

HISD BUDGET WORKSHOP: #2

March 24, 2022

*Millard House II
Superintendent, Houston Independent School District*

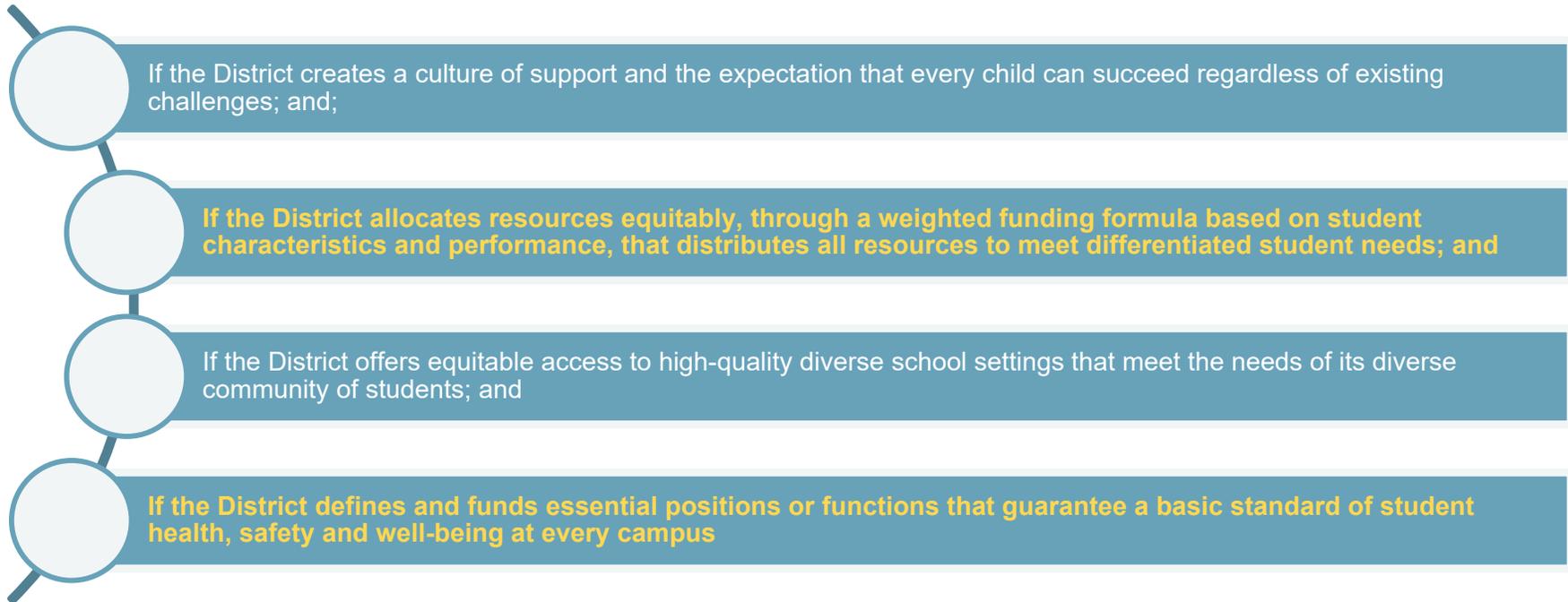


Agenda

- 1. Alignment Between Strategic Plan and Board Goals & Policy**
- 2. Strategic Plan**
 - 1. Core Components**
 - 2. Budgetary Implications**
 - 3. Implementation Timeline**
- 3. Revisiting Financial Landscape**
- 4. Short and Long-Term Budget Planning Process & Timeline**
- 5. Q & A**

**STRATEGIC PLAN:
ALIGNMENT WITH BOARD GOALS AND
POLICY**

Alignment to the HISD Board Theory of Action



...Then campuses will be able to accomplish the Board's student outcome goals while honoring the Board's constraints
~ Board Policy AE(LOCAL)

Baseline Staffing Model and Weighted Funding

HISD Theory of Action

“If the District allocates resources equitably, through a weighted funding formula based on student characteristics and performance, that distributes all resources to meet differentiated student needs.”

Five general characteristics of a weighted funding formula¹:

- Base Allocation
- Grade-Level Adjustments
- Student Need Adjustments
- Performance Adjustments
- Allocations for Specialized Programming

Characteristics of the HISD Baseline Staffing Model

- **Campuses will receive a per-student base allotment independent of student characteristics as well as access to a baseline number of positions based on enrollment** (*Base Allocation*)
- **The baseline staffing model varies by grade configuration** (*Grade-Level Adjustment*)
- **Campuses will receive differentiated funding based on campus risk factors, in addition to increased allocations of Title 1 Funding for at-risk students** (*Student Need Adjustment*)
- **Additional support for our Transformation Cohort campuses** (*Performance Adjustment*)
- **Campuses will continue to receive allocations for their specialized programs including Magnet and Career and Technical Education** (*Allocation for Specialized Programming*)

*Principals will continue to maintain the autonomy of the use of their discretionary funds**

¹US Department of Education. “Districts’ Use of Weighted Student Funding Systems to Increase School Autonomy and Equity: Findings from a National Study, Volume 1—Final Report”. 2019.

