are taking these courses and earning college credit during high school."

The number of AP exams taken by HISD students that resulted in scores high enough to earn college credit has increased 35 percent since 2009. All HISD high schools currently offer at least 15 AP courses.

Students from more than 40 high schools were called in July to ensure they are present to enter the drawing and win prizes. The grand prize, a new 2012 Dodge Caliber, was donated by Helfman River Oaks Chrysler Jeep Dodge Ram.

Aside from the grand prize, members of the HISD Class of 2012 who excelled in college-level AP or IB courses will also have an opportunity to win seven $1,000 scholarships, one $3,000 scholarship and five laptops provided by The HISD Foundation, as well as an iPad provided by Cell Phone Repair.

**"Healthiest Employer" recognition cites HISD's new wellness centers, preventive care**

HISD has been named one of the top 25 healthiest employers in Houston, as rated by the Houston Business Journal. Rankings of the top 25 businesses were announced at the first annual Houston's Healthiest Employers Symposium on March 1.

The "Houston's Healthiest Employer" award recognizes organizations that are committed to creating a healthy workplace. The award measures wellness programming in six key categories:

1. Culture and Leadership Commitment
2. Foundational Components
3. Strategic Planning
4. Communication and Marketing
5. Programming and Interventions
6. Reporting and Analysis

HISD was recognized by the Houston Business Journal because it consistently leads the way in providing a broad range of innovative health and wellness benefits to its employees.

For example, since 2004 HISD has provided free preventive care to employees participating in a qualifying district health plan HISD also has offered free generic drugs to treat chronic conditions such as high blood pressure, high cholesterol, and diabetes for years.

In 2010, the district opened the first of two HISD Employee Health & Wellness Centers, one at the Hattie Mae White Educational Support Center and another at Attucks Middle School. The clinics are now available at no cost to all employees participating in one of the HISD medical plans, as well as covered dependents age 5 and older.

The district also maintains a dedicated Benefits Outlook website, powered by WebMD, where employees can find tips and resources for maintaining their health and wellness. An easy-to-use online personal health assessment helps identify potential health risks and suggests valuable free services, including a 24/7 nurse line, nutrition specialists, and programs for disease management, stress reduction, smoking cessation, and weight loss.

### *Future Priorities/Challenges*

*The Houston Independent School District will continue to build on its past successes by increasing the graduation rate, improving human capital, expanding the emphasis on performance management, and strengthening communications.*

**Voters Approve HISD Bond**

Thirty-eight HISD campuses, including 28 of the Houston's high schools, will be rebuilt or renovated under a bond proposition that won voter approval November 2012.

The $1.89 billion measure passed by an overwhelming margin, based on early and absentee voting totals released by the Harris County Clerk's office. Those early returns showed the HISD bond proposition leading with 66 percent of the vote with nearly 200,000 ballots cast.

"Houston voters sent a message that all children, regardless of where they live, deserve to attend quality schools in quality buildings that offer our great teachers the tools they need to prepare students for a successful future," said Trustee Michael Lunceford, president of the HISD Board of Education. "The new schools that will be built because of this vote will benefit today's students, their future children, and even their grandchildren."

HISD asked voters to consider the bond proposition after an independent evaluation of the District's facilities showed that the average Houston high school is more than 50 years old and lacks the proper infrastructure to support modern technology and teaching strategies. The evaluation found that the cost of maintaining these deteriorating schools would soon surpass the replacement cost. Past HISD bond measures, including the 2007 plan that was passed with 51 percent of the vote, have focused on the District's elementary and middle schools.

Because of the large amount of construction included in the 2012 bond proposition, HISD will spread the work out over the next six to eight years. This approach will help control costs and allow the District to gradually phase in a 4.85-cent property tax rate increase over the next five years. The District will soon seek bids from firms interested in performing the architectural design and engineering work on the first batch of projects. The list of school projects to be included in the first phase of construction is being developed with an eye toward breaking ground on at least one project in each geographic district within HISD around the same time. Construction work is expected to begin in 2014. Click here for more details about the 2012 bond package.

"When this work is finished, Houston will boast the most modern portfolio of urban high school campuses in America," Superintendent Terry Grier said. "For years, HISD has been a national model for other urban school districts that are striving to simultaneously close the achievement gap while raising the level of achievement of all students, including the highest performers. Thanks to Houston's voters, we will finally have quality campuses to fully support our students' strong academic progress."

HISD schools serve a diverse student population in both traditional and alternative classroom settings. The district is dedicated to giving every student the best possible education through an intensive core curriculum and specialized, challenging, instructional and career programs. HISD provides a full range of programs and services for its students, including elementary and secondary courses for general, vocational, and college-preparatory levels, as well as magnet programs and gifted and talented programs. A wide variety of co-curricular and extracurricular activities supplement the academic programs.

## HISD Schools Makeup

| | |
|---|---|
| Elementary Schools | 169 |
| Middle School | 43 |
| High School | 39 |
| K-8 School | 11 |
| Combined/Other | 15 |
| **Total Number of Schools** | **277** |

## Elementary Programs

HISD has an enrollment in its 169 elementary schools of more than 110,000 students in grades Pre-K-5. Some elementary schools include grade 6 and some also have grades K-8. The elementary instructional program includes a foundation curriculum of reading, writing, spelling, oral language, listening, mathematics, science, and social studies. The enrichment curriculum offers health, physical education, and fine arts. Some elementary schools offer opportunities to learn languages other than English. In addition to classroom experiences, students have co-curricular opportunities in the greater Houston community, through district sponsored activities at museums, science, and arts organizations. The district emphasizes that each child must have a consistent, challenging curriculum that surpasses state requirements. Advanced Academics, Bilingual Education, English Language Learners, and Special Education programs are available to meet specific needs.

## Middle School Programs

HISD's 42 middle schools typically instruct more than 35,000 students in grades 6-8. The middle school foundation and enrichment courses develop concepts and skills introduced in elementary school. Career and Technology Education courses are available to expose students to a variety of career possibilities.

## High School Programs

HISD's 39 high schools instruct more than 45,000 students in grades 9-12. High schools offer students advanced education in English language arts, mathematics, social studies, and science. All students also must take courses in health and physical education and at least one year of foreign language. A wide variety of elective courses include additional foreign language study and fine-arts electives such as choral music, band, orchestra, art, dance, and theater. Career and Technology Education offers courses to prepare students for careers in high demand. Magnet high schools provide specialized programs for students who want to focus on a particular area of interest.

## Alternative Education Programs

The alternative schools and programs of HISD strive to be catalysts of change and meet the needs of students who benefit from a non-traditional educational environment. These schools are not merely providers of services; they also utilize a myriad of strategic interventions and innovative enrichments tailored to meet the unique educational, intellectual, and developmental needs of their students.

Alternative schools and programs include schools of referral, choice and external charter schools. The schools and programs address specific academic needs and meet individualized instructional, social and/or behavioral needs of those students who require nontraditional services to optimize their potential for success. The student population includes pregnant and parenting students, anti-social individuals, high achieving, scholastically able students, recovered dropouts, and highly at-risk students. The schools and programs have no geographic attendance zones or feeder patterns and include schools of choice, schools of referral, and community-based partnerships. Alternative education in HISD enjoys a high level of interest among patrons and community members who share an affiliation with the district in the operation of these schools.

## Early Childhood Programs

Providing Houston's young people with the best education available anywhere, requires beginning the learning process as early as possible. That's why HISD began offering full-day pre-kindergarten programs to all eligible children in 2005. To be eligible for enrollment in a district pre-kindergarten program, a child must:

- Be **four years of age** on or before September 1 of a given school year

- Live within the boundaries of the Houston Independent School District and meet at least one of the following criteria:

- Child is unable to speak and comprehend the English language, **or**

- Child is homeless, **or**

- Child is economically disadvantaged (as determined on the Prekindergarten Application) **or**

- Child of an active duty member of the armed forces; including the state military forces or a reserve component of the United States, or the child of an armed forces member who was injured, killed, or missing in action while serving on active duty (refer to Article 6 of House Bill 1), **or**

- Child is or ever has been in the conservatorship of the Department of Family and Protective Services following an adversary hearing held as provided by Section 262.201, Family Code or

- National School Lunch Program (NSLP) to include all children who meet any eligibility criteria for Head Start, not only those who meet the low-income eligibility criteria for Head Start. The TEC, §5.001(4), defines educationally disadvantaged as "eligible to participate in the national free or reduced-price lunch program." Consequently, all children who eligible for Head Start are eligible for free prekindergarten, based on their eligibility for the NSLP. [1] [1] Public Law 110-134, which amended 42 USC, §1758.

*Three-year-old children may also be eligible to enroll in a pre-kindergarten program if they turn three either on or before September 1 of a given school year and meet at least one of the following criteria:

- Child is unable to speak and comprehend the English language, **or**

- Child is homeless, **or**

- Child is economically disadvantaged (as determined on the Prekindergarten Application) **or**

- Child of an active duty member of the armed forces; including the state military forces or a reserve component of the United States, or the child of an armed forces member who was injured, killed, or missing in action while serving on active duty (refer to Article 6 of House Bill 1), **or**

- Child is or ever has been in the conservatorship of the Department of Family and Protective Services following an adversary hearing held as provided by Section 262.201, Family Code or

- National School Lunch Program (NSLP) to include all children who meet any eligibility criteria for Head Start, not only those who meet the low-income eligibility criteria for Head Start. The TEC, §5.001(4), defines educationally disadvantaged as "eligible to participate in the national free or reduced-price lunch program." Consequently, all children who eligible for Head Start are eligible for free prekindergarten, based on their eligibility for the NSLP. [1] [1] Public Law 110-134, which amended 42 USC, §1758.

