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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 196,500 students in prekindergarten through twelfth grade programs. The district has an average daily attendance of approximately 179,000 in 293 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 85 years to become one of the premier urban school districts.

HISD schools are organized within five geographic regions (North, East, South, West, and Central) by feeder patterns composed of specific elementary, middle, and high schools; an Alternative and Charter Schools Office oversees those types of schools. Each regional office is managed by a regional Superintendent who coordinates a team of executive principals to ensure the quality of instruction throughout the region’s feeder patterns. Regional managers serve to strengthen the district’s outreach to parents by handling parental concerns and working to improve parent, volunteer, and business-partner programs. Each of the five regions manages four or five of HISD’s 23 feeder patterns.

HISD’s organization is designed to emphasize teaching and learning, align school goals and programs for sustained improvement, eliminate duplicated services, and provide greater oversight of data and compliance with state laws and regulations.

The regional offices are given wide latitude in planning and problem solving and increasing levels of resources, services, and decision-making authority, since they are close to and focused on the schools they serve.

The five regional offices, Alternative District, and Charter Schools are organized as follows: (These counts are the estimated enrollments for 2008-2009 Resource Allocation Processes)

- **North Region - 38,449 Students**
  - Houston HS Feeder
  - Kashmere HS Feeder
  - Washington / Davis HS Feeder
  - Wheatley HS Feeder

- **East Region - 32,235 Students**
  - Austin HS Feeder
  - Chavez HS Feeder
  - Furr / Milby Feeder

- **South Region - 27,803 Students**
  - Madison HS Feeder
  - Sterling / Jones HS Feeder
  - Worthing HS Feeder

- **West Region - 52,441 Students**
  - Bellaire HS Feeder
  - Lee HS Feeder
  - Sharpstown / Westside HS Feeder
  - Westbury HS Feeder

- **Central Region - 37,240 Students**
  - Lamar HS Feeder
  - Reagan HS Feeder
  - Waltrip / Scarborough HS Feeder
  - Yates HS Feeder

- **Alternative District - 1,139 Students**
  - Charter Schools - 7,285 Students
HISD Organization (12/01/2008)

Superintendent of Schools
Abelardo Saavedra

Chief Business Operations Officer
Richard Lindsay

Chief Financial Officer
Melinda Garrett

Chief of Staff
Michele Pola

Chief Academic Officer
Karen Garza

Communications and Publications
Assistant Superintendent
Lee Vela

General Counsel
Eleneita Hutchins-Taylor

Inspector General
Robert Moore

Regional Superintendents, Manager
Adriana Támez, Central
Thelma Garza, East
Cynthia Wilson, North
Warner Ervin, South
Barbara Thornhill, West
Deborah Singleton,
Alternative & Charter Schools Manager

Human Resources
Interim Executive General Manager
Audrey Gomez

Research and Accountability
Assistant Superintendent
Carla Stevens
HISD Purpose, Goals, and Values
Houston Independent School District

Purpose
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, while performance gaps between minority and non-minority students will narrow.

Provide a Safe Environment
The district shall develop and implement a strategic plan with specific long-range actions that ensure the safety and security of all who are at district schools and facilities or attending district-related events.

Increase Management Efficiency
HISD will have in place a decentralized organizational structure with operational practices and procedures that distinguish between the school district’s pedagogical and business aspects and employ best practices with proven business and administrative operational principles for efficient delivery of services and goods to the schools.

Improve Public Support and Confidence in Schools
The local, state, and national public will view HISD as a large urban district in which achievement is primary, performance is high, educators accept responsibility for student learning, administrators and support-services personnel exist to support the relationship between teacher and student, accountability exists at all levels, and there is respect among all segments of the community. Concomitantly, public confidence in public schools will improve.

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 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
All members of the organization, both students and employees, deserve and must receive respectful and courteous treatment.
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 2008-2009 school year.

**Goal 1: Increase Student Achievement**

**Strategies and Initiatives**

**HISD Launches Ground-breaking ASPIRE Model to Improve Teaching and Learning**

HISD adopted ASPIRE (Accelerating Student Progress, Increasing Results & Expectations), which aligns all of the district’s education-improvement efforts to make the most of their impact on students. ASPIRE includes a new data system that monitors individual student progress at the school, grade, teacher, and student levels; informs classroom instruction; and helps teachers to provide more targeted support. By tracking the individual academic growth of every child using ASPIRE’s “value-added” data system, teachers are better able to identify individual strengths and weaknesses and target their support where it is needed most, helping all students to meet the high academic standards set by HISD and the state. Campus-level analysis of the student-improvement data is made available to parents and the community, and the district has created tools for parents and the community to learn about value-added analysis, including a Web site (www.houstonisd.org/ASPIRE).

The ASPIRE Award Program awards the highest bonuses—up to $7,800 for the 2007-2008 school year to be paid January 2009 and $10,300 for the 2008-2009 school year to be paid January 2010—to teachers of core academic subjects, including reading, math, language arts, science, and social studies, for their individual success in helping students improve academically. The new program also rewards groups of teachers for their successful teamwork and all instructional-staff members whose campuses make the highest amount of comparable improvement or earn the highest ratings under the Texas accountability system.

HISD has received $8.1 million over three years from the Bill & Melinda Gates Foundation and the Los Angeles-based Broad Foundation. The grants will be used for several major components of the ASPIRE program, including professional-development opportunities for teachers to learn how the “value-added” data system can be used to guide planning and instruction, and to support new communication systems and online tools to help share the knowledge across the district. ASPIRE also received financial support from the U.S. Department of Education.

**SAT Scores in HISD Rise Again While National Average Falls**

For the second straight year, HISD’s average scores on the SAT, an important college-readiness exam, showed more progress than national or state averages. In addition, the scores went up while HISD was testing more students—7 percent more HISD students took the SAT in 2007 than in 2006.

**HISD’s TAKS Passing-Rate Gains Exceed State’s Average Improvement**

HISD students set record highs on the 2007 Texas Assessment of Knowledge and Skills (TAKS), making strong progress at nearly every grade level (see charts). For example, in reading, passing rates were up by eight points for eleventh-graders, seven points for eighth-graders, and six points for seventh-graders and English-speaking fifth-graders. In math, passing rates increased by eight points for eleventh-graders, seven points for eighth-graders, and six points for seventh-graders. Overall, on the English-language TAKS, 75 percent of schools showed improved passing rates in math and social studies, 70 percent improved in reading, and 60 percent improved in science.