Baseline Staffing Model and Basic Standard of Well-Being

HISD Theory of Action

“If the District defines and funds essential positions or functions that guarantee a basic standard of student health, safety and well-being at every campus”

Functions that ensure:

- Student physical well-being
- Student mental well-being

Characteristics of the HISD Baseline Staffing Model

- Provides a minimum number of positions to campuses to ensure a basic standard student experiences at every campus
- Principals still have the autonomy and funding to differentiate on top of these baseline positions and supports
- Some of these positions and supports include:
 - Nurses and Nurse Associates
 - Counselors and Social Workers
 - Fine Arts Instructors
 - Centralized supports for:
 - Fine Arts Programs
 - University Interscholastic League (UIL Programs)
 - Athletic Programs

High Level Overview of Alignment of Initiatives to Board Goals

| Board Goal | Initiative |
|--|---|
| <p>Goal 1: The percentage of 3rd grade students performing at or above grade level in reading as measured by the Meets Grade Level Standard on STAAR will increase 8 percentage points from 42% in spring 2019 to 50% in spring 2024.</p> | <ul style="list-style-type: none"> • Expansion of Pre-K Classrooms and support for Pre-K instructors (Goals 1, 2, 3 and 4) • Improved access and quality of professional development and supports aligned to the reading curriculum (Goal 1, 3 and 4) • Implementation of high-quality instructional materials in reading classrooms (Goal 1, 3 and 4) • Baseline staffing model (Goals 1, 2, 3 and 4) • Competitive compensation package and "Grow Our Own" Initiative (Goals 1, 2, 3 and 4) • T-TESS Implementation (Goals 1, 2, 3 and 4) • Implementation of a Transformation Schools Cohort and Opportunity Culture Initiative (Goals 1, 2, 3 and 4) • Enhancing two-way communication between families and the district (Goals 1, 2, 3 and 4) • Expansion of high-quality options for students through improving neighborhood schools, and expanding choice options (Goals 1, 2, 3 and 4) |

High-Level Overview of Strategic Plan Initiatives Aligned to Board Goals

| Board Goal | Initiative |
|---|--|
| <p>Goal 2: The percentage of 3rd grade students performing at or above grade level in math as measured by the Meets Grade Level Standard on STAAR will increase 8 percentage points from 46% in spring 2019 to 54% in spring 2024.</p> | <ul style="list-style-type: none"> • Expansion of Pre-K Classrooms and support for Pre-K instructors (Goals 1, 2, 3 and 4) • Implementation of high-quality instructional materials in mathematics classrooms (Goals 1, 2, 3 and 4) • Improved access and quality of professional development and supports aligned to the math curriculum (Goals 2 and 3) • Baseline staffing model (Goals 1, 2, 3 and 4) • Competitive compensation package and "Grow Our Own" Initiative (Goals 1, 2, 3 and 4) • T-TESS Implementation (Goals 1, 2, 3 and 4) • Implementation of a Transformation Schools Cohort and Opportunity Culture Initiative (Goals 1, 2, 3 and 4) • Enhancing two-way communication between families and the district (Goals 1, 2, 3 and 4) • Expansion of high-quality options for students through improving neighborhood schools, and expanding choice options (Goals 1, 2, 3 and 4) |

High-Level Overview of Strategic Plan Initiatives Aligned to Board Goals

| Board Goal | Initiative |
|--|--|
| <p>Goal 3: The percentage of graduates that meet the criteria for CCMR as measured in Domain 1 of the state accountability system will increase 8 percentage points from 63% for 2017–18 graduates to 71% for 2022–2023 graduates reported in 2024.</p> | <ul style="list-style-type: none"> • Expansion of Pre-K Classrooms and support for Pre-K instructors (Goals 1, 2, 3 and 4) • Expansion of College and Career Advisors across campuses (Goal 3) • Expansion of Advanced Coursework opportunities for students (Goal 3) • Improved professional development for teachers of advanced classes (Goal 3) • Increased professional development for teachers of Career and Technical Education (CTE) classes (Goal 3) • Baseline staffing model (Goals 1, 2, 3 and 4) • Competitive compensation package and "Grow Our Own" Initiative (Goals 1, 2, 3 and 4) • T-TESS Implementation (Goals 1, 2, 3 and 4) • Enhancing two-way communication between families and the district (Goals 1, 2, 3 and 4) • Expansion of high-quality options for students through improving neighborhood schools, and expanding choice options (Goals 1, 2, 3 and 4) • Expansion of 1:1 Digital Learning Initiative at Middle School Level (Goals 3 and 4) |

High-Level Overview of Strategic Plan Initiatives Aligned to Board Goals

| Board Goal | Initiative |
|--|--|
| <p>Goal 4: The percentage of students receiving special education services reading at or above grade level as measured by the Meets Grade Level Standard on the STAAR 3–8 Reading and STAAR EOC English I and II assessments will increase 8 percentage points from 21% in spring 2019 to 29% in spring 2024.</p> | <ul style="list-style-type: none"> Improving the quality of instruction and monitoring for students with exceptional needs through a revised support model focused on student outcomes (Goals 1, 2, 3 and 4) Ensuring differentiated curricular supports aligned with high-quality instructional materials to ensure that students have consistent access to grade-level appropriate work (Goals 1, 2, 3 and 4) Improved communication systems with parents for students with disabilities to address needs in a timely fashion (Goals 1, 2, 3 and 4) Implementation of high-quality instructional materials in reading classrooms (Goal 1 and 4) Improved access and quality of professional development and supports aligned to the reading curriculum (Goal 1 and 4) Expansion of 1:1 Digital Learning Initiative at Middle School Level (Goals 3 and 4) Expansion of high-quality options for students through improving neighborhood schools, and expanding choice options (Goals 1, 2, 3 and 4) |

**STRATEGIC PLAN:
CORE COMPONENTS, BUDGETARY
IMPLICATIONS, & IMPLEMENTATION
TIMELINE**

Strategic Plan Commitments

01

Building Trust
and Reliability for
Our Families and
Community

02

Providing
Equitable
Opportunities
and Resources
at Every School

03

Ensuring Great
Schools and
Programs in
Every
Community

04

Promoting High-
Quality Teaching
and Learning

05

Delivering
Effective
Services and
Supports to
Students with
Exceptional
Needs

06

Cultivating
World-Class
Talent at
All-Levels

COMMITMENT #1: BUILDING TRUST AND RELIABILITY FOR OUR FAMILIES AND COMMUNITY

Major Initiatives

Strategy Components



1. Reimagining the Family Experience

Reorient HISD family and community engagement strategy and apparatus toward being a “best-in-class” customer service model.