*Priority is to enroll four-year-old eligible students. **Three-year-old children** are to be wait-listed.

HISD also offers pre-kindergarten on a tuition basis to students who do not meet the eligibility requirements to attend pre-kindergarten for free.

## Fine Arts Programs
The Fine Arts Programs includes visual art, dance, choral music, instrumental music, and theatre. Research in general and in Texas, in particular, shows that the Fine Arts support learning in math, science, social studies, and English/Language Arts; as well as decreases drop out rates and increases attendance. Additionally, research shows that Fine Arts promotes leadership skills, motivates investigation, fosters collaborative team work, heightens self-discipline and self-reliance, cultivates a positive self-concept, and nurtures cultural and social awareness. One of the greatest assets of the Fine Arts is expansion of critical and analytical thinking. One reason is because the arts intrinsically cultivate creativity, imagination, and innovation as well as symbiotically incorporate math, science, social studies, and English/Language Arts into authentic learning experiences to engage students in higher levels of Blooms' Taxonomy. Ultimately, the gift of the Fine Arts is in the development of the whole child – a humanitarian that sees the world through the lens of creativity.

## Health Education Programs
Elementary Health Education follows the Texas Department of State Health Services Coordinated School Health (CSH) initiative that strives to maintain a unified approach to health education for all districts. Health Education, being one of eight CSH components is required to be 'planned, sequential, K-12 curriculum that addresses the physical, mental, emotional and social dimension of health, promoting informed decision making among youth. Elementary instruction encompasses matters of the human body regarding nutrition, appropriate exercise and rest, areas of prevention including Disease Control and Substance Abuse; focusing on how personal decisions in areas such as these impact overall health.

## Mathematics Programs

The Mathematics Department in Elementary Curriculum, Instruction, and Assessment plays an important leadership role in order to ensure that aligned, rigorous, and engaging instruction occurs intentionally and systemically throughout Houston ISD.

The Mathematics Department in Secondary Curriculum, Instruction, & Assessment envisions a collaborative community that provides an equitable, nurturing environment that inspires and challenges confident life-long learners. We bring together students, parents, teachers, and education, business, university, and community leaders to work systemically to provide a challenging educational environment that expects all students to develop, make sense of, and enjoy mathematics for the rest of their lives.

We work to improve student achievement in mathematics by producing curriculum documents aligned to state standards, by promoting a nurturing environment in which all students can learn challenging mathematics, and by providing professional development that drives effective teaching leading to meaningful learning.

Finally, in collaboration with Elementary Mathematics, we provide curriculum-based support so that all HISD students have equitable access to college and career options.

## Science Learning and Leadership Collaborative (SLLC)

The Science Department in Elementary Curriculum, Instruction, and Assessment supports aligned, rigorous, and engaging instruction and the implementation of classroom and district-wide assessment. Current initiatives include the following:

•HISD/Baylor College of Medicine PK-5 Science Institutes through which 450 science teachers are trained on content and pedagogy skills and receive access to online supplemental instructional resources: SuperSTAAR.org and STAARshare.org. The institute consists of 65 hours of training during the summer and four Saturday professional learning sessions during the school year.

•The LASER i3 Project is a partnership with the US Department of Education and the Smithsonian Institution's National Science Resources Center that targets 960 teachers. This project provides content and pedagogical professional development, access to high quality materials, and local community support for science education.

•The Houston ISD-Sally Ride Science Academy is a partnership with Sally Ride Science that provides teacher training and student resources to improve students' interest in science and the relevance of science instruction. This program was developed for grades 3, 4, and 5 and is based on research that shows that introducing young students to diverse examples of science careers and scientists can ignite their interest in the subject and make the study of science more meaningful. Participating teachers receive professional learning and resources.

The Secondary Science Team in the Curriculum, Instruction, & Assessment Department envisions a collaborative community that provides an equitable, nurturing environment that inspires and challenges confident life-long learners. We bring together students, parents, teachers, and education, business, university, and community leaders to work systemically to provide a challenging educational environment that expects all students to develop, make sense of, and enjoy science for the rest of their lives.

We work to improve student achievement in science by producing curriculum documents aligned to state standards, by promoting a learning environment in which all students can learn rigorous science, and by providing professional learning that drives effective instruction and results in increased student growth and achievement.

Finally, in collaboration with the Professional Support and Development Department, we provide aligned, district-wide assessments and curriculum-based support to teachers and campuses so that all HISD students have equitable access to college and career options.

## Special Education Programs

The mission of the Special Education Department is to support students with disabilities in gaining college and career readiness skills through active engagement in grade level curriculum.

The Special Education Department provides leadership and support to district and campus leaders to ensure adequate and appropriate resources, services, and programs for students with disabilities.

1. Students with disabilities will be appropriately identified, evaluated, and provided services within required timelines
2. All students with disabilities will receive appropriate services as developed by a duly constituted ARD committee and as documented in the student's ARD/IEP
3. Students with disabilities will receive their instruction in the least restrictive environment.
4. Students with disabilities will participate in the appropriate local, state, and national assessments.
5. Students with disabilities will meet achievement standards on local, state, and national measures.
6. Students with disabilities will be prepared for post-secondary opportunities.
7. Students with disabilities will graduate with their cohorts.
8. African American, Hispanic, and Limited English Proficiency (LEP) students will be identified as eligible for special education services at a rate that is proportionate to the percent of their enrollment in the district.
9. Students with disabilities will be placed in DAEP (Dis-

trict Alternative Education Program), ISS (In-School Suspension), and OSS (Out of School Suspension) at a percentage that is consistent with these disciplinary placements for all students.

10. The Office of Special Education Services will collaborate with students, parents and community representatives, and other departments, in a mutual effort to build capacity for providing outstanding services to students with disabilities.

11. The Office of Special Education Services will provide focused support to teachers, administrators, and district representatives in a mutual effort to build capacity for providing outstanding services to students with disabilities.

## Career and Technical Education Programs (CTE)

The Career and Technical Education (CTE) department was designed to provide students with the academic and technical skills they need to compete in the global workforce and/or to continue their education at the post-secondary level after graduation.

Students are offered a variety of courses through a comprehensive study of one of the 16 career concentrations identified and approved by the Texas Education Agency (listed below).

Agriculture, Food, and Natural Resources
Architecture and Construction
Arts, A/V Technology, and Communications
Business, Management and Administration
Education and Training
Finance
Government and Public Administration
Health Science
Hospitality and Tourism
Human Services
Information Technology
Law, Public Safety, Corrections, and Security
Manufacturing
Marketing, Sales, and Service
Science, Technology, Engineering, and Mathematics
Transportation, Distribution, and Logistics

Career concentrations are designed to follow a coherent sequence of courses in a graduation plan, and CTE employees collaborate with teachers and other departments to design, implement, and assess core and career-program offerings.

Basic and advanced academic classes are integrated with technical skills courses to allow students to identify possible career options and to give them the transferable skills and knowledge they need to succeed.

## External Funding

The External Funding Department supports schools in the Houston Independent School District by:

• providing opportunities for all children to acquire the knowledge and skills specified in challenging state content and performance standards;

• supplementing academic, health, and social services;

• promoting school wide reform;

• increasing staff development opportunities;

• distributing resources to regions and campuses where needs are the greatest;

• affording parents meaningful opportunities to participate in their children's education; and

• aligning the schools' instructional efforts with those of the state and school district

## Magnet Programs

"Magnet" is the designation given all specialized, quality integrated programs. Magnet programs offer a wide range of distinctive education. Some emphasize academic subjects such as math, science, technology, language immersion, visual and performing arts, or humanities. Others use specific instructional approaches, such as Montessori methods, or approaches found in international baccalaureate programs or early college programs.

High school Magnet programs include the following disciplines:

**Careers:**
Austin HS (Teaching Careers)
Barbara Jordan HS (Careers)
Davis HS (Hotel & Restaurant Management)
DeVry Advantage Academy (Web Design)
Lamar HS (Business Administration and IB)
Law Enforcement and Criminal Justice
Scarborough HS (Architecture)
Yates HS (Communications)

**Fine Arts:**
Furr HS (Technology and Arts)
HSPVA (Performing and Visual Arts)
Kashmere HS (Music & Fine Arts)
Westbury HS (Fine Arts Coalition of Essential Schools)

**Humanities & International Studies:**
Lee HS (Modern Humanities)
Sharpstown International (International Studies)

**Leadership:**
Sharpstown HS

**Same Gender College Prep:**
Young Women's College Prep Academy
Young Men's College Prep Academy

**Science:**
Chavez HS (Environmental Science)
DeBakey HS (Health Professions)
Jones HS (Science Technology Engineering Math- STEM)
Madison HS (Meteorology & Space Sciences)
Milby HS (Math, Science, and Technology)
Sterling HS (Aviation Science)
Washington HS (Engineering)
Worthing HS (Math and Science)

**Technology:**
Reagan HS (Computer Technology)
Westside HS (Integrated Technology)
Waltrip HS (Research & Technology)
Wheatley HS (Technology)

**Vanguard (Gifted and Talented):**
Carnegie Vanguard

**World Languages:**
Bellaire HS

## Advanced Academics Programs

The Houston Independent School District provides two program options for Gifted and Talented students. The Vanguard Magnet program is designed to meet the needs of G/T students in grades K-12 by providing an environment for students to work with their cognitive peers.