In many cases, performance on the TAKS surpassed the average improvement across Texas. For example, the passing rates for HISD fifth-graders on the TAKS math test rose seven points in 2007, far surpassing the average improvement across Texas. Eighty-one percent of HISD fifth-graders passed the English-language version of the math TAKS test, up seven points from the previous year, while the Texas average increased only four points. HISD also made more progress than the Texas average on the TAKS reading test this year, with 85 percent of third-graders passing the English reading test and 76 percent of fifth-graders passing.
Their passing rates climbed as many as six percentage points, while statewide third-grade students made no progress this year in reading and the reading passing rate for fifth-graders statewide improved by only two percentage points, compared to the six-point gain for HISD fifth-graders.

HISD students taking the TAKS test in Spanish also made strong improvement, with the passing rate for Spanish-speaking third-graders increasing from 80 percent to 87 percent this year in reading and from 74 percent to 83 percent in math. HISD’s 81-percent passing rate also eliminated the previous year’s two-point gap between the Texas average and the performance of the district’s Hispanic fifth-graders on the English-language version of the TAKS math test. African-American fifth-graders in HISD also made much more progress than their peers elsewhere in Texas with a nine-point gain in their passing rate (73 percent versus the previous year’s 64 percent) that surpassed the six-point gain in the state average (68 percent to 74 percent). And white fifth-graders in HISD outperformed the state average, passing at a rate of 94 percent (the same as the previous year), compared to 92 percent statewide.

HISD also eliminated the three-point gap between the state and Houston in the academic achievement of poor children in fifth grade, with a 79-percent passing rate that equaled the state average.

Finally, far more HISD students this year also reached the “commended” performance level, with the number of sixth-graders earning commended status on the English reading test jumping 13 percentage points (from 25 percent to 38 percent). In addition, 33 percent of HISD fifth-graders scored commended in math, for an improvement of four percentage points versus a one-point increase in the state average commended rate.

**Most HISD Students Score Above National Average on Stanford/Aprenda**

More than 140,000 HISD non-Special Education students in grades 1 through 11 took the Stanford 10 test or its Spanish-language equivalent, the Aprenda. At every grade level, HISD students tested at or above the national average range (40–60 NPR) in the basic battery areas tested on the Stanford (see charts), and HISD’s Spanish-speaking students far surpassed the national averages at almost every grade level. Percentile ranks by grade went as high as the 72nd on the Stanford test and the 92nd on the Aprenda. Such outstanding results are especially significant because 78 percent of HISD students are considered economically disadvantaged, compared with only 30 percent in the norm-referenced group.

**Reach Out to Dropouts Walk Includes More Campuses**

More than 1,200 volunteers—including Mayor Bill White, U.S. Representative Sheila Jackson Lee, and State Representative Sylvester Turner—took part in the fourth annual Reach Out to Dropouts Walk and visited 1,741 homes in the neighborhoods around 23 HISD high schools (three more than in the previous year). They persuaded 60 dropouts to come back to school right away and made direct contact with 686 more students or parents about getting dropouts back into class.

**HISD Students Get High Marks on “Nation’s Report Card”**

HISD students outperformed their peers in most other big-city school districts in America that were tested in reading and math on the “Nation’s Report Card.” HISD students surpassed the large central-city average across America in every category except fourth-grade reading, and other school districts declined in other areas while HISD improved. The 2007 National Assessment of Educational Progress (NAEP) Trial Urban District Assessment showed that HISD fourth- and eighth-graders were third-best among 11 school districts in the percentage of students scoring at or above the basic level in math. HISD eighth-graders were tied for third-best among the 11 big-city school districts compared in reading.

The NAEP scores also showed HISD students making more progress than their urban counterparts across Texas and around the country in meeting the basic standards in math and reading. Overall, HISD’s scores were up, and HISD slightly improved its overall standing in comparison with the other 11 big-city school districts that take part in the assessment.

African-American and Hispanic students in HISD also outperformed their counterparts at most urban districts tested. African-American eighth-graders in HISD were second nationally in reading and tied for second in math, Hispanic fourth-graders in HISD were tied for first in math and were eighth in reading, and African-American fourth-graders in HISD were third in reading and fifth in math.

**Record Number of HISD Students Take, Pass College-Level AP Exams**

A record number of HISD students took and passed college-level course exams in 2007. The number of HISD students taking Advanced Placement (AP) tests rose 11 percent in 2007, a larger increase than the Texas or national average. In addition, the number of AP tests in HISD with a score of 3 or higher climbed 12 percent, also surpassing the Texas and national averages for improvement by up to five percentage points. Twenty-one HISD schools increased the number of
students taking AP exams this year and 15 schools increased the number of AP scores of 3 or better, with one HISD high school achieving a 1,500-percent increase in the number of students taking AP exams and another more than doubling the number of students scoring 3 or higher.

**Goal 2: Provide a Safe Environment**

**Strategies and Initiatives**

**HISD Drafts Sweeping Safety Plan**

HISD drafted a district safety plan that recommended a wide variety of ways to make students and employees safer and was commended by Texas Attorney General Greg Abbott. The proposal called for the number of HISD Police officers assigned to high schools and middle schools and patrols around elementary schools to increase from 175 to 220 over a period of time, and even before a final version of the plan was submitted to the Board of Education, HISD increased the police presence on district campuses by 20 officers in 2007 and developed plans to add another 30 officers over the next several years.

The draft proposal recommended doubling the number of random metal-detector searches and the number of random drug and weapons searches by the department’s trained dogs. The plan also proposed more counseling to prevent crime at school, more school buses with cameras and satellite tracking systems, a new system of gathering and reporting crime data, a new truancy unit to work with school attendance specialists and the community to make sure students are in school every day, more precise targeting of schools with potential crime issues so that more officers can be added to those campuses, more counseling and other services for students to help them stay away from unsafe situations, training for HISD counselors in how to do a violence risk assessment, and a full evaluation of schools’ closed-circuit security-camera systems.