Invest in FACE tools, platforms, and capabilities; Develop and launch HISD parent TRACK program.



2. Increased Transparency

Provide clear, consistent, and transparent reporting and analysis on the district’s use of public resources.

Partner with third-party advisors to evaluate HISD’s finances and financial practices and inform HISD’s enhancements to its financial infrastructure.



3. Sustainable and Equitable Resource Allocation

Align central resources to best support student success in accordance with revenue constraints.

Complete review of central office and identify opportunities to reorganize and rationalize to better support student needs.

Support implementation of the baseline staffing model to increase consistency and quality of supports at all schools.

Transform schools’ organization to better serve current student needs.



4. Student-Centered Operations

Support the implementation of a more flexible transportation program.

Provide best-in-class facility security enhancements.

Deploy necessary technology direct to classrooms.

Realign technology / operations to prioritize student needs, with every dollar possible going to the classroom.

COMMITMENT #1: BUILDING TRUST AND RELIABILITY FOR OUR FAMILIES AND COMMUNITY

Budgetary Implications

| <i>Initiative</i> | SY 22-23 Costs/(Savings): | | |
|--|---------------------------|---------------------|----------------|
| | <i>ESSER</i> | <i>General Fund</i> | <i>Total</i> |
| Reimagined Parent and Family Community Engagement | \$2.1 M | | \$2.1 M |
| Increased Transparency | | \$4.7 M | \$4.7 M |
| Approved from General Fund Unassigned Fund Balance | | (\$4.7 M) | (\$4.7 M) |
| Sustainable and Equitable Budgeting (ESSER indirect costs) | \$50.0 M | | \$50.0 M |
| Student Centered Operations | \$47.1 M | | \$47.1 M |
| Total: | \$99.8 M | \$0.0 M | \$99.8M |

COMMITMENT #1: BUILDING TRUST AND RELIABILITY FOR OUR FAMILIES AND COMMUNITY

Current School Year

SY2022-23

SY2023-24

SY2024-2025

SY2025-26

SY2026-27

Invest in Improved Family Communications Capabilities

- Implement new Customer Relationship Management (CRM) tool to track, route, and action parent inquiries
- Develop and provide customer service training for targeted HISD personnel
- Onboard and train new Family and Community Engagement (FACE) coaches
- Deploy parent navigator program

Implement “TRACK” program, including:

- Build trust with parents and families by being responsive to community needs, questions and issues
- Facilitate parent action/advocacy and establish “All-in-One” comms channels
- Share knowledge with HISD families in a proactive, accessible manner

Exemplify Community Engagement Best Practices

- Continuous evaluation and improvement of family engagement strategies
- Seek recurring stakeholder feedback and iterate on strategies as necessary

1. Reimagining the FACE Experience

COMMITMENT #1: BUILDING TRUST AND RELIABILITY FOR OUR FAMILIES AND COMMUNITY

| Current School Year | SY2022-23 | SY2023-24 | SY2024-2025 | SY2025-26 | SY2026-27 |
|---------------------|-----------|-----------|-------------|-----------|-----------|
|---------------------|-----------|-----------|-------------|-----------|-----------|

2. Increased Transparency

- Develop stronger financial reporting for public and board
- Develop / launch transparency tools to provide public visibility into the General Fund and ESSER
- Improve tools for cost analysis and control

Engage expert advice to improve HISD's budget development, presentation, approval, and amendment process

Develop, collect, and report consistent and repeatable metrics for effectiveness and efficiency

3. Sustainable and Equitable Resource Allocation (Fiscal Transformation)

Identify / Implement Central Office cost savings

Support deployment of baseline staffing model

Reorganize and rationalize departments in Central Office

Right-Size Schools' Organization

COMMITMENT #1: BUILDING TRUST AND RELIABILITY FOR OUR FAMILIES AND COMMUNITY

Current School Year

SY2022-23

SY2023-24

SY2024-2025

SY2025-26

SY2026-27

4. Student Centered Operations

Develop and Improved Transportation System

- Deploy several new transportation methods, including sport utility vehicles, 100 new special education busses and 100 9-passanger express vehicles.
- Deploy 50 new regular buses to enhance route efficiency

School-Centered Security and Safety Enhancements:

- Continue to upgrade filtration system
- Develop detailed prototype of school buildings and implement single point of entry
- Security Camera systems enhancement and intrusion alarm upgrades

Technology and Infrastructure Updates

- Develop campus computer labs
- Procure headsets and devices for schools in need (middle school focus)

Realign technology and operations organizations to prioritize student needs, with every dollar possible going to the classroom

COMMITMENT #2: PROVIDING EQUITABLE OPPORTUNITIES AND RESOURCES AT EVERY SCHOOL

Major Initiatives

Strategy Components



1. Baseline Staffing Allocation

Implement a baseline staffing model to ensure that students across all schools have access to a quality core experience.