The Vanguard Neighborhood programs (formerly known as SIGHTS/Neighborhood G/T) are designed to meet the needs of G/T students in grades K-12 at their neighborhood (zoned) schools. Both Vanguard Magnet and Vanguard Neighborhood programs provide a differentiated curriculum by modifying the depth, complexity, and pacing of the general school program.

The following schools have board-approved Vanguard Magnet programs:

Askew ES
Carrillo ES
De Zavala ES
Herod ES
Oak Forest ES
Pleasantville ES
River Oaks ES
T. H. Rogers ES
Roosevelt ES
Travis ES
Windsor Village ES
Burbank MS
Hamilton MS
Holland MS
Jackson MS
Lanier MS
Long MS
Ryan MS
T.H. Rogers MS
Carnegie Vanguard HS

## The International Baccalaureate Programme

The International Baccalaureate Degree Programme (IB) 11th-12th Grades IB is an internationally based pre-university level curriculum developed by the International Baccalaureate Organization (IBO). This comprehensive curriculum allows graduates to fulfill requirements of international educational systems and to receive the IB diploma. Through IB examina-

tions, students may receive college placement hours. Strong emphasis is placed on the ideals of international understanding and responsible citizenship through creativity, action, and service. The IB Diploma Programme is offered at Bellaire and Lamar High Schools. These are the only schools authorized to offer IB courses for credit. Students accepted and attending one of the two IB Diploma schools may be enrolled in the IB Middle Years Programme (IBMYP) courses during 9th and 10th grades.

Lanier Middle School is the only HISD middle school authorized to offer the IB Middle Years Programme (IBMYP) courses in grades 6 through 8.

In the spring of 2005, three HISD elementary schools (River Oaks, Roberts, and Twain) became the first elementary schools in Texas to be named IB schools. These schools successfully competed against 3,000 others throughout the country to join the select group of 30 elementary schools in the United States. With the inception of the IB Primary Years Program (PYP), HISD became one of only 8 districts in North America to have an IB feeder pattern across grade levels. PYP is a school-wide program that benefits all students regardless of Gifted and Talented identification.

## Corrective Reading

Ensuring that all students read on grade level is priority in the Houston Independent School District. The Board of Education has approved the implementation of SRA's Corrective Reading program as an intensive intervention for students on selected campuses. Fourth grade students are the focus and some campuses may include third and fifth grade, if they have the capacity. Intervention teachers from 35 campuses have received intensive, interactive training in teaching the research-based direct instruction intervention program designed to ensure students can read on grade level. Rodeo Institute for Teacher Excellence (RITE) trainers have screened all students and will coach program implementation, with support from the Reading Department.

## Library Services

The Department of Library Services provides technical and professional support to school libraries, librarians, teachers, students, and communities. This support includes, but is not limited to, staff development for librarians and library staff, library processing, technology, collection analysis, appraisals, student services, Alternative Certification for Librarians, clinical supervision, online resources, student reading contests, and support for new school openings, school renovations, and closing schools.

Library Services provides integrated services in order to enable schools to enhance the quality of instruction,

leadership, curriculum and instructional delivery to improve student achievement and information literacy. The library is also a facility used to store and access HISD District archives. Additionally, the Virtual Professional Library and District Archives provides web-based research tools, literature searches online and phone research support to HISD teachers and staff and the Houston community.

## Student Assessment
The Student Assessment Department's major components include **Test Security Procedures, District-Funded Test Programs, State-Funded Programs,** and **Special Test Programs**.

- •**Test Security Procedures** includes Test Security and Confidential Integrity, Training, Security Oaths, Embargoed Materials, Reporting Violations/Irregularities, and Penalties.

- •**District-Funded Test Programs** are defined as programs where the assessments to be used and the administration procedures are defined by the HISD Board of Education or by departments within HISD. This includes programs that are initiated to meet state or federal requirements, but where those entities do not specify the assessments or administration procedures.

- •**State-Funded Programs** are those programs in which the testing procedures and the assessments used are specified by the Texas Education Agency (TEA).

- •**Special Test Programs** are those in which the Student Assessment Department manages or acts as a resource to programs that do not strictly have district or state mandates. These programs affect a limited population, and they may be mandated by a school, management district, department, grant requirements, or federal law.

## Educational Technology
In a rapidly changing world, we must equip our students with the necessary skills to negotiate life effectively. In the 1900's students who could read, write, and calculate were considered educated. Today's students must be able to access digital information, think critically to evaluate messages in a variety of media forms, and use technology tools to communicate on a global level. Employers and colleges are increasingly expecting employees and students to arrive with these skills. With many jobs being relocated to other countries, our students will be competing for jobs on a global level. Our schools must find ways to integrate multimedia technologies into curriculum and assessment activities so that our students are college and career ready after graduation.

Educational Technology meets the needs of diverse learners by providing opportunities to master skills and knowledge in a way that works best for each student. Using technology to support instruction enhances students with various abilities, learning styles, and interests.

To meet the needs of the 21st century learner, the Elementary & Secondary Curriculum, Instruction, and Assessment Educational Technology teams support the success of all elementary & secondary HISD campuses by providing curriculum tools, integration activities, and technology resources to enhance teaching and learning. This is accomplished by providing curriculum documents that support teaching of the Technology Applications TEKS, by infusing resources into the core curriculum documents, and by managing district-wide technology initiatives to maximize student academic success.

## Technology Program
The Information Technology Department's mission is to provide quality customer-centric services to the stakeholders of the Houston Independent School District in order to foster the primary goal of the Board of Education to advance student achievement and facilitate decision making with accurate and timely information.

The department is also responsible for providing service and support to schools, departments and field offices in the acquisition and use of technology to enhance student performance, ensure timely and accurate information to users and provide quality support services.

A major goal of the Information Technology Department's plan is to ensure that technology strategies and operations support the overall learning process.

## School Support Services
The mission of the School Support Services Department is to increase the child's capacity to benefit from education by providing high quality counseling, psychological, social work, evaluation and prevention services that support achievement.

The School Support Services Department consists of: After School Programs, Health & Medical Services, JROTC, Library Services, P-16 College & Career Readiness, Student Engagement, Counseling & Guidance, Psychological Services, Parent Engagement, UIL Academics, Virtual School/Digital Curriculum, Dropout Prevention, Student Discipline.

1. Provide support districtwide through the divisions of School Support Services.
2. Support 5 district strategic direction goals.
3. Serve as liaisons between business/community stakeholders and the district.

## Professional Support & Development (PSD)
Professional Support & Development's mission is to create connections to build a powerful professional learning network driven by partnerships with educators and their specific needs. We work to ensure effective teaching and rigorous learning in every classroom. To accomplish this goal, PSD sends Teacher Development Specialists to provided job-embedded coaching to

teachers and school administrators in addition to connecting them to various resources that will build their capacity to impact student achievement.  PSD also offers access to on-line, on-demand tools, and opportunities for individual, small group, and campus-wide learning. Foundational online and face-to-face courses aligned with Instructional Practice criteria and core district-wide initiatives are also available through PSD.

## Statement of Texas Law

Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts. The following six items summarize the legal requirements from the code:

- The Superintendent is the budget officer for the district and prepares or causes the budget to be prepared.

  **Note: TEA recommends that an interactive approach between the Board of Trustees and the superintendent be taken to establish the budget process and define related roles and responsibilities.**

- The district budget must be prepared by a date set by the state board of education, currently August 20 (June 19 if the district uses a July 1 fiscal year start date).

- The fiscal year of a school district begins on July 1 or September 1 of each year, as determined by the Board of Trustees of the district.

- The president of the Board of Education must call a public meeting of the Board of Trustees, giving 10 days public notice in a newspaper, for the adoption of the district budget. Any taxpayer of the district may be present and participate in the meeting.

- Concurrently with the publication of notice of the budget above, a school district must post a summary of the proposed budget on the school district's Internet website or in the district's central administrative office, if the school district has no Internet website. The budget summary must include a comparison to the previous year's actual spending and information relating to per-student and aggregate spending on instruction, instructional support, central administration, district operations, debt service, and any other category designated by the commissioner. (Section 44.0041, TEC).

  The summary of the budget should be presented in the following function areas:

  (A) Instruction – functions 11, 12, 13, 95

  (B) Instructional Support – functions 21, 23, 31, 32, 33, 36

  (C) Central Administration – function 41

  (D) District Operations – functions 34, 35, 51, 52, 53

  (E) Debt Service – function 71

  (F) Other – functions 61, 81, 91, 92, 93, 97, 99

  The "per student" will be based on student enrollment.

- No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.

- The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.

- The budget must be legally adopted before the adoption of the tax rate. However, if a school district has a July 1 fiscal year start date, then a school district must not adopt a tax rate until after the district receives the certified appraisal roll for the district required by Section 26.01, Tax Code. Additionally, a school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following: (1) The rate proposed in the notice prepared using the estimate; or (2) The district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.

### TEA Legal Requirements
The Texas Education Agency (TEA) has developed additional requirements for school district budget preparation as follows:

- The budget must be adopted by the Board of Education, inclusive of amendments, no later than August 31 (June 30 if the district uses a July 1 fiscal year start date).

- Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.

- Budgets for the General Fund, the Food Service Fund (whether accounted for in the General Fund, a Special Revenue Fund or Enterprise Fund) and the

Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

- The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines. Revenues, other sources, other uses, and fund balances must be reported by fund, object (at the fourth level), fiscal year, and amount. Expenditures must be reported by fund, function, object (at the second level), organization, fiscal year, program intent and amount.

- A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, administration, etc., in the total district budget. The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts. The requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.

### HISD Budget Policy
In addition to state legal requirements, HISD has established its own requirements for annual budget preparation. The district's fiscal policies dictate budgetary requirements that go beyond those required by the Texas Education Code and TEA. *These policies include:*

### Fund Balance Levels
The *reserved fund balance* is that portion of fund balance that is not available for appropriation or that has been legally segregated for specific purposes. The *unreserved fund balance* is composed of designated and undesignated portions. The undesignated portion represents that portion of fund balance that is available for budgeting in future periods. Designated fund balances represent tentative plans for future use of financial resources. The Board of Education designated a reserve for operations to set aside a minimum fund balance reserve of five percent of general fund operations. This reserve is not available for use or appropriation unless it is considered an emergency and is approved for spending by a two-thirds vote of the Board of Education.

### Carryover of surpluses/deficits
Schools and departments are expected to operate within the budget established during the budgeting process. Deficits are charged against the budget for the ensuing year except for special circumstances. The Board of Education established a carryover policy in 2003, enabling schools to carryover up to 75% of their non-spent funds.

### Weighted Pupil Allocation Formula
The new allocations are based on weighted grade level enrollment and average daily attendance. Additional weights are also included for students in special populations. The final number of refined units is multiplied by a fixed per pupil allocation, which is currently set at $3,330-for high schools, $3,366 for middle schools and $3,341-per pupil for elementary schools.

### Debt Management
Debt management policies are adopted by the Board of Education and seek to provide the most favorable climate for district debt projects while upholding the highest rating possible for debt instruments. Management policies include the following points.

- All debt service obligations will be met on time

- Long-term financing will be restricted to capital projects and purchases of equipment

- Long-term bonds will not be issued to finance current operations

- The district will cooperate and communicate with bond rating agencies and work towards obtaining the most favorable rating possible. Currently, HISD is rated Aaa by Moody's and AAA by Standard and Poor's, both in the excellent category

- Outstanding obligations will be frequently reviewed to ensure the most favorable funding structure for the district

- All necessary information and material regarding HISD's financial status will be provided to the appropriate parties

### Investments
Investments are stated at fair market value, which is the amount at which the investment can be exchanged in a current transaction between willing parties. The objectives of cash management and investment policy are to:

- Assure the safety of district funds
- Maintain sufficient liquidity to provide adequate and timely working funds
- Match the maturity of investment instruments to daily cash flow requirements
- Attain a market average rate of return consistent with the first two objectives
- Diversify by maturity, instrument, and financial institution where permitted by law
- Actively pursue portfolio management techniques
- Avoid speculative investments

## Property Tax Exemptions

HISD chooses to offer the optional homestead exemption of 20 percent as permitted by the state, to ease the tax burden on homeowners. Also, HISD grants the homestead exemption of $15,000 to homeowners over the age of 65. Both of these exemptions are in addition to the state-mandated exemptions.
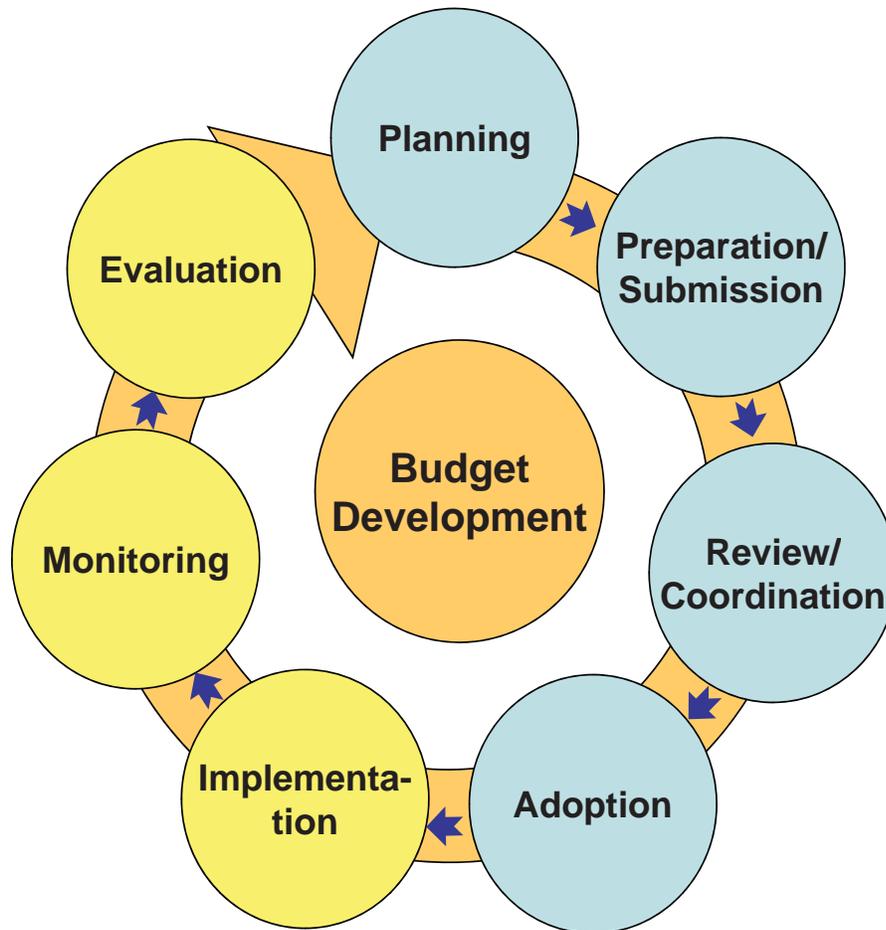
## Decentralized, Weighted-Pupil Allocations

Student enrollment, attendance, and participation in special programs are the basis for campus allocations for the 2012-2013 school year. The School Allocation Handbook outlines the allocation methodology for all schools based on weighted pupil ratios. The weights currently adopted are those used by the Texas Education Agency for allocation of state funds to school districts. The basic premise of the allocation methodology is to give campuses greater flexibility and control over resources while ensuring that district funds flow to the campuses according to the needs of the students attending them. The actual campus allocations are shown in the School Pages Section of this document.

State law, as well as HISD Board of Education policy, requires that the district's annual budget be adopted prior to the expenditure of funds. During the fiscal year, the Board must amend the budget for any increases to functional appropriations or estimated revenue amounts. All supplemental appropriations must be within the available revenues and fund equity (resources). Principals and central office administrators have access to an online report that lists the detail transactions and remaining available funds by line item or detail account center.

In developing, evaluating, and improving the district's accounting and budgeting system, consideration is given to the adequacy of the internal control structure. Internal controls are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local grants, the district is also responsible for an adequate internal control structure as related to federal financial assistance programs as well as compliance with applicable laws and regulations. These internal controls are regularly tested for effectiveness by auditors and management.

The district utilizes a line-item budget of proposed expenditures and the means of financing them (in combination with other approaches). The emphasis of the budget process is to identify the activities requiring resources and to rank those activities according to the needs of the entire district. Budgetary control is maintained at the function level by organizational unit through the encumbrance of estimated purchase amounts and other expenditures prior to the execution of contracts, approval of personnel transactions, or release of purchase orders to vendors. Those obligations that would result in an overrun of appropriated funds are not released until additional appropriations are made available. Open encumbrances are reported as a reservation of fund balance on June 30, the end of the fiscal year.

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                          Planning

    Evaluation                         Preparation/
                                       Submission

                     Budget
    Monitoring     Development         Review/
                                      Coordination


       Implementa-                 Adoption
          tion
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## The Budget Development Model

The budget process is conceptually divided into a seven-step process: planning, preparation and submission, review and coordination, adoption, implementation, monitoring, and evaluation. The process is congruent with the overall mission of the organization and is aimed at fulfilling the district's stated goals and objectives. The budget process exists in the context of a struggle to balance the needs of students and the community with the limited resources available from local, state, and federal sources. The final adopted budget is a reflection of the best decisions and choices of literally hundreds of people in the schools, the administrative offices, and the community and is often a painstaking balance of policy decisions and choices among competing priorities.

## Planning

The planning stage of the budget process begins with the adoption of the prior year's budget. At this point, team members communicate ideas and thoughts regarding the previous year's process and plan to make the necessary improvements and adjustments to the process for the next budget cycle. Also, early into the year, the budget calendar of milestones for important activities and decisions is developed and disseminated

to budget participants. Concurrently, senior members of the organization are meeting to discuss strategic planning issues–goals and initiatives for the coming year as well as challenges and opportunities facing the district. Finally, fundamental projections and assumptions crucial to the budgeting process such as pupil enrollment projections, changes in the tax base, and changes in funding levels received are being conducted and examined exhaustively.

The district currently uses a mix of budgetary approaches: line item, program budgeting and weighted per pupil to provide campuses a standard allocation based on projected enrollments or historical expenditures and uses a competitive ranking process for new or non-allocated programs. With this mixed approach, the Superintendent's Cabinet is also charged with developing and prioritizing non-allocated budgetary requests for submission for review.