Other recommendations in the proposal were the creation of a Gang Prevention and Enforcement program to work with HISD’s Safe and Drug-Free Schools and Communities Department and the City of Houston to help identify gang affiliation among students and reduce it, the development of a special training program to help students be safe while they are traveling to and from school every day, and the testing of a program to identify and track school-bus riders.

**HISD Police Department Earns Second National Accreditation**

The HISD Police Department was reaccredited as a law-enforcement agency by the Commission on Accreditation for Law Enforcement Agencies. First accredited in 2003 for meeting more than 300 standards in nine different areas of performance, HISD continues to be the only school district in the United States and Canada with an accredited police department.

**New Radio System Upgrades Police Communication**

To ensure maximum student, employee, and campus safety district-wide, the HISD Police Department acquired access to Harris County’s radio system, enabling the department to instantly communicate with dozens of local, county, and state law-enforcement agencies in the event of an emergency or crisis situation. New radios and a partnership with Harris County provide HISD Police officers with the ability to communicate with emergency first-responders immediately, without the delay of first going through a dispatch center. These improvements will also eliminate “radio blackout” areas, places where HISD Police officers cannot communicate using their radios.

**School-Bus Safety, Reliability Enhanced**

HISD reduced the number of school-bus breakdowns and accidents in 2007 and enhanced students’ safety, thanks to improved maintenance procedures and the district’s annual training program for its approximately 1,000 bus drivers. The number of breakdowns fell 25 percent, from 1,297 in 2006 to 976 in 2007, and the district’s more than 800 buses were involved in eight fewer accidents, 332 in the 2006–2007 school year versus 340 during 2005–2006 school year.

To help make sure that students are safe as they travel to and from school, HISD toughened the Code of Student Conduct to prohibit disruptive behavior at school-bus stops. The district has also installed hundreds of digital video cameras on school buses for on-board surveillance and annually trains bus drivers to be alert to signs of potential terrorist behavior and to inspect a school bus before starting a route, including checking for hidden, suspicious packages left between seats or near the driver’s seat or on other parts of the bus. Drivers are also taught to be aware of and immediately report anyone at a school-bus facility or along a route who is asking unusual questions about school buses and bus routes. The training enables the drivers to become certified experts in the “School Bus Watch” program directed by the U.S. Department of Homeland Security.

**Goal 3: Increase Management Efficiency**

**Strategies and Initiatives**

**HISD Earns High Marks for Financial Integrity, Top Credit Ratings**

HISD received the highest rating possible for financial integrity (as established by the Texas Education Agency) in a report released by the Financial Integ-
HISD also earned and maintained exceptional bond ratings from Standard and Poor’s (S&P) and Moody’s credit-rating services. HISD enjoys a “triple-A” (AAA) program rating and “double-A” (AA) issuer credit rating on the district’s bonds and notes. S&P recently assigned a double-A rating to HISD’s 2007 debt offering. In addition, Moody’s assigned the high “AA2” rating to HISD’s 2007 debt issue and affirmed the “AA2” rating on the district’s long-term debt, noting that HISD’s conservative budgeting is keeping reserves well above policy levels.

The hard work and expertise of the Offices of the Controller and Chief Financial Officer that produced these distinctions also earned prestigious national awards. The Association of School Business Officials awarded HISD the district’s 30th Meritorious Budget Award. The criteria for this honor, which HISD has won more often than any other school district in America, were developed to provide school business officials with budgeting guidelines that encourage a user-friendly budget document that explains to the general public what is happening in the school district or college in language that everyone can understand. In addition, HISD won an award from the Government Finance Officers Association for the outstanding work of the Budgeting and Financial Planning Department and Office of the Chief Financial Officer. Founded in 1910, the Virginia-based ASBO International is a professional association of approximately 6,000 school-business-management professionals.

**New Contract for Superintendent Raises Level of Accountability**

HISD replaced the superintendent of schools’ three-year contract with a renewable one-year pact to raise the level of accountability for student progress and place the superintendent’s employment in the district on par with other administrators’.

**HISD Health-Care Partnership Program Recognized**

HISD won an award from former Surgeon General C. Everett Koop for improving employee health care and saving millions of dollars in the process. The district received an Honorable Mention C. Everett Koop National Health Award from Dr. Koop’s “The Health Project” for “The Health Care Partnership.” The HISD-created health-care program operates as a partnership in which member districts choose plan structures and other options on the basis of their own needs, as well as launching new additions to the program. It is estimated to have saved participating districts about $300 million over five years. In recognizing HISD, the Health Project said the district is “doing sound and effective work at the very cutting edge of excellence.”

**Workers’ Compensation Department Wins National Award**

HISD became the first public-school system to win the Theodore Roosevelt Workers’ Compensation and Disability Management Award when the district’s Workers’ Compensation Department was recognized for its innovative back-to-work program’s success in lowering the number and cost of injuries to workers. Through an initiative begun in 2002, the department developed detailed job descriptions, including a physical-demand analysis of each job, and established a testing regime for injured employees that includes safely performing physical maneuvers associated with their jobs. As a result, lost-time claims were reduced to 34 days from 152 days in four years. HISD has also cut the average number of employees off work every day because of work-related injuries by more than half (from 168 days in 2003 to 73 in 2007). In addition, the time lost due to injury in 2007 was one-fourth of what it was five years earlier (21.7 weeks versus 4.9 weeks), and the number of active claims dropped 26.6 percent (from 1,213 to 890). Overall, HISD has cut costs in what is one of the district’s five biggest expenses, reducing claims costs by $3.9 million—or 24 percent—and further program changes permitted a reduction to the 2006–2007 General Fund budget of more than $3 million.

**Goal 4: Improve Public Support and Confidence in Schools**

**Strategies and Initiatives**

**HISD Inaugurates Effort to Change Public Perception of Education**

To help create a college-bound culture in every school and household in the district, HISD launched an outreach campaign called “Changing the Way We Think.” With creative support from Yaffe|Deutser and financial support from the HISD Foundation, media companies, and other organizations, the outreach effort used billboards, television messages, newspaper announcements, and the HISD Web site to change the way the community thinks about learning, teachers, college, tomorrow, parents, community, and partnership.