Baseline staffing model ensures all students will have access to optimal student:staff ratios, librarians/media specialists, counselors/social workers, nurses, college & career advisors, fine arts, athletics, up-do-date technology and more.



2. Centrally Funded Supports and Services

The district will centrally fund essential resources and services for students, families and schools.

Resources and services include fine arts equipment, employee stipends, advanced coursework fees, books and supplies, UIL, technology, and more.

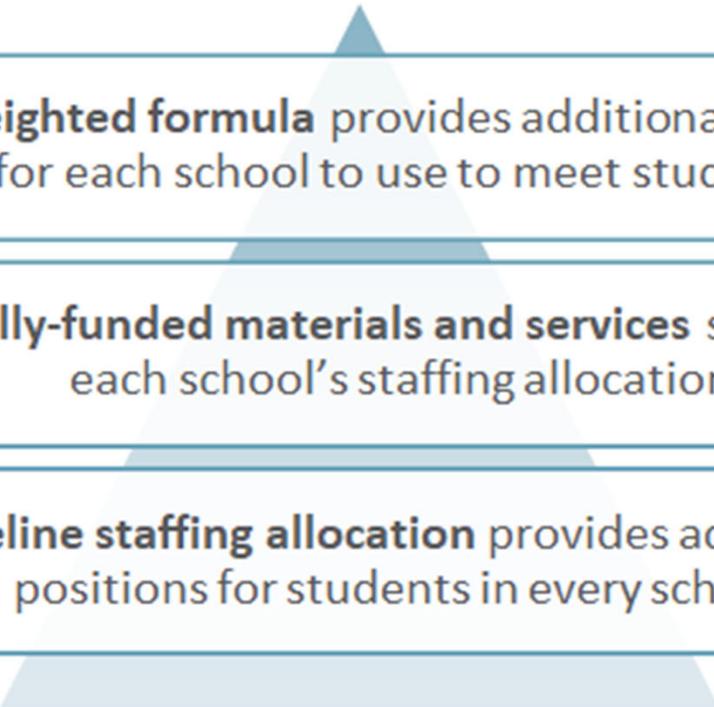


3. Weighted and Flexible Campus Funding

In addition to baseline staffing and centrally funded supports, schools will receive discretionary funding.

Funding will be allocated based on various indicators, including school size, and student characteristics.

Opportunities and Resources at Every School



A **weighted formula** provides additional, flexible funds for each school to use to meet student needs.

Centrally-funded materials and services supplement each school's staffing allocation.

A **baseline staffing allocation** provides access to key positions for students in every school.

Baseline Staffing: Allocated Positions

ALL SCHOOLS



Principal



Nurse or Associate Nurse



Assistant Principal(s) or Dean(s) or Teacher Specialist(s)



Counselor(s) or Social Worker(s) or SEL Specialist(s)



Librarian or Media Specialist



Student Information Representative



Physical Education Teacher(s)



Fine Arts Teacher(s)



Administrative Assistant



Clerical Worker(s)



Wraparound Specialist(s)

MIDDLE AND HIGH SCHOOLS ONLY



College and Career Advisor(s)

HIGH SCHOOLS ONLY



Nurse Assistant



Student Data and Assessment Specialist



Registrar

ELEMENTARY SCHOOLS ONLY



Pre-K Teaching Assistant(s)

Centrally-Funded Materials and Services

ALL SCHOOLS



Fine Arts Programs



Athletic Programs



Employee Stipends



Copiers



Advanced Placement/
IB Support



Career and Technical
Education Supports



Gifted and Talented
Programming



IT Resources
and Support



University Interscholastic
League Programs



Substitute Teachers



Special Education
Supports



Curriculum and Professional
Development

Discretionary Campus Funding

In addition to baseline positions and centrally funded materials and services, schools will receive the following discretionary funding:

- Non-Salary General Funds (\$12.4 M)
- Weighted Funding General Funds (\$29.9 M)
- Magnet General Funds (\$21.8 M) ↑
- Non-Salary CTE General Funds (\$2.9 M)
- Bilingual/ESL General Funds (\$5.4 M)
- Title 1 Federal Funds (\$62.2 M) ↑
- ESSER Federal Funds (TBD)

These flexible funds could be used for things such as:

- * Additional staff
- * Student experiences and enrichment
- * Materials and supplies
- * Specialized programs
- * Professional development
- * Student Interventions

COMMITMENT #2: PROVIDING EQUITABLE OPPORTUNITIES AND RESOURCES AT EVERY SCHOOL

* Schools will also receive an additional \$56.3 million to cover costs associated with teacher and other campus-based staff salary increases. **Consequently, schools will receive an additional \$30.4 million in funding during the 2022-2023 school year.**

| Initiative | SY 22-23 Costs/(Savings): | | | |
|--|---------------------------|----------------|-----------------------|-----------------------|
| | ESSER | Title 1 | General Fund | Total |
| Baseline Staffing Allocation* | | | \$719,904,512 | \$719,904,512 |
| Reduction in Centrally Allocated Title 1 Funds | | (\$13,000,000) | | (\$13,000,000) |
| Increase Title 1 Allocation to Highest-Need Campuses | | \$13,000,000 | | \$13,000,000 |
| Direct Centrally Funded Campus/Student Resources | | | \$63,828,993 | \$63,828,993 |
| Weighted Campus Funding | | | \$29,884,955 | \$29,884,955 |
| Non-Salary Campus Funding | | | \$12,439,980 | \$12,439,980 |
| Conversion to new staffing/funding model | | | (\$851,975,853) | (\$851,975,853) |
| Total: | | \$0 | (\$25,917,413) | (\$25,917,413) |