## Preparation and Submission

Budget preparation is conducted at the campus level primarily by the principal and members of the Shared Decision-Making Committee (SDMC). The development of campus-level budgets follows the budget preparation guidelines issued by the Superintendent.

While the revenue side of the district budget is prepared by district administrators, campus-level budgets become the basis for the expenditure side of the district budget as that information filters up through the various levels of review, including campus staff members and the SDMC. Additional expenditures for costs such as debt service and interest are added when the district wide preliminary budget is compiled.

The budgeting of campus allocations, exclusive of legal mandates, is at the discretion of each campus under the district's site-based decision-making model. As such, campus budgeting begins with the identification of a school's goals and objectives by the school's resource planning group or equivalent (e.g., the School Improvement Team) as a first step in the campus budget development process. These goals and objectives should be driven by the educational needs of the campus (i.e., instruction and curriculum). In addition, the school's goals and objectives should be developed in accordance with district-wide and long-term educational goals.

Once consensus is reached on these goals and objectives, current operations should be evaluated as to their effectiveness in achieving them. New programs may need to be developed for the current year's operations to attain goals and objectives that are not addressed by a school's current programs. Programs should then be prioritized as to their effectiveness in attaining the developed goals and objectives. Finally, available resources should be allocated to each program or operation within the guidelines provided in the handbook, *Understanding the Budget Coding Process*.

Budget submission is now accomplished electronically for both schools and departments. Budget units receive budget development packages that allow them to develop their budgets electronically and submit them through the intranet. An overall summary request is generated along with detailed line-by-line budget items. Also, descriptions of the mission and goals of the unit as well as detailed justification for the funds requests are included. During the submission process, there is a frequent review and consultation process with Budgeting and Financial Planning staff members regarding coding problems and other technical issues.

The preparation of **capital budgets** and other budgets occurs simultaneously with the development of the General Fund budget. The district updates its existing long-range plans for capital equipment, maintenance and improvements of facilities, and compliance activities and develops the budget accordingly. Capital Projects Fund budgets are developed by Construction Services with assistance from the Controller's Office and the Budgeting & Financial Planning Department. Capital projects related to the Bond Program are developed and coordinated by the Bond Office with assistance from the Controller's Office and the Budgeting & Financial Planning Department.

Identification of potential capital projects and capital needs of the district is a responsibility of direct reports to the Superintendent, department administrators, principals, and other staff as appropriate. Recommendations are annually forwarded to a committee consisting of the Superintendent and selected direct reports. This committee is charged with the responsibility of prioritizing the various project proposals according to district capital needs. The Capital Projects Committee also addresses certain recurring capital needs, such as school bus purchases and asbestos removal.

Capital projects budgets are developed on a multi-year basis and are updated annually. The capital budgeting process is coordinated with the development of the General Fund budget since it can have a significant impact on district daily operations. Administrators are charged with utilizing the least costly financing method for all capital projects. Capital budgets are monitored at least quarterly to ensure timely, efficient allocation of resources according to district policies and to prevent cost overruns. All capital construction and improvement projects are managed in accordance with state and federal requirements for school facilities as well as any local building codes and regulations.

Debt Service Funds are budgeted by the Controller's Office and Budgeting and Financial Planning. Special Revenue Funds are budgeted by the participants in the programs and grants (usually schools) some central office departments and Budgeting. Food Service Funds budgets are created by the ARAMARK/HISD Food Services partnership and reviewed by the Controller's Office.

**Budget Review and Coordination**
The Superintendent's Cabinet reviews budget increase requests and recommends overall prioritization of programs and activities.

Input from the various participants is used to determine the appropriateness of the submitted budgets (see 2012-2013 Budget Development Process Flowchart). Criteria for reviewing budget proposals, especially increase requests, include the degree of alignment with district-wide goals and objectives, priority status compared with other proposals, use of district resources for efficiency and effectiveness, the unit's track record for operational performance, and the likelihood of success for particular initiatives and programs.

Final review and coordination of the annual budget is conducted in public workshops and hearings with

members of the community and the school board.

## Budget Adoption
The compiled budgets for the district are submitted to the Superintendent for review before they are formally presented to the school board in early June as a recommended budget. The school board analyzes the documentation and conducts public hearings and workshops to get input from the community on district spending plans. After final revision and amendment, the board formally adopts the budget in June. Budgets are approved on a fund-by-fund basis. The district can make amendments to the budget at any time during the year; however, amendments changing functional expenditure categories or revenue object accounts (as defined in the Texas Education Agency's Financial Accountability System Resource Guide) must be approved by the Board of Education.

## Budget Implementation
Implementation of the budget involves the procedural and technical processes that must occur for the proper expenditure and recording of the various funds in the budget.

## Personnel Controls and Approvals
The management of positions in HISD is an integral part of the budgeting process since approximately 74 percent of the general fund budget is comprised of salary and benefit costs. Schools have some flexibility with respect to opening, closing, and/or changing positions within a balanced budget. New central office positions are normally requested as part of the recommended budget for the new year. New administrator positions must be requested by the department head or project/program director and be approved by the Central Budget Committee, Superintendent and the Board of Education. New school positions must be requested by the principal or director and be approved by the School Improvement Officer.

## Encumbrance Control
Encumbrance accounting, the system under which purchase orders, contracts, and other commitments for the expenditure of funds are recognized in the accounting system in order to reserve the portion of the applicable appropriation, is employed in the Governmental Fund types. Encumbrances that have not been liquidated are reported as reservations of fund balance since they do not constitute expenditures or liabilities. District policy requires that such amounts be re-appropriated in the following fiscal year.

## Auditing
Tests are conducted to determine the adequacy of the internal control structure of the district and the effectiveness and efficiency of expenditures as well as for compliance with applicable laws and regulations.

Examples of the types of audits performed include Internal Control Reviews, Expenditure and Revenue Audits, Account Balance Audits, Contract Audits, Systems Documentation, and Compliance Reviews.

## Procurement
Procurement procedures and guidelines are developed and monitored to ensure purchasing and contracting compliance with all applicable statutory and legal requirements, Board of Education policy, good purchasing practice, and adherence to ethical standards. Also, the district seeks to improve participation by historically under utilized businesses. Specific policies and procedures related to procurement can be found in the *Finance Procedures Manual*, section 1300.

## Budget Account Transfers
Transfer of campus discretionary funds requires principal approval for schools, and direct report or department head approval for central office budgets. There are restrictions on transfers between funds (or business areas) and within Special Revenue funds based on each particular grant's requirements. Transfers can be made between functions within the same fund (business area), and transfers can be made between objects within the same fund or business area. For more detailed information, consult the *Finance Procedures Manual,* section 500 located on the District's Website.

## Budget Amendments
Budget amendments are handled in basically the same fashion as a budget transfer request. Approval is required by the principal for schools and by the appropriate direct report or department head for central office amendments.

## Reporting System
HISD implemented the SAP (Systems Applications and Products) finance and accounting operation and control system in 1998, to further the automation of financial transactions, reduce transaction processing time and costs, and provide more timely, accurate information regarding those transactions. The information provided by the SAP system is designed to assist administrators in monitoring the financial condition of the district and evaluating the fiscal performance of the various budget units. Examples of information provided by SAP, include reports detailing the original annual budget allocations for schools and departments, the available budgets of all units, dynamic comparison of allocations to actual expenditures, purchase orders processed, but not yet received, records of fixed assets and inventories and budget transfers.

A *Comprehensive Annual Financial Report* is prepared to report the detailed results of district operations, and it includes statements and reports such as balance sheets for all funds, statements of revenue and expenditures, detailed explanation of different funds by function and major object, as well as miscellaneous statistical data

in accordance with GASB and GAAP.

**Budget Monitoring**

As budgeted funds are expended, periodic monitoring of the budget is conducted in accordance with responsible accounting as well as applicable laws and regulations. Each level of the district's organization is responsible for monitoring those budget items for which it is responsible. As the budget is prepared, spending plans are developed for use in budget monitoring. For example, as a principal and other resource planning group members develop a campus budget, the timing of planned expenditures is noted and documented. Thus, a principal and other district administrators have a tool to monitor expenditures during the fiscal year. The district accounting system normally generates expenditure and encumbrance information on a monthly basis. To review budget performance, this information is compared with campus spending plans by principals. Principals may in fact monitor budgetary performance on a transaction-by-transaction basis through access to the district's computerized accounting system, SAP. The HISD budget must also be submitted to TEA via the Public Education Information Management System (PEIMS) transmission process. TEA monitors for compliance at the district level only. This monitoring is a legal requirement to ensure mandatory expenditure levels in certain areas.

Similarly, district administrators monitor the entire district budget. The Chief Financial Officer and other district administrators use similar expenditure and encumbrance reports to monitor the budget compliance of programs and funds. Performance monitoring of the budget is also conducted regularly. This includes such items as comparing the planned effectiveness of educational programs with actual student achievement results, reviewing a particular department's effectiveness at using allocated resources to achieve specified results, and reviewing a school or department budget against standard ratios to monitor unusual expenditure patterns. This information is then periodically conveyed to the Board of Education, keeping the board apprised of issues that might affect the district's performance.