**Board of Education Earns National Recognitions**

HISD’s Board of Education received two national honors for its outstanding and innovative leadership of the largest school system in the country. Previously nominated for the recognition in 2006, the school board shared with the Miami-Dade County Public Schools board the Urban School-Board Excellence Award presented by
the National School Boards Association’s Council of Urban Boards of Education (CUBE). The HISD board also won a 2007 Magna Award from the American School Board Journal for its Community Builders Program for community outreach. The inside cover of this report contains a full description of these honors and their criteria.

HISD highly values the many individuals, corporations, and organizations who donate their time, resources, services, and expertise to help the district give Houston’s children the finest education possible. Every year, HISD formally recognizes its most active and supportive community and corporate partners at the Partnership Hall of Fame breakfast. In 2007, Devon Energy Corporation, Fund for Teachers, Memorial Hermann Healthcare System, and Schlumberger were named to the Hall of Fame. The district also hosts an annual Salute to Volunteers in Public Schools awards ceremony to recognize individuals’ and groups’ contributions to public education in Houston. The honorees at these prestigious events have included some of Houston’s leading citizens and financial, civic, cultural, medical, and philanthropic organizations. This year, more than 45,000 volunteers were registered, an increase of nearly 50 percent over the previous year.

Vanguard Programs Open to More Students, Selection Process Fairer, Expectations Higher

To make the system fairer for parents and students, HISD opened its popular Vanguard programs for gifted and talented children to more students and improved the selection process by standardizing the criteria used to identify gifted and talented students in kindergarten through grade 12. These programs serve nearly 25,000 students in gifted and talented (G/T) programs, Vanguard neighborhood programs in every school, and 20 Vanguard Magnet schools throughout the city. The changes were recommended by a special committee of parents and community members created to examine all of the school district’s services for gifted and talented students. With additional input from school-based employees, the district developed 14 standards based on those recommendations. In addition, to make the programs more challenging, administrators make random, walk-through evaluations of G/T classroom instruction, and G/T students in high school must take at least two advanced academic classes, such as Advanced Placement or International Baccalaureate classes, rather than just one. Further, G/T students are expected to score above grade level on the Stanford achievement test or its Spanish-language equivalent, and to achieve “commended” status on the state TAKS test.

HISD Expands Adult-Education Programs, Launches Parent Prep Academy

HISD strengthened its efforts to help parents improve their English literacy, civics knowledge, and computer skills and to help develop parents as partners, learners, and leaders. The district created the Parent Prep Academy as an umbrella for existing parent-development opportunities and to build additional resources throughout HISD. The Parent Prep Academy provides vital information and resources and offers capacity-building courses in neighborhood schools and community centers at convenient times. The programs include Home Instruction for Parents of Preschool Youngsters (HIPPY), which focuses on parenting and school readiness for children ages 3 to 5; and the Family Leadership Institute, which provides immigrant/migrant Hispanic families with the knowledge and tools to help their first- and second-generation children succeed in school and in life. HISD also continued its partnership with the Mexican Institute of Greater Houston, which offers basic computer courses through Community Learning Centers in Houston and the surrounding areas. These centers, located in HISD schools and area community colleges, teach basic computer skills to Hispanic parents in Spanish. HISD now offers the four-year-old program in 62 locations, more than 4,200 parents have taken the classes, and more than 2,230 have graduated from the 16-week program. The district used an English-Literacy and Civics Education grant from the Texas Education Agency to offer more English-literacy services and develop adult-education programs that combine English literacy and civics education. The goal is to help parents learn to read and write English, obtain the knowledge and skills needed to find good jobs and manage their daily lives, complete a secondary-school education, and become full partners in the educational development of their children.

Goal 5: Create a Positive District Culture Strategies and Initiatives

Statement of Strategic Intent Amended to Include Commitment to Prekindergarten

Because providing Houston’s young people with the best education available anywhere requires beginning the learning process as early as possible, HISD has begun offering full-day prekindergarten programs to all eligible four-year-olds. To reflect this expanded focus on early-childhood education as a vehicle for increasing student achievement in all grades, which is HISD’s primary goal, HISD expanded one of its foundation philosophies to include prekindergarten, not just kindergarten. The district’s statement of strategic intent now reads “to earn so much respect from the citizens of Houston that HISD becomes their prekindergarten through grade 12 educational system of choice.”
Survey Helps HISD Central Office Better Serve Schools
To find out how the central administration could do a better job of meeting the needs of the district’s schools, HISD commissioned an independent survey of their principals. Part of the district’s new “Changing the Way We Think” outreach campaign and its emphasis on customer service, the survey asked principals to rate departments on a five-point scale on support given to the schools, responsiveness, courtesy and professionalism, quality of knowledge, and an overall rating. Most departments earned ratings of 3 (“acceptable”) or 4 (“above average”), and virtually every HISD central department earned far more “exemplary” and “above average” ratings from principals than “below average” or “unacceptable.” In keeping with HISD’s commitment to performance management and outstanding customer service, central-office departments were urged to concentrate on providing better service to schools and prompt and courteous customer service.

Goal 6: Provide a Facilities-to-Standard Program
Strategies and Initiatives
Voters Approve HISD Bond Proposal 2007
Houston voters approved HISD’s $805-million bond issue in the November 6 general election. The initiative, which required no increase in the tax rate, included the construction of 24 new schools, renovations at 134 others, new and improved science labs at every middle and high school, infrastructure and accessibility improvements at HISD’s three sports stadiums, and major safety and security upgrades at every school in the district, including fencing, lighting, and public-address systems, and security camera systems that can be monitored constantly by the HISD Police Department. The bond issue is the third in a series of three; Houston voters previously approved the 1998 bond issue of $678 million and the 2002 bond issue of $808 million. The two previous programs built 41 new schools, renovated more than 100 others, completed $10 million in playground safety upgrade projects for 125 schools throughout the district, provided $35 million worth of heating, ventilating, and air-conditioning system upgrades for all middle- and high-school sports complexes in the district, and invested in a new $14-million bus-maintenance and transportation staff-training facility.