COMMITMENT #2: PROVIDING EQUITABLE OPPORTUNITIES AND RESOURCES AT EVERY SCHOOL

| Current School Year | SY2022-23 | SY2023-24 | SY2024-2025 | SY2025-26 | SY2026-27 |
|---------------------|-----------|-----------|-------------|-----------|-----------|
|---------------------|-----------|-----------|-------------|-----------|-----------|

Planning

- Schools receive allocations
- School leaders plan for 2022-2023 school year

Implementation

- Staffing and Funding Model Implemented

Monitoring and Adjusting

- Ongoing monitoring, with an emphasis on impact on student learning
- Adjustments and enhancements made as necessary

COMMITMENT #3: ENSURING GREAT SCHOOLS AND PROGRAMS IN EVERY COMMUNITY

Major Initiatives



Identify schools for an intensive tiered-support strategy



Launch district transformation office for improved monitoring, coordination, support, and responsiveness



Provide additional positions to schools



Recruit and retain staff based on transformation competencies and proven results

COMMITMENT #3: ENSURING GREAT SCHOOLS AND PROGRAMS IN EVERY COMMUNITY

Major Initiatives



Upgrade professional development, and coaching to advance educator effectiveness



Expand Learning Opportunities



Broaden and Improve Access to Choice Options for specialty programs and magnets

COMMITMENT #3: ENSURING GREAT SCHOOLS AND PROGRAMS IN EVERY COMMUNITY

| Initiative | SY 22-23 Costs/(Savings): | | | |
|--|---------------------------|----------|--------------|-----------|
| | ESSER | Title I | General Fund | TOTAL |
| Transformation Office | | \$450K | | \$450K |
| Provide Additional Positions to Transformation Schools | | | \$12.3M | \$12.3M |
| Current Additional Positions Allocated to A180 | | | (\$11.5M) | (\$11.5M) |
| Recruitment and Retention Stipends & Compensation | | \$10.9M | | \$10.9M |
| Marketing/Facility Enhancements | \$1.8M | | | \$1.8M |
| Coaching, PD & Extra Duty Stipends | | \$2.1M | | \$2.1M |
| Expanded Learning Opportunities | | \$4.3M | | \$4.3M |
| Expand and Improve Magnet Programs | \$200K | | \$400K | \$600K |
| Current Funds Allocated to A180 | | (\$18M) | | (\$18M) |
| TOTAL | \$2M | (\$250K) | \$1.2M | \$2.95M |

COMMITMENT #3: ENSURING GREAT SCHOOLS AND PROGRAMS IN EVERY COMMUNITY

| Current School Year | SY2022-23 | SY2023-24 | SY2024-2025 | SY2025-26 | SY2026-27 |
|---------------------|-----------|-----------|-------------|-----------|-----------|
|---------------------|-----------|-----------|-------------|-----------|-----------|

Launch Transformation Effort

- Identify schools for tiered support
- Establish a transformation office
- Communication and Engagement

Recruit and Retain Staff

- Strategically staff schools
- Financially incentive leaders, teachers and staff with commitment and skill to advance learning
- Revamp screening practices to ensure highly skilled and passionate teachers and leaders

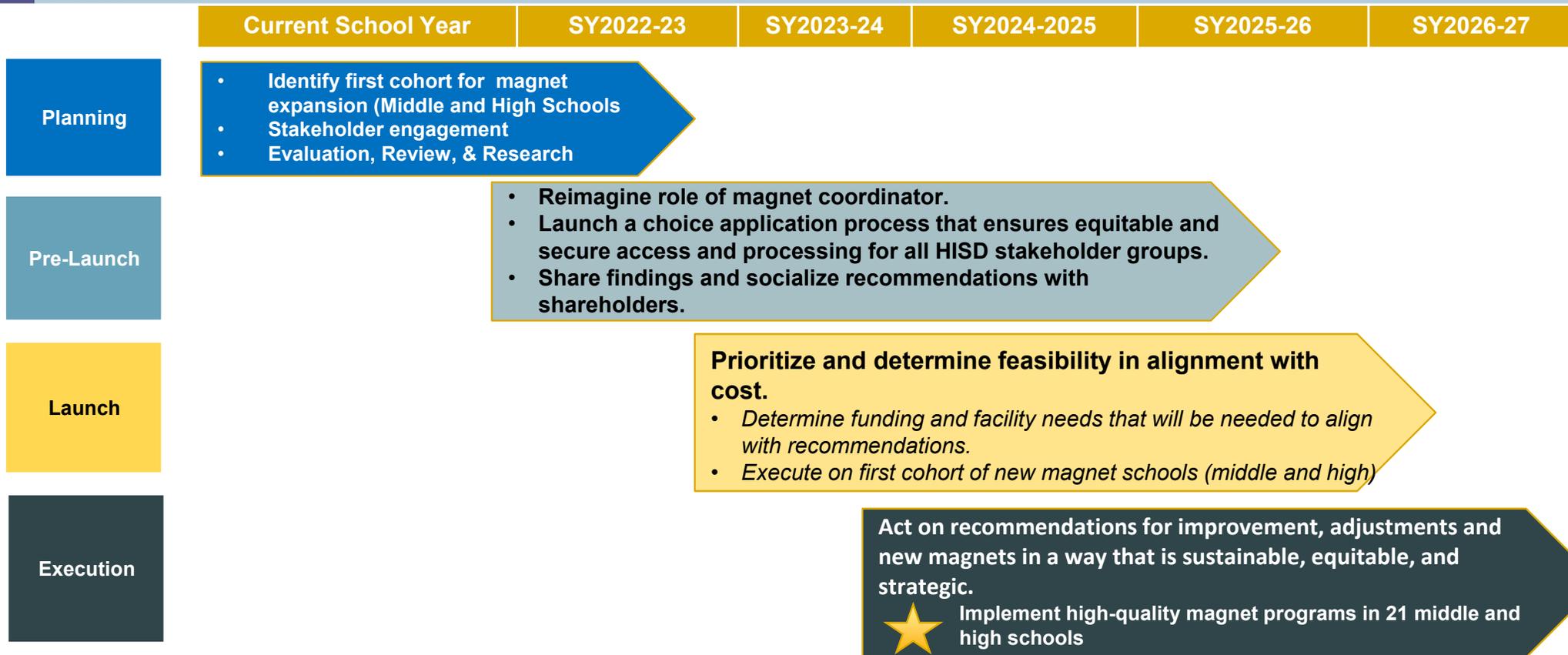
Enhance coaching and professional development