**Evaluation**

The last step in the budget process is evaluation, where performance data gathered in the monitoring phase are assembled and evaluated to determine individual units as well as overall-district performance for the fiscal year. This is usually accomplished in the summer as the budget for the next fiscal year is being developed. As the strategic management and planning methodology becomes more ingrained into HISD's culture, the performance data gathered will become more detailed and better aimed at the programs and processes that are most significant to the overall operational performance and will allow a better view of organizational performance over time. The results of the evaluation phase in the budgeting cycle, output directly into the planning phase for the next budget year.

The three main areas of evaluation include schools and programs, stakeholder satisfaction, and budgetary performance. **Schools and programs** are evaluated for student achievement using such tools and measures as TAKS (Texas Assessment of Knowledge & Skills) tests, the Stanford 10 norm-referenced exams, attendance rates, drop-out and graduation rates, SAT and ACT test results, etc. **Stakeholder satisfaction** is measured through questionnaires, survey instruments, and indirect measures such as voter approval rates of bond elections, etc. **Budgetary performance** evaluation includes measures such as budget-to-actual or budget-to-projected actual comparisons of revenue, expenditures, cash flow, fund balance, and staffing levels.

Periodic evaluation or performance reports are issued to inform both district officials and the public of campus and district performance. The annual budget document will continue to serve as a primary vehicle for delivering evaluation results of the previous fiscal year and illustrating the underlying reasons for new budget allocations.

## 2012-2013 Budget Process

**Central Budget Committee for the 2012-2013 Budget**

The Superintendent's Cabinet will review and rank all central office budget recommendations, including requests for increased funding. The Cabinet's responsibilities include the following:

- Review all central-office initiatives, activities, and general programs for possible elimination, combination with another department, decentralization, or restructuring

- Review and rank all new central-office recommendations for increased funding

- Rank all central-office requests for increases in the Capital Acquisition Program

- Submit ranked recommendations for increases to the Chief Financial Officer and the Superintendent of Schools

**School-Based Budget Development Process**

For 2012-2013 principals will be responsible for taking into consideration recommendations from their school's PTA/PTO, employee representatives, their school community, business partners, and the Shared Decision-Making Committee.

The district has formulated a school-budgeting process that includes a weighted per-pupil allocation formula based on state student weights.

- Grade Level Allocation

- Adjustments–Provides an adjustment for enrollment increases or decreases in the next school year, based on the school projections.

- Mobility–Schools with mobility over 40% receive an additional .10 weight, applied to Total Weighted Grade Level Units.

- Special Population–G/T, CATE, At-Risk, and Multilingual students receive additional weight in the resource allocation.

- Enrollment adjusted for 100% ADA (Average Dailiy Attendance)

## Overview of Site-Based Decision-Making (SBDM)

The basic premise of Site-Based Decision-Making (SBDM) is that the most effective decisions are made by those who actually implement the decisions. The belief is that people involved at the campus level have a greater opportunity to identify problems, develop problem-resolution and change strategy, than people located off-campus. Site-Based Decision-Making concepts also recognize that people at the campus level are more likely to internalize change and to support its implementation if they are involved in the decision-making, than if they were not.

The objective of site-based decision-making is to improve student performance and to enhance accountability. Each campus should have the freedom to set its own educational objectives, consistent aligned with the district's goals.

### Site-Based Decision-Making Initiative

Site-based decision-making implementation has been mandated for all Texas school districts since 1992. Texas Education Code (TEC) Chapter 11, Subchapter F, District-level and Site-Based Decision Making, discusses SBDM in broad terms, listing the responsibilities of the local school board; required components of district and campus improvement plans; public meetings; membership categories; needs assessments; responsibilities of committee members; and other important instructional considerations.

The expected outcome of site-based decision-making is improved student performance as a result of:

- Effective campus and school district planning for the purpose of improved student performance
- Improved community involvement in the school improvement process
- Clearly established accountability parameters for student performance
- Increased staff productivity and satisfaction
- Improved communication and information flow
- Consensus-based, decision-making
- Pervasive and long-range commitment to implementation
- Increased flexibility at campus level, in the allocation and use of both human and fiscal resources
- Coordination of "regular" and special program or service components

The implementation process for site-based decision-making occurs at two levels–district and campus. To implement the process at the district level, administration should consider the following critical success factors:

- Support of both the School Board and the Superintendent as Site-Based Decision-Making requires a fundamental change in decision-making;
- Extensive and continuous training prior to and during implementation within the school district. Training should include, but not be limited to, developing skills on consensus building, brainstorming, problem solving, managing change and interpersonal communication skills such as conflict resolution, value clarification, and negotiation;
- Budget shifts will be performed by objective instead of the historical method of formulas. Therefore, a large part of the responsibility for budgeting will be transferred to the campus level.
- An extensive amount of time will be spent changing role definitions, training school district staff, educating the community, establishing objectives, developing and implementing programs and monitoring program success;
- Extensive and accurate information must be provided to the campuses so that they may establish objectives

and develop and implement programs to meet those objectives;

- Systematic communication is necessary as Site-Based Decision-Making is an inclusive process that involves school staff, parents and community members;

- Site-Based Decision-Making strives to decentralize decisions to the campus level and solicits the input of the following stakeholders in the decision-making process:

- Board members to evaluate the performance of the school district's Site-Based Decision-Making plan

- Chief School Officers and other administrators to develop and implement Site-Based Decision-Making across the school district;

- Central Office staff to provide support services to both the board members and schools in Site-Based Decision-Making initiatives;

- Principals to develop their respective school's Site-Based Decision-Making policies and procedures as well as its campus improvement plan; and

- Teachers, parents, students and community representatives to provide input for their respective school's Site-Based Decision-Making policies and procedures and campus improvement plan.

**February 2012**
Campus administrators were instructed to:

- Inform their Shared Decision-Making Committee (SDMC) about their respective school's budget development; and

- Utilize information received from their SDMC on how resources are to be allocated to build the campus budget.

School allocations were released along with written instructions on how to turn in SDMC meeting minutes with signatures and/or rosters.

**March 2012**
All schools held planning meetings with their Shared Decision-Making Committees and provided the necessary documentation to the Office of School Administration.

**Overview of District Advisory Committee (DAC)**
The District Advisory Committee solicits input that focuses on district-wide issues concerning planning, budgeting, curriculum, staffing patterns, staff development, and school organization, from parents, staff, and the community.

Under state statute, the planning and decision-making process is presented as an integrated process (TEC 11.251). Planning is one of six specific decision-making areas in which the district and the District Advisory Committee are involved with in accordance with HISD procedures. The other five areas include budgeting, curriculum, staffing patterns, staff development, and school organization. It is expected that the District Advisory Committee will address the six decision-making areas as interrelated factors that contribute in a coordinated manner toward accomplishing school improvement efforts.

The Superintendent has designated the General Manager of Budgeting and Financial Planning to be the liaison to the District Advisory Committee. Monthly update meetings are held and input from the District Advisory Committee is sought.

The General Manager of Budgeting and Financial Planning is also charged with providing the community stakeholders information pertaining to budget development. Also, stakeholders are advised on how they can participate and are encouraged to participate in the process. Various media are used to provide information to the stakeholders, such as, e-mail, presentations, and workshops. The community stakeholders range from the Greater Houston Partnership, MALDEF, Chamber of Commerce, Houston Chronicle Editorial Board, and various other organizations.

# Budget Development Flowchart
## Houston Independent School District

Preliminary Department Management Plans and Chief School Office Plan

Submit Salary/Benefits Information to Superintendent

Central Office & Chief School Office Budget Development

Budget Update*

Review Budget Reduction Packet

Strategic Plans/Tactical Goals

Budget Process Development-Schools, Depts., Community Groups

Submit Salary/Benefits Recommendation to Board

Budget Update*

Chief School Officers

Enrollment Projections

School-Based Budgets Developed

Preliminary School Improvement Plan

Superintendent Review

District Improvement Plan

Recommended Budget

Adopted Budget

Revenue Projections (Available Resources)

- Public Workshops
- Board Workshops
- Town Hall Meetings

*Including Board & District Advisory Committee (DAC)