Fourteen New Schools Opened or Dedicated
HISD is committed to providing the students, parents, and communities it serves with schools that are safe, inspiring, well-equipped, and technologically up-to-date learning environments. To achieve that goal, HISD has submitted a series of three bond proposals to Houston’s voters in recent years (1998, 2002, and 2007). The public’s approval of the bond issues has enabled the district to build or repair schools in virtually every community. In 2007, the new or replacement campuses that were opened or dedicated were Mamie Bastian Elementary School, Briargrove Elementary School, Blanche Bruce Elementary School, Ethel Coop Elementary School, Charles Hartman Middle School, Dora Lantrip Elementary School, Henry Wadsworth Longfellow Elementary School, Roderick Paige Elementary School (formerly Jim Bowie Elementary), John J. Pershing Middle School, The School at St. George Place, Ruby Thompson Elementary School, Walnut Bend Elementary School, Edgar Gregory-Abraham Lincoln Education Center, and Thomas Pilgrim Academy.

HISD Devotes $63 Million to Critical Facility Repairs through our “Pay-As-You-Go” Plan
HISD began allocating funds from the $232-million, six-year facilities improvement and repair project approved in November 2006 by devoting $61 million from that “pay-as-you-go” fund to critically important repairs of roofs and heating, ventilating, and air-conditioning (HVAC) systems. The plan allocated up to $13.3 million to replace roofs at 40 schools, and up to $47.3 million to repair or replace HVAC systems at 101 schools. The repairs and replacements are based on the independent studies that HISD commissioned to determine which roofs and mechanical systems needed immediate attention.

Future Priorities/Challenges
The Houston Independent School District is committed to building on the progress it achieved in 2007. For 2008, the district has established a set of priorities designed to further improve the education and services provided to students, parents, and the entire community. Through the priorities outlined below, and other initiatives, HISD will continue its efforts to give Houston’s children the comprehensive education they will need to be successful college students, valued employees, and responsible citizens.

Creating a College-Bound Culture
• ASPIRE—As part of its drive to make all students ready for college and careers, HISD will continue to implement the ASPIRE education-improvement model, and the related concept of performance management, at every level of the organization. Value-added analysis will help teachers to more closely monitor their students’ academic progress, and to adjust instruction and possible intervention to meet their individual needs.
• Help for Low-Performing Schools—Although the district’s overall performance in mathematics and science has improved, the improvement was not consistent among all schools. HISD is committed
to providing a comprehensive education to all students, so the district will work to develop effective intervention strategies for schools that were low-performing in the areas of mathematics and science.

- Raised “Literacy” Standards—To help make sure that academic performance in language arts keeps pace with progress in mathematics and science, the district will work to develop new, higher standards for “literacy” in reading, writing, and speaking.

- Higher Graduation Rates—In 2004, HISD’s citywide “expectation: GRADUATION” summit launched an intensive series of dropout-recovery and prevention efforts that have returned hundreds of dropouts to their classrooms and helped thousands of at-risk students to stay in school. In 2008, the district will continue to build on those successful initiatives and strategies, which include the Student Engagement Department, the annual Reach Out to Dropouts Walk, and 10 dropout-prevention specialists. The activities of the HISD “expectation: GRADUATION” Committee—which consists of campus principals, executive principals, regional superintendents, and central-office personnel—will be expanded to reduce the dropout rate by mitigating the various factors that contribute to students’ choosing to end their schooling early.

- Greater Flexibility—HISD does everything possible to meet students’ needs. The district’s varied efforts include specialized schools and programs and flexible hours of instruction that accommodate employed students’ job schedules. HISD will seek ways to broaden the range of options available to students with special needs or circumstances, including flexible school hours.

**Building Human Capacity**

- ASPIRE Awards—ASPIRE Awards will recognize and reward teachers who produce the most academic growth in their students, and to promote progress in the key subjects of mathematics and science, HISD will consider paying larger bonuses to high-performing teachers in those fields.

- More Outstanding Teachers—Because the relationship between the teacher and the student is the foundation of effective teaching and learning, HISD will step up its campaign to recruit the best teachers for its classrooms, especially in the core areas of mathematics and science. Harvin C. Moore, upon his election as the president of the Board of Education for 2008, expressed his strong commitment to hiring outstanding educators by declaring 2008 “The Year of Human Resources” in HISD.

- Performance Management—To maximize the district’s operations and effectiveness, HISD will continue to strengthen its performance-management systems. The effort will build on an assessment that included multiple workshops with a cross-functional working team and interviews with schools and central-office departments. It will focus on building district-wide alignment of HISD’s vision, goals, measurements, and strategies; implementing a central-office performance-management system that develops clear department accountabilities; optimizing a school-performance-management system grounded in the work of ASPIRE; and enhancing current information-technology systems to meet current and future district needs for performance management and overall district objectives.

**Building Stronger Relationships**

- Stronger Community Engagement—HISD is committed to creating more two-way communication with the community it serves by working to refine its efforts to inform the public about new initiatives, academic progress, operational improvements, successful partnerships, and events of interest to parents and other community members. HISD will also strive to reach out more to the community and solicit its input on district actions. In support of that effort, the new Superintendent’s Public Engagement Committee will serve as an advisory body to engage the general public in the district’s efforts to provide high-quality education to every child in Houston, to more effectively communicate with the greater Houston community, and to provide the superintendent and board with valuable input on district initiatives from key community members and organizations. All HISD employees will also be encouraged to play a more active, visible role in the district’s activities.

**Providing Safe, Inspiring Schools**

- Bond Construction Program—In 2007, Houston voters approved the last in HISD’s series of three bond proposals. In 2008, the district will move to build new schools; expand, renovate, or repair more than 130 campuses; upgrade safety and security at all schools; update and improve all middle- and high-school science labs; and improve the infrastructure and accessibility at the district’s sports stadiums.
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**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Schools</td>
<td>183</td>
</tr>
<tr>
<td>Middle School</td>
<td>41</td>
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<tr>
<td>High School</td>
<td>37</td>
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<tr>
<td>Combined/Other</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total Number of Schools</strong></td>
<td><strong>293</strong></td>
</tr>
</tbody>
</table>

**Elementary Programs**

HISD has an enrollment in its 183 elementary schools of more than 107,000 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. Nearly 90 percent of the district’s elementary students qualify for Title I programs.

**Middle School Programs**

HISD’s 41 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. More than 20 percent of middle school students are enrolled in honors classes.

**High School Programs**

HISD’s 37 high schools instruct more than 45,000 students in grades 9-12. High schools offer students more 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 and 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.