- Partner with Academy of Urban School Leadership
- Enhance professional development and coaching

Expand Learning Opportunities

- Increase after school learning and enrichment
- Encourage and support student enrollment in Advanced Placement Courses
- Increase field trips and other experiential learning opportunities

COMMITMENT #3: ENSURING GREAT SCHOOLS AND PROGRAMS IN EVERY COMMUNITY



COMMITMENT #4: PROMOTING HIGH QUALITY TEACHING & LEARNING

Major Initiatives

Strategy Components



1. High-quality Instructional Materials

Adopt standards-aligned, researched based mathematics and reading curriculum in grades K-12.



2. Establish and Maintain Baseline Expectations for Fine Arts

Purchase equipment, materials and supplies in order to provide a baseline experience for fine arts.

Ensure all campuses have fine arts programming.



3. Expand Advanced Coursework in Historically Underserved Communities

Establish baseline expectation for advanced course offerings.

Establish support infrastructure for these schools (tutors, curriculum support, teacher training.)



4. Expand and improve Pre-Kindergarten programming

Over the next 5 years we will expand programming to meet the demand for seats.

Increase the number of teacher assistants to meet board constraint.

Fully implement high-quality Pre-K curriculum.

Expand central support for Pre-K programming.

COMMITMENT #4: PROMOTING HIGH-QUALITY TEACHING AND LEARNING

| <i>Initiative</i> | SY 22-23 Costs/(Savings): | | |
|--|---------------------------|---------------------|----------------|
| | <i>ESSER</i> | <i>General Fund</i> | <i>Total</i> |
| Implementation of HQIM (reading and math) | \$7.3M | | \$7.3M |
| Advanced Coursework Expansion / College & Career Readiness | \$10.5M | | \$10.5M |
| Pre-K Expansion | \$3.9M | | \$3.9M |
| | | | |
| | | | |
| Total: | \$21.7M | \$0 | \$21.7M |

COMMITMENT #4: PROMOTING HIGH-QUALITY TEACHING AND LEARNING

| Current School Year | SY2022-23 | SY2023-24 | SY2024-2025 | SY2025-26 | SY2026-27 |
|---------------------|-----------|-----------|-------------|-----------|-----------|
|---------------------|-----------|-----------|-------------|-----------|-----------|

Planning

- Create Math Instructional Framework
- Identify campuses for initial implementation of HQIM
- Training begins

Implementation

- 46 campuses implement math in SY22-23
- Full implementation in SY23-24

Monitoring and Adjusting

- Ongoing training, monitoring, with an emphasis on impact on student learning
- Adjustments and enhancements made as necessary

COMMITMENT #4: PROMOTING HIGH-QUALITY TEACHING AND LEARNING

| Current School Year | SY2022-23 | SY2023-24 | SY2024-2025 | SY2025-26 | SY2026-27 |
|---------------------|-----------|-----------|-------------|-----------|-----------|
|---------------------|-----------|-----------|-------------|-----------|-----------|

Planning

- Create reading Instructional Framework
- Identify campuses for initial implementation of HQIM
- Training begins

Implementation

- 6 campuses implement Amplify in SY 22-23
- 40 campuses in SY 23-24
- Full implementation by SY 24-25

Monitoring and Adjusting

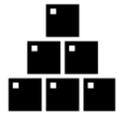
- Ongoing training, monitoring, with an emphasis on impact on student learning
- Adjustments and enhancements made as necessary

COMMITMENT #5: DELIVERING EFFECTIVE SERVICES AND SUPPORTS TO STUDENTS WITH EXCEPTIONAL NEEDS

Major Initiatives



Improve Internal and External Communication Systems



Create Inclusive Programs for Academics and Behavior, including implementing Co-Teaching and PASS Programs with Training and Materials



Increase Access to General Education HQIM and Curriculum for all Learners



Audit Compliance Protocols and Strengthen Systems to Ensure Accountability and Monitoring

COMMITMENT #5: DELIVERING EFFECTIVE SERVICES AND SUPPORTS TO STUDENTS WITH EXCEPTIONAL NEEDS

| <i>Initiative</i> | SY 22-23 Costs/(Savings): | | |
|---|---------------------------|-------------------|----------------|
| | <i>ESSER</i> | <i>IDEA Funds</i> | <i>Total</i> |
| Communication Tools/Systems/Documents for Families | | \$175K | \$175k |
| Training and Professional Development | \$365K | \$200K | \$565K |
| Repurposing of Existing IDEA Funds | | (\$375K) | |
| Specialized Resources for Language/Gifted/Dyslexia/Special Education | \$4.1M | | \$4.1M |
| Inclusive Programs: PASS for Behavior & Co-Teach for Inclusion | \$400K | | \$400K |
| Fulfilling areas of non-compliance based on TEA Audit & Recommendations | \$1.3M | | \$1.3M |
| Stipends for Special Education Teachers | \$5.9M | | \$5.9M |
| Total: | \$12.1M | \$0 | \$12.1M |