# 2012-2013 Budget Calendar

| Activity | Personnel/Office | Date |
|---|---|---|
| Prepare review of budget adjustments from 2011-2012 and potential revenue impacts on 2012-2013 budget | Budgeting, CFO | October-March |
| Budget Assumption meeting with Superintendent of Schools<br>1. Review and align strategic and tactical goals<br>2. Discuss revenue projections-Budgeting<br>3. Discuss expenditure needs-Budgeting | Budgeting, Human Resources (HR), CFO | December – February |
| Budget update and review budget process with the Board  (Update with District Advisory Committee) | Budgeting, Board | December |
| Budget Process Development | Budgeting, Chief School Officers, School Improvement Officers, Schools | January – April |
| Schools<br>1. Training session with  Chief School Officers, School Improvement Officers and Principals<br>2. Superintendent's letter in the Houston Chronicle<br>3. Community Forums for Public Participation<br>4. Implement School-Based Budget Development Process in conjunction with School Improvement Plan |  |  |
| Departments<br>1. Training session with department leaders<br>2. Develop and distribute budget packets for departments |  |  |
| Community Groups<br>1. Meet with major community groups and give update on budget development and seek input |  |  |
| Budget update and review budget process with the Board  (Update with District Advisory Committee) | Board, Superintendent, Budgeting, HR | March-June |
| Update revenue forecasts/review financial condition with Superintendent of Schools | Budgeting, Data Management | October-June |
| Meet with Superintendent's Direct Reports to review budget status | Budgeting,   Chief  School Officers , Direct Reports | October-June |
| Recommend Central Budget Committee to review and rank recommendations from Central Office |  | January - April |
| Receive input from Central Budget Committee, Principal Ad-hoc Committee, Peer Committees and Task Forces |  | December-February |
| Submit salary/benefits information to Superintendent of Schools | Human Resources, CFO, Superintendent, Budgeting | December-June |
| Submit salary/ benefits recommendation to Board of Education | Superintendent, Board, CFO, Budgeting and Human Resources | April - June |
| Review Budget Reduction Packets as needed | Direct Reports,  Chief School Officers | January - February |
| Budget review meetings-<br>Rank recommendations from all sources:<br>   -School-based recommendations<br>   -Chief School Office requests<br>   -Central Office staffing<br>   -Central Office increase requests | Central Budget Committee | January - February |
| Preparation of preliminary budget, projections, and revenue estimates for review with Superintendent of Schools | Budgeting/ CFO, Superintendent | November-June |
| Prepare near final budget summary document/review with Superintendent of Schools | Budgeting/ CFO, Superintendent | May-June |
| Budget update and review budget process with the Board  (Update with District Advisory Committee) | Board, Superintendent, Budgeting, HR | December-June |
| Receive additional public input regarding the budget from the community and citizens at scheduled budget review meetings | Board, Community, Parents, etc. | May - June |
| Prepare final Superintendent's budget recommendations summary for review with Board | Direct Reports, Superintendent, Budgeting | May - June |
| Budget update and review budget process with the Board  (Update with District Advisory Committee) | Board, Superintendent, Budgeting/CFO | May - June |
| Second review of changes previously recommended by the Board and tentative approval of budget | Superintendent, Budgeting | May-June |
| Publish Truth In Taxation Notice in News Paper and Website | Budgeting | June |
| Budget Hearing | Board, Superintendent, Budgeting, Public Relations | June |
| Adoption of Budget | Board, Superintendent, CFO, HR | June |

*This calendar may be revised by the Superintendent of Schools.

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**Budgetary Control**

Budgetary control is maintained through the encumbrance of estimated purchase amounts and other expenditures prior to the execution of contracts or release of purchase orders to vendors. Those obligations that would result in the overrun of appropriated funds are not released until additional appropriations are made available via budgetary transfers. Such transfers must be approved by the principal (for schools) or by the appropriate Department Head/Superintendent's Direct Report (for central departments). If the transfer increases a particular functional amount, it must also be approved or ratified by the Board of Education via one of the district's semi-annual functional report requests.

**Basis of Accounting**

The district's basis of budgeting and accounting for all funds is maintained on a modified accrual basis as prescribed by Generally Acceptable Accounting Principles (GAAP) and the TEA Financial Accountability System Resource Guide, with revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred. All estimated revenues, appropriations, and expenditures are coded to specific funds (categorizing how it is financed), accounts (describing why and what funds are being received or goods and services are being purchased), and fund centers (who is purchasing the goods or services) as mandated in the TEA Financial Accountability System Resource Guide. Property taxes are recognized in the school year they are levied because they become due and collectable within the fiscal year. The district's goal is to maintain a five percent reserve for the operation account, in addition to the unreserved undesignated fund balance.

The modified accrual basis of accounting or accrual basis of accounting, as appropriate, should be utilized in measuring the financial position and operating results.

(a) Governmental fund revenues and expenditures should be recognized on the modified accrual basis. Revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except of unmatured interest on general long-term debt, which should be recognized when due.

(b) Proprietary fund statements net assets and revenues, expenses and changes in fund net assets should be recognized on the accrual basis. Revenues should be recognized in the accounting period in which they are earned and become measurable; expenses should be recognized in the period incurred, if measurable.

(c) Fiduciary funds should be reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post employment healthcare plans.

(d) Transfers should be recognized in the accounting period in which the interfund receivable and payable arise.

**Explanation of Funds**

The diverse nature of the district's operations and the necessity of legal compliance preclude recording the financial transactions of the district in a single fund. The district's budgeting and accounting system is organized and operated on a "fund basis" and on an organizational unit basis within each fund. Each fund is a distinct, self-balancing accounting entity that is differentiated by funding source and is comprised of its assets, liabilities, fund balances, revenues, and expenditures as appropriate. Each campus and central office department has an assigned organization unit number.

How an expenditure is financed determines the fund used, according to the TEA *Financial Accountability System Resource Guide.* The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities, except those accounted for in proprietary funds, are accounted for through governmental

funds (general, special revenue, capital projects, and debt service funds).

The **General Fund** is the primary operating fund, consisting of the general operations, capital acquisition program, and on-behalf payments.  While the General Fund represents over 80 percent of all HISD revenues and expenditures, there are also other funds that support the various programs and services necessary to operate and maintain the school system.  The district's other funds are described below, with further detail provided in each fund section in the Financial Section of this document.

The **Special Revenue Fund** records special programs through the receipt of federal, state, and local grants whose expenditures are restricted to the designated purpose of each grant.

Major grants that comprise this fund include:
> **Title I - ESEA**
> **Title VI - ESEA**
> **Title III – Bilingual Education**
> **IDEA – Special Education**
> **Carl Perkins Program**

The **Debt Service Fund** accumulates the resources for the planned retirement of general long-term debt (including contractual obligations) and related costs and is funded from annual tax revenue.

The **Capital Renovation Fund** is a governmental fund that must be used to account, on a project basis, for projects financed by the proceeds from bond issues or for capital projects otherwise mandated to be accounted for in this fund. The capital projects fund utilizes the modified accrual basis of accounting.

The **Food Services Fund** provides for the operation of the school lunch and breakfast programs, with funding derived primarily from the U. S. Department of Agriculture through the National School Lunch Program.  Over 80 percent of HISD students are eligible for free or reduced-price meals through this program.  This fund is operated and financed similar to a private business enterprise because some of the costs are financed through user fees (meal charges).

## Classification of Revenues
Although local property tax and Foundation School Program (FSP) revenues account for the majority of school district revenues, other sources must be considered in completing a district's overall annual revenue estimate. Federal funds and private sources (e.g., private foundations, businesses, etc.) should be forecasted as well. In addition, school districts should examine delinquent tax collections, fees, and extracurricular revenue sources.

## Classification of Expenditures
While the responsibility for developing revenue estimates lies primarily with district administrators, expenditure estimates are the shared responsibility of district administrators, support personnel and individual schools. Budget guidelines may provide substantial guidance for the estimation of campus expenditures through the use of standard cost allocations, per pupil estimates or other guidelines. If not, individual schools will be responsible for estimating campus expenditures themselves. Regardless of whether expenditures are estimated at the campus or district level, these estimates are critical to the development of budgets.

Estimates of district/campus expenditures at the functional level normally will be made during budget preparation for the following major expenditure categories (objects): (1) Payroll Costs (6100), (2) Professional and Contracted Services (6200), (3) Supplies and Materials (6300), (4) Other Operating Costs (6400), (5) Debt Service (6500), (6) Capital Outlay - Land, Buildings and Equipment (6600), and (7) Other Uses/Non-Operating Expenses/Residual Equity Transfers Out (6900). Specific techniques for estimating these expenditure categories are discussed later in the Informational Section of this document.

## Expenditures by Functions
A function represents a general operational area in a school district and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students.  For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services.  Each of these activities are a function.

## Instruction-Function 11

This function is used for activities that deal directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations. It may also be provided through some other approved medium such as television, radio, telephone, telecommunications, multimedia and correspondence. This function includes expenditures and/or expenses for direct classroom instruction and other activities that deliver, enhance or direct the delivery of learning situations to students.

Certain expenditures must be accounted for by organization code and program intent code, defined later in this section.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

## Instructional Resources and Media Services-Function 12

This function is used for expenditures/expenses that are directly and exclusively used for resource centers, establishing and maintaining libraries and other major facilities dealing with educational resources and media.

## Professional Development-Function 13

This function is used for expenditures/expenses that are directly and exclusively used to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students. Expenditures and expenses include in-service training and other staff development for instructional or instructional-related personnel (Functions 11, 12, and 13) of the school district. .

## Curriculum Development-Function 14

This function is not used for TEA. It is used by HISD to identify those costs associated with curriculum development, but is combined with Function 13 when reporting to TEA. This function includes expenditures and expenses related to research and development activities that investigate, experiment, and/or follow-through with the development of new or modified instructional methods, techniques, procedures, services, etc

## Instructional Leadership-Function 21

This function is used for expenditures/expenses that are directly used for managing, directing, supervising, and providing leadership for staff who provides general and specific instructional services.

## School Leadership-Function 23

This function is used for expenditures/expenses that are used to direct and manage a school campus. They include the activities performed by the principal, assistant principals and other assistants while they supervise all operations of the campus, evaluate staff members of the campus, and assign duties to staff members maintaining the records of the students on the campus.

## Guidance, Counseling and Evaluation Services-Function 31

This function is used for expenditures/expenses that are directly and exclusively used for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals.  This function includes costs of psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

## Social Work Services-Function 32

This function is used for expenditures/expenses that are directly and exclusively used for activities such as investigating and diagnosing student social needs arising out of the home, school or community; casework and group work services for the child, parent or both; interpreting the social needs of students for other staff members; promoting modification of the circumstances surrounding the individual student which are related to his or her

social needs. (This includes referrals to and interaction with other governmental agencies.)