**Project CLEAR (Clarifying Learning to Enhance Achievement Results)**

Project CLEAR is an exceptional instructional plan-
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

*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 in the development of the whole child – a humanitarian that sees the world through the lens of creativity.

In 2007-2008, Fine Arts saw great advances. There was an infusion of $7.25 million for 2007-2008 and $10 million for 2008-2009 to provide the much needed equipment and instruments to build capacity in the programs, and additional resources to enrich our schools. The Robert and Janice McNair Foundation along with Arts Matters Grant from the Department of Education provided additional programs, artists-in-residency, field trips, etc. VH1 Save the Music Foundation provided $450,000 in-kind in instruments for 15 schools. Fidelity Future Stage gave $64,000 in-kind in instruments and artists-in-residencies. Little Kids Rock provided 30 guitars for 30 teachers plus training and materials. Winter Fest brought $200,000 to music programs. Twenty-six teachers received scholarships for a semester at the...
Glassell School of Art – Museum of Fine Arts. The first Fine Arts Mini-conference saw 700 teachers participate in workshops and meet arts partners from across the city to build relationships for artists-in-residencies, professional development, etc. Also, this year saw the first HISD Choral Festival and the return of the HISD Dance Montage. Participation has grown in the traditional music contests of HISD – Waltrip Concert Band Festival, Waltrip Jazz Festival, Johnston Middle School Solo and Ensemble, and the All City Band Concert. Planning is in place for the return of HISD’s Marching Band Festival in 2008. Overall, there has been an increase in student participation in regional, state, and national contests and exhibits in all five Fine Arts disciplines and the numbers are expected to continue to grow.

Health Education Programs
HISD’s Health Education has evolved from four basic units of study to an expanded program that encompasses 10 major health content areas. The health education curriculum for grades PK-12 are designed to address the needs of the “whole person” by focusing on the emotional, mental, physical, and social development. The curriculum also targets priority health issues such as, sedentary life styles, inadequate nutrition, alcohol, drugs and tobacco, gangs, violence, and disease prevention including HIV/AIDS. Students are provided an opportunity to learn concepts and skills that will enrich the quality of their life.

Mathematics Initiative
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 systematically throughout HISD.

Initiatives that will play an integral role in the 2008-2009 school year to increase student achievement and student progress in HISD are as follows:

• Elementary Mathematics curriculum tools (Horizontal Alignment Planning Guides, Vertical Alignment Matrix, TEKS/TAKS Correlations, and Year-At-A-Glance Documents) to ensure high yield teaching practices and instructional alignment
• Daily classroom mathematics routines that promote relationships, rigor and relevance
• Implementation of a new textbook resource (Pearson Scott Foresman enVision Mathematics)
• District-created Math-A-Letics elementary mathematics television programs showcasing engaging lessons for students and teachers
• Developing Mathematical Ideas professional development promoting strategies to solve mathematics problems accurately, efficiently, and flexibly

• Elementary Mathematics Leadership Networks that create a professional learning community for Lead Teachers, Mathematics Content Specialists, Professional Development Services, Regional Offices, and the Mathematics Department
• Partnership with the Rice University School Math Project (RUSMP) to provide high quality professional development to HISD classroom teachers

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.

They bring together students, parents, teachers, and education, business, and community leaders to work systematically to provide a challenging educational environment that expects all students to develop, make sense of, and enjoy mathematics for the rest of their lives.

They 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.

A new program for the 2008-2009 school year is A²TeaMS. The purpose of the Academy of Accomplished Teaching in Math and Science (A²TeaMS) is to provide ongoing professional development in mathematics and science content and research-based pedagogy. Teams of secondary math and science teachers receive instructional coaching, thereby strengthening the academic program at each participating school.
A²TeaMS teachers participate for three consecutive years, focusing on learning content and pedagogy in year one, making math-science connections and increasing leadership skills in year two, and analyzing practice through action research in year three.

Finally, through collaboration of Elementary and Secondary Mathematics, curriculum-based support is provided so that all HISD students have equitable access to college and career options.

Special Education Programs
HISD offers a variety of special services at all of its campuses, through community agencies and hospitals within its boundaries. The Office of Special Education Services serves approximately 21,000 students who qualify for services with one or more of the following disabilities:

Mental Retardation
Auditory Impairments (including deafness)
Speech/Language Impairments
Visual Impairments (including blindness)
Emotional Disturbance
Non-categorical Early-Childhood Disability
Orthopedic Impairments
Autism
Traumatic Brain Injury
Specific Learning Disabilities
Multiple Health Impairments
Other Health Impairments

The Admission, Review, and Dismissal/Individual Education Program (ARD/IEP) Committee determines the instructional arrangement in which each student receives special education instruction and related services.

Parents play an important role as partners in their children’s education. HISD encourages parent and community members to participate in the Special Education planning process. Parent meetings are held in the central office and in each of the regional offices throughout the year. These meetings facilitate participation by community members, including individuals with disabilities and their families, who are concerned with educational programming for 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.

Title I Programs
The purpose of Title I, Part A is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and state academic assessments.

Magnet Programs
HISD is proud to provide parents with a wide variety of choice in public education through its Magnet programs. In Magnet schools, students are developing their special talents while enhancing their learning capacities.

Magnet schools offer a wide variety of programs. Some schools focus on particular subject areas, such as fine arts, math/science, or computers/technology. Other schools focus on a particular instructional approach such as Vanguard for gifted and talented students or dual language. Qualifications for entering a Magnet program are specific to each program. Generally, entrance to an elementary Magnet program is based on interest and available space. Secondary Magnet programs usually require more specific qualifications. Magnet programs are also open to qualified students of surrounding school districts if there is available space.