COMMITMENT #5: DELIVERING EFFECTIVE SERVICES AND SUPPORTS TO STUDENTS WITH EXCEPTIONAL NEEDS

| | Current School Year | SY2022-23 | SY2023-24 | SY2024-2025 | SY2025-26 | SY2026-27 |
|--|---------------------|-----------|-----------|-------------|-----------|-----------|
|--|---------------------|-----------|-----------|-------------|-----------|-----------|

Planning

- Design Parent Portal and Communication Tools
- Develop service delivery guidance for compliance, implementation, and aligned staffing
- Audit Specialized Program Resources

Implementation

- Implement Compliance Protocols based on Audit
- Launch Phases of Co-Teaching & Behavior Framework with HQIM
- Revamp the HISD Specialized Programs Website

- Monthly Parent Sessions/Training
- Phase-in Co-Teaching & PASS Training & Coaching
- Resolve All Audit Findings

Monitoring and Adjusting

- Ongoing Instructional Observations of Co-Teaching & PASS Programs
- Review & Finalize Staffing using Feedback from Principals
- Parents are Leading Monthly Parent Collaborative
- University Partners Provide Program Data

COMMITMENT #6: CULTIVATING WORLD-CLASS TALENT AT ALL LEVELS

Major Initiatives

Strategy Components



Compensation and Culture

Competitive Base Compensation: We must ensure that every single HISD employee receives a compensation package that helps us compete with other districts.

Recognizing Greatness: We will provide incentives for teachers and other staff who choose to work in our highest-need content areas and schools.

A Great Place to Work: We will foster community among our employees, connecting their individual interests with our mission, opportunities to serve students, and our core values.



Recruitment and Hiring

Earlier Hiring: We will move hiring timelines earlier and make processes faster and friendlier.

Bigger, Bolder Recruitment: We will share a compelling story of HISD with prospective employees and expand the types and locations of recruitment activities to meet student needs and match candidate trends.

Strategic Talent Management: Central staff with expertise in talent management will provide proactive and strategic support to principals and other hiring managers.



Growing Talent

Educator Effectiveness: We will implement a new instructional framework and teacher evaluation system that will assess and provide consistent feedback on teacher strengths and opportunities for growth.

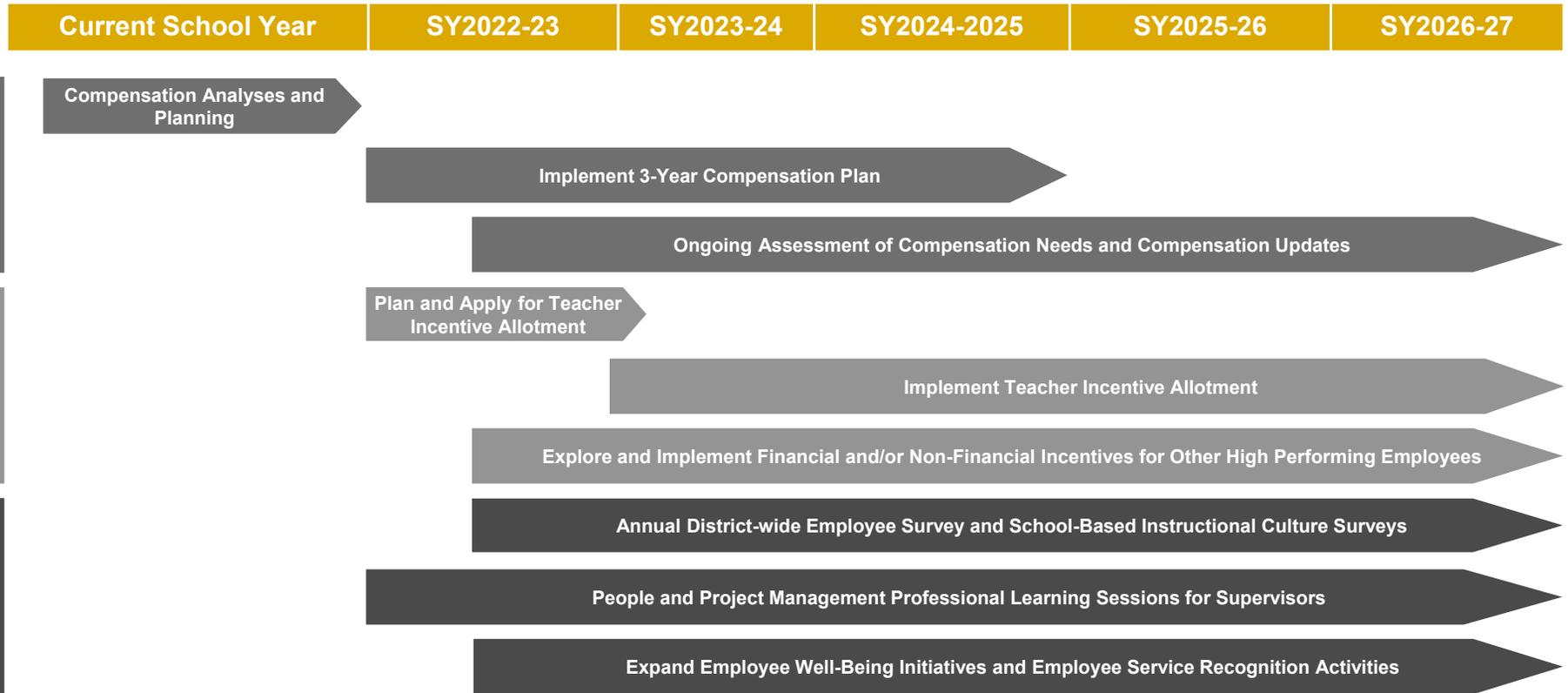
Grow Your Own Programs: We will help provide current and future staff with the skills, knowledge, and certification to lead as teachers and in other roles.