## Health Services-Function 33
This function is used for expenditures/expenses that are directly and exclusively used for providing physical health services to students.  This includes activities that provide students with appropriate medical, dental and nursing services.

## Student (Pupil) Transportation-Function 34
This function is used for expenditures/expenses that are incurred for transporting students to and from school. Expenditures/expenses for regular bus routes to and from school are to be recorded using Program Intent Code 99 (Undistributed), and Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option). Expenditures/expenses for transportation specifically and exclusively for purposes of transporting students relating to enhanced program intents such as Career and Technology and Services to Students with Disabilities (Special Education), etc., are to be recorded in Function 34 with the appropriate program intent codes.

## Food Services-Function 35
This function is used for food service operation expenditures/expenses, including the cost of food, labor, and other expenditures/expenses necessary for the preparation, transportation and storage of food to provide to students and staff. Expenditures/expenses are used directly and exclusively for supervision and maintenance of a food service operation.

## Extra-curricular Activities-Function 36
This function is used for expenditures/expenses for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting.

 Extracurricular activities include athletics and other activities that normally involve competition between schools (and frequently involve offsetting gate receipts or fees such as football, baseball, volleyball, track and tennis). Other kinds of related activities are included (such as drill team, pep squad and cheerleading, University Interscholastic League competition such as one-act plays, speech, debate, band, Future Farmers of America (FFA), National Honor Society, etc.).

If the school district has activity funds, the goods purchased for resale are to be classified in this function, with the gross sale of goods recorded in Revenue Object Code 5755, Results from Enterprising Activities, Activity Funds and/or Clearing Accounts.

## General Administration-Function 41
This function is for expenditures/expenses that are for purposes of managing or governing the school district as an overall entity.  This function covers multiple activities that are not directly and exclusively used for costs applicable to specific functions.  General administration is an indirect cost applicable to other expenditure functions of a school district.

## Facilities Maintenance and Operations-Function 51
This function is used for expenditures/expenses for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair, and insured. This function is used to record expenditures/expenses for the maintenance and operation of the physical facilities and grounds. This function also includes expenditures/expenses associated with warehousing and receiving services.

## Security and Monitoring Services-Function 52
This function is used for expenditures/expenses that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.

## Data Processing Services-Function 53
This function is for expenditures/expenses for data processing services, whether in-house or contracted.  Examples of Function 53 costs are costs for computer facility management, computer processing, systems development, analysis of workflows, processes and requirements; coding, testing, debugging and documentation; systems integration; design of applications supporting information technology infrastructure; maintenance of programs;

maintenance of networks; and those interfacing costs associated with general types of technical assistance to data users.  Specific types of applications include student accounting, financial accounting and human resources/personnel.  Personal Computers (PC's) that are stand alone are to be charged to the appropriate function.  Peripherals including terminals and printers are to be charged to the appropriate function.  Costs associated with mainframe, minicomputers, servers and networked or stand alone microcomputers that provide services to multiple functions are to be recorded here.

**Community Services-Function 61**
This function is used for expenditures that are for activities or purposes <u>other than</u> regular public education and adult basic education services.  These types of expenditures are used for services or activities relating to the whole community or some segment of the community.  This includes providing resources to non-public schools, institutions of higher education, and any proprietary types of services incurred for outside entities in the community

**Debt Service-Function 71**
This function is used for expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest.  Note principal for short-term loans (one year or less in duration) is to be recorded in the liability account 2122, Notes Payable-Current Year.

**Capital Outlay-Function 80**
This function code series is used for expenditures that are acquisitions, construction, or major renovation of school district facilities.

**Facilities Acquisition and Construction-Function 81**
This function is used by school districts for expenditures that are for acquiring, equipping, and/or making additions to real property and sites, including lease and capital lease transactions.

**Intergovernmental Charges-Function 90**
"Intergovernmental" is a classification that is appropriate where one governmental unit transfers resources to another.  In particular, Chapter 41 purchase of WADA and the transfer of students where one school district pays another school district for educating students are examples of intergovernmental charges.

**Contracted Instructional Services Between Public Schools-Function 91**
This function code is used for expenditures that are used for:  providing financial resources for services in another public school through a contract for education of nonresident students under Subchapter E, Chapter 41, TEC; and purchasing attendance credits from the state under Subchapter D, Chapter 41, TEC.

Costs for contractual arrangements under Subchapter E, Chapter 41, are recorded under this function code only if the agreement is to pay for services managed and administered by another school district receiving payments under Subchapter E, Chapter 41, TEC. This function is to be used exclusively for the purchase of Weighted Average Daily Attendance (WADA) from either the state or other school districts.

**Incremental Costs Associated with Chapter 41, Texas Education Code, Purchase or Sale of WADA-Function 92**
This function code is used for expenditures that are for the purpose of positioning a school district with excess wealth per WADA to purchase attendance credits either from the state or from other school district(s).

**Payments to Fiscal Agent/Member Districts of Shared Services Arrangements-Function 93**
This function code is used for expenditures that are for (1) payments from a member district to a fiscal agent of a shared services arrangement; or, (2) payments from a fiscal agent to a member district of a shared services arrangement.

**Payments to Juvenile Justice Alternative Education Programs-Function 95**
This function code is used for expenditures that are for the purpose of providing financial resources for Juvenile Justice Alternative Education Programs under Chapter 37, TEC.  This function code is used to account for payments to other governmental entities in connection with students that are placed in discretionary or mandatory JJAEP settings.

## Payments to Tax Increment- Function 97

This function code is used for expenditures that are for the purpose of providing financial resources paid into a tax increment fund under Chapter 311, Tax Code. The revenues are recorded under fund 199, Object 5746. The expenditures are recorded under fund 199, Object 6499.

## Other Intergovernmental Charges- Function 99

This code is used to record other intergovernmental charges not defined above.

This function code is used for expenditures that are used for obtaining instructional services from another public school for grade levels not served in a school district under Section 25.039, TEC.

## Expenditures/Expense Object Code

Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained. Expenditure codes always begin with the digit "6."

An expenditure/expense account identifies the nature and object of an account, or a transaction. The school district's accounting records are to reflect expenditures/expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, expenditures/expenses are reported to the second digit of detail (6100, 6200, etc.) If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

## 6100 PAYROLL COSTS

This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The school district acts in a supervisory capacity over an employee and furnishes the working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the school district, the amount paid to that employee is considered a payroll cost.

## 6200 PROFESSIONAL AND CONTRACTED SERVICES

This major account classification is used to record expenditures/expenses for services rendered to the school district by firms, individuals, and other organizations. This includes services provided by internal service funds unless the internal service fund is used to account for employee benefits. Internal service fund expenditures/expenses for employee benefits, such as health insurance, are to be classified to the appropriate code in the 6100 series of accounts. Normally, professional and contracted services represent a complete service that is rendered for the school district, and no attempt should be made to separate labor from supplies.

## 6300 SUPPLIES AND MATERIALS

This major classification includes all expenditures/expenses for supplies and materials.

## 6400 OTHER OPERATING COSTS

This major classification is used to classify expenditures/expenses for items other than Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Service and Capital Outlay that are necessary for the operation of the school district.

## 6500 DEBT SERVICE

This major classification includes all expenditures for debt service. All debt service object codes must be used only with Function 71, Debt Service.

## 6600 CAPITAL OUTLAY - LAND, BUILDINGS AND EQUIPMENT

This major classification is used to classify expenditures for capital assets.

## 6900 OTHER USES

This major classification is used to classify other uses such as transfers out to other funds and are not considered normal operational expenditures for most state expenditure calculations.

**Program Intent**

The program intent (also called Instructional Area) is a two-digit code that identifies the cost of instruction and other services that are directed toward a particular need of a specific set of students.  The intent (the student group toward which the instructional or other service is directed) determines the **PROGRAM INTENT CODE**, not the demographic make-up of the students served.

| Program Intent Code | Program Intent Code Description |
|---|---|
| **10** | **Basic Skills—Regular Programs** |
| **24** | **Accelerated Instruction** |
| **26** | **Non-Disciplinary Alternative Education Program (AEPs) - Basic Services** |
| **28** | **Disciplinary Alternative Education Programs (DAEPs) - Basic Services** |
| **29** | **Disciplinary Alternative Education Programs (DAEPs) - Supplemental Services** |
| **30** | **Accelerated Instruction for Title I Schools - Supplemental** |
| **31** | **Basic Skills - Bilingual / ESL** |
| **32** | **Supplemental - Bilingual / ESL** |
| **33** | **High School Allotment** |
| **34** | **Pre-Kindergarten** |
| **41** | **Accelerated Instruction for Special Revenue Funds (Title I, OEY, and Even Start)** |
| **50** | **Gifted & Talented Programs** |
| **70** | **Vocational Education Program** |
| **73** | **Middle Schools: Industrial Technology** |
| **74** | **Middle Schools: Lab Programs, Business Education** |
| **75** | **High Schools: Consumer Home Economics** |
| **80** | **Special Education Program** |
| **81** | **Special Ed. Program—Extended-Year Program** |
| **91** | **Athletics & Other Related Activities** |
| **97** | **Payments to Tax Increment Reinvestment Zone (TIRZ)** |
| **99** | **Not allocated to other program intent codes - Other** |