High school Magnet programs include the following disciplines:
Aviation Sciences
Business Administration
Careers
Coalition of Essential Schools
Communications
Computer Technology
Engineering
Environmental Science
Foreign Languages
Health Professions
Hotel and Restaurant Management
Integrated Technology
Architecture and Graphic Design
Law Enforcement and Criminal Justice (HSLECJ)
Leadership Academy
Math, Science, and Technology
Meteorology and Space Sciences
Modern Humanities
Music and Fine Arts
Performing and Visual Arts
Research and Technology
Science Institute
Teaching Professions
Technology Careers
Vanguard

Middle school Magnet programs established include the following disciplines:
Alternative Program
Architecture and Graphic Design
Communication Arts
Fine and Performing Arts
Languages
Math and Science
Physical Development
Technology
Vanguard

Elementary school magnet programs offered include the following courses of study:
Academy
Communications
Creative and Performing Arts
Dual Language
Environmental Science
Fine Arts
Foreign Languages and Cultures
Integrated Technology
Leadership
Literature
Math and Science
Montessori
Music
Physical Development
Technology
Vanguard

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 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

Advanced Placement Programs
The AP program is a cooperative educational partnership between secondary schools and colleges that provides high school students with the opportunity to receive advanced placement and/or credit hours in 2,900 universities and colleges worldwide. Students who perform well on annual AP examinations are able to receive college credit.

HISD secondary students in grades 6-10 are also able to take Pre-AP classes. These classes build a firm academic foundation, which prepares students for college level AP courses offered at the 11th and 12th grade. AP program course offerings vary by campus.

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 examinations, 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.
Literacy Leads the Way
In HISD, literacy is defined as the ability to read, write, speak, listen and think effectively. The District recognizes that in the 21st century world our students will occupy, information will multiply at such a fast rate, they will need advanced literacy skills to acquire, interpret and process new information.

In response to this need for literacy, the district has launched a new intensive literacy campaign known as Literacy Leads the Way which is designed to improve the overall literacy skills of the District’s PK-12 students.

Components of Literacy Leads the Way include various components including the recommendation that all students spend a minimum of 20-25 percent of their time in each class engaged in integrated literacy strategies to support their content-specific learning. To build teacher capacity, the District will provide training in reading and writing through the Neuhaus Education Center, the District’s Curriculum Department and in partnership with local universities. To provide job-embedded professional development, the District is placing a Literacy Coach on each middle school campus and a Literacy Content Specialist in each feeder pattern. At the middle school level, the District will purchase a Reading Intervention Program.

The quality of campus libraries will be improved to meet state and local standards, including enhancements to library facilities and the purchase of books and library services technologies.

In addition, the District has partnered with the Houston Public Library to sponsor a summer reading club known as The Millionaire Club. Research has shown that reading at least five books that interest a child and are at his Lexile reading level can offset a condition known as “summer loss” when a child’s reading ability digresses over the summer months.

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.

Multilingual Programs
The Department of Multilingual Programs is responsible for providing support to school personnel through the planning, organization, implementation, and evaluation of second language education programs, mainly Bilingual and ESL Education. This department also manages other supplemental programs that support special population students such as the Migrant Education Program, Title III Programs, and the Refugee School Impact Program to meet the needs of students with limited English proficiency (LEP), migrant, refugee and/or immigrant status.

• Bilingual Education Programs-Instructional programs offered in elementary schools and selected middle and high schools for students identified as LEP, who according to state law, must receive native language programming along with English as a Second Language (ESL) programming.

• ESL Education Programs- Instructional programs offered at all grades levels for students identified as LEP, who according to state law must receive an enhanced English as Second Language (ESL) program.

• Migrant Education Program- A supplementary instructional program that serves identified migrant students in grades PK-12.
• **Title III programs**
  - The **Title III Immigrant Education Program** funded under the No Child Left Behind Act of 2001 (Public Law 107-110), provides supplemental educational services to students born outside the United States who have been attending school in the United States for less than 3 complete academic years.
  - The **Title III English Language Learning (ELL) Program**, also funded under the No Child Left Behind Act of 2001 (Public Law 107-110), provides supplemental and support services to students as LEP in order to be successful in the mainstream program.

• **Refugee School Impact Program** - A supplemental program coordinated through the Multilingual Department providing support to newly arrived refugee students during their resettlement process in the United States.

**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 Curriculum, Instruction, and Assessment Educational Technology team supports the success of all elementary 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 Department of Technology and Information Systems (TIS) is responsible for planning, organizing, implementing, and monitoring computerized processing systems to improve the management reporting and instructional operations of the district. The department is also responsible for providing service and support to schools and central/regional offices in the acquisition and use of technology to enhance student performance, ensure the availability of information for users, provide timely and accurate information about students, and provide quality support services.

**Student Support Services**

The Student Support Services Department provides coordinated planning and oversight for the work of school nurses, counselors, social workers, psychologists, and dropout prevention and attendance specialists who provide direct services to the 194,815 students in the district’s 297 schools.

The Student Support Services Department consists of: 1) Character Education and Student Leadership, 2) Counseling and Guidance, 3) Health and Medical Services, 4) Psychological Services, and 5) Social Work Services. Each of these departments have a unique mission, function, goal, and objective(s). All, however, have the distinction of looking at the student as an individual within the context of the educational setting.

HISD actively seeks resources and partnerships from the community, resulting in a wider array of services for students that could not otherwise have been provided from District resources alone.

**Professional Development Services**

Professional Development Services (PDS) is a fee-for-service department that provides varied learning experiences for all segments of the organization. PDS offers centralized training sessions on topics aligned to the District’s goals and initiatives, as well as customized training sessions upon request by schools or departments. Areas in which learning experiences are available are curriculum and instruction, leadership development, organizational development, instructional technology, new teacher induction and mentoring, Spanish, coaching, consultation, and management training.

The mission of PDS is to positively impact student achievement and success by providing quality solutions, services and products to support those who inspire, lead, and educate all.
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 pupil allocation formula is 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 $3,246 for high schools, $3,282 for middle schools and $3,257 per pupil for elementary schools. An additional one-time allotment of $23 per unit allocation was given to all the schools for the 2008-2009 school year.

**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 Aa2 by Moody’s and AA+ 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 $5,000 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 2008-2009 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.

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 educa-
tional 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 Department. Capital projects related to the 1998 and 2002 Bond Program are developed and coordinated by the Office of the Bond Program with assistance from the Controller’s Office and the Budgeting 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 2008-2009 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 ap-
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 70 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 Regional Superintendent.

**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.

In addition, another regular report is provided for general use by departments and schools, the Status of Appropriation-Accounts by Unit and Detailed Expense Ledger report. 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.

**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.

**2008-2009 Budget Process**

**Central Budget Committee for the 2008-2009 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 2008-2009, 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 or regional office 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 Daily 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
  • Regional Superintendents 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
  • 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 2008

Campus administrators were instructed to:

• Inform their Shared Decision-Making Committee (SDMC) about their respective school’s budget development
• 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 2008

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

Central Office & Regional Office Budget Development

- Preliminary Department Management Plans and Regional Office Plan
- Budget Development Draft
  - Superintendent's Review
  - Central Budget Committee Review
- Enrollment Projections
- School-Based Budgets Developed
- Regional Superintendents
-辖外

Revenue Projections (Available Resources)

- Strategic Plan/Tactical Goals

- Recommended Budget
  - District Board Review
  - Adopted Budget

- Public Workshops
- Public Hearings
- School Board Review

- Submit Salary/Benefits Information to Superintendent
- Submit Salary/Benefits Recommendations to Board

- Public Workshops
- Public Hearings
- School Board Review

- Fiscal Planning
- Recommended Budget
- Adopted Budget

*Including Board & District Advisory Committee (DAC)
### 2008-2009 Budget Calendar

<table>
<thead>
<tr>
<th>Activity</th>
<th>Personnel/Office</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Prepare review of budget adjustments from 2007-2008 and potential revenue impacts on 2008-2009 budget</td>
<td>Budgeting, CFO</td>
<td>October-March</td>
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<tr>
<td>Budget Assumption meeting with Superintendent of Schools</td>
<td>Budgeting, Human Resources (HR), CFO</td>
<td>January - February</td>
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<tr>
<td>1. Review and align strategic and tactical goals</td>
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<tr>
<td>2. Discuss revenue projections-Budgeting</td>
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<tr>
<td>3. Discuss expenditure needs-Budgeting</td>
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<tr>
<td>Budget update and review budget process with the Board (Update with District Advisory Committee)</td>
<td>Budgeting, Board</td>
<td>January</td>
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<tr>
<td>Budget Process Development</td>
<td>Budgeting, Regional Superintendents, Schools</td>
<td>March - April</td>
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<tr>
<td>Schools</td>
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<tr>
<td>1. Training session with Regional Superintendents and Principals</td>
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<td>2. Superintendent's letter in the Houston Chronicle</td>
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<tr>
<td>3. Community Forums in each Regional Office-Invitation for Public Participation</td>
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<td>4. Implement School-Based Budget Development Process in conjunction with School Improvement Plan</td>
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<td>Departments</td>
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<tr>
<td>1. Training session with department leaders</td>
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<td>2. Develop and distribute budget packets for departments</td>
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<tr>
<td>Community Groups</td>
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<tr>
<td>1. Meet with major community groups and give update on budget development and seek input</td>
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<tr>
<td>Update revenue forecasts/review financial condition with Superintendent of Schools</td>
<td>Board, Superintendent, Budgeting, HR</td>
<td>March</td>
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<tr>
<td>Meet with Superintendent's Direct Reports to review budget status</td>
<td>Budgeting, Regional Superintendents, Direct Reports</td>
<td>October - June</td>
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<tr>
<td>Recommend Central Budget Committee to review and rank recommendations from Central Office</td>
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<tr>
<td>Receive input from Decentralization Committee, Peer Committees, and Task Forces</td>
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<tr>
<td>Review/approval, if needed, state values for determining local share</td>
<td>Internal Audit</td>
<td>April - June</td>
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<tr>
<td>Submit salary/benefits information to Superintendent of Schools</td>
<td>Human Resources, CFO, Superintendent, Budgeting</td>
<td>April - June</td>
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<tr>
<td>Submit salary/benefits recommendation to Board of Education</td>
<td>Superintendent, Board, CFO, Budgeting and Human Resources</td>
<td>May - June</td>
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<tr>
<td>Review Budget Reduction Packets as needed</td>
<td>Internal Audit, Central Budget Committee</td>
<td>January - March</td>
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<tr>
<td>Budget review meetings-</td>
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<tr>
<td>Rank recommendations from all sources:</td>
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<tr>
<td>-School-based recommendations</td>
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<td>-Central Office staffing</td>
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<td>-Regional Office requests</td>
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<td>-Central Office increase requests</td>
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<tr>
<td>Preparation of preliminary budget, projections, and revenue estimates for review with Superintendent of Schools</td>
<td>Budgeting/ CFO, Superintendent</td>
<td>January - June</td>
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<tr>
<td>Prepare near final budget summary document/review with Superintendent of Schools</td>
<td>Budgeting/ CFO, Superintendent</td>
<td>May - June</td>
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<tr>
<td>Budget update and review budget process with the Board (Update with District Advisory Committee)</td>
<td>Board, Superintendent, Budgeting, HR</td>
<td>April</td>
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<tr>
<td>Receive additional public input regarding the budget from the community and citizens at scheduled budget review meetings</td>
<td>Board, Community; Parents, etc.</td>
<td>May - June</td>
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<tr>
<td>Prepare final Superintendent’s budget recommendations summary for review with Board</td>
<td>Direct Reports, Superintendent, Budgeting</td>
<td>May - June</td>
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<tr>
<td>Budget update and review budget process with the Board (Update with District Advisory Committee)</td>
<td>Board, Superintendent, Budgeting/CFO</td>
<td>May - June</td>
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<tr>
<td>Second review of changes previously recommended by the Board and tentative approval of budget</td>
<td>Superintendent, Budgeting</td>
<td>May - June</td>
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<tr>
<td>Budget Hearing</td>
<td>Board, Superintendent, Budgeting, Public Relations</td>
<td>June</td>
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<tr>
<td>Adoption of Budget</td>
<td>Board, Superintendent, CFO, HR</td>
<td>June</td>
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</tbody>
</table>

*This calendar may be revised by the Superintendent of Schools.*
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 Assistant or Deputy Superintendent/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 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.

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 VII – Bilingual Education  
IDEA – Special Education  
State Technology Program  
State Special Education Programs  
Vocational Programs

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 Financial Forecasting and Planning 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 / 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. See Organization
Code section and Program Intent section for guidance concerning mandatory and optional uses.

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.

Extra-curricular 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 other than 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.

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.

These codes are distinguished from other types of object codes as they always begin with the digit “6.”

**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**
The 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.

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