Opportunity Culture: We will adopt innovative staffing models that provide opportunities for educators to develop their skills and expand their impact to more students.

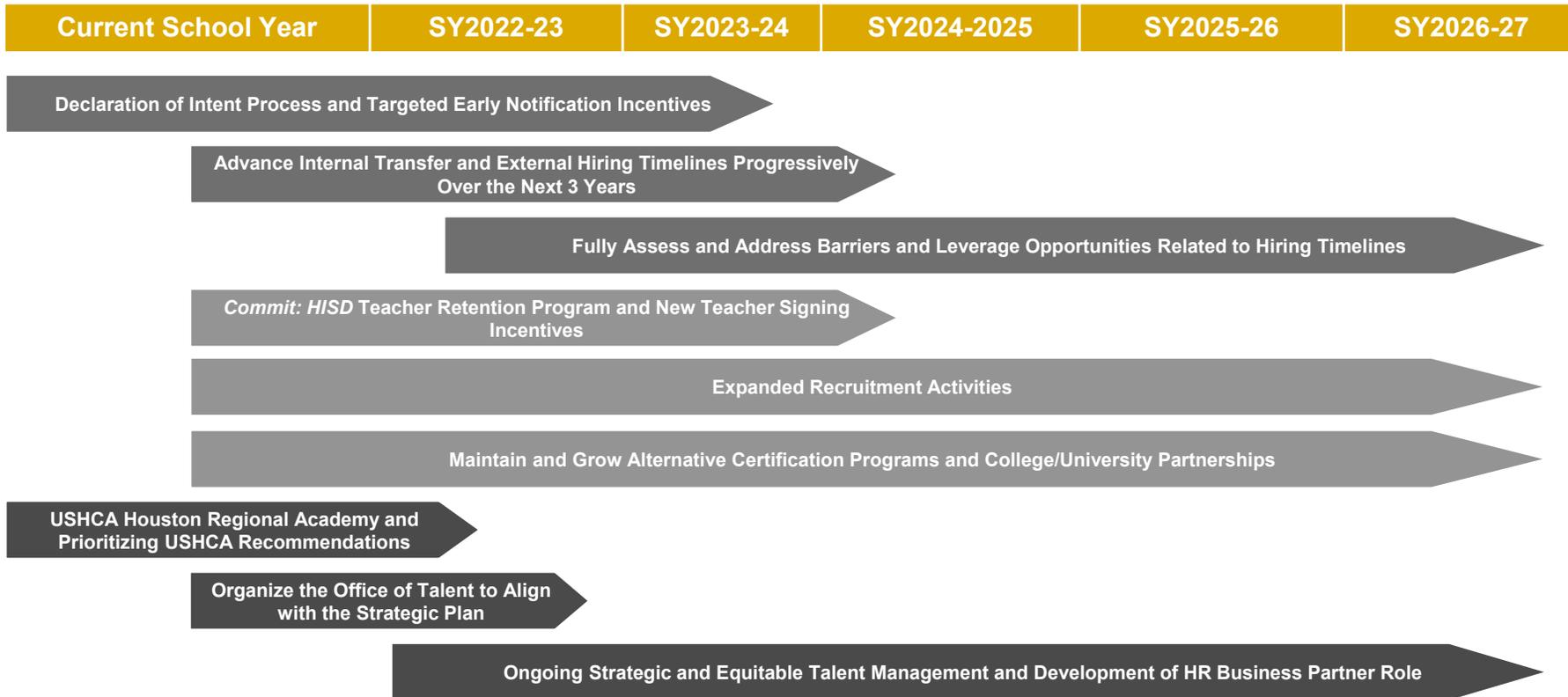
COMMITMENT #6: CULTIVATING WORLD-CLASS TALENT AT ALL LEVELS

| Item | SY 22-23 Costs/(Savings): | | |
|---|---------------------------|---------------------|----------------------|
| | ESSER | General Fund | Total |
| <i>Compensation and Culture: Three-Year Compensation Plan: Costs for SY 2022-2023</i> | \$0 | \$82,700,000 | \$82,700,000 |
| <i>Compensation and Culture: Commit: HISD Teacher Retention Incentive (payments 1-2 of 3)</i> | \$18,200,000 | \$0 | \$18,200,000 |
| <i>Compensation and Culture: Employee Culture Initiatives</i> | \$550,000 | \$0 | \$550,000 |
| <i>Recruitment and Hiring: Critical Shortage Stipends for SY 2022-2023</i> | \$15,600,000 | \$0 | \$15,600,000 |
| <i>Recruitment and Hiring: New Teacher Signing Incentive for SY 2022-2023</i> | \$7,500,000 | \$0 | \$7,500,000 |
| <i>Recruitment and Hiring: Recruitment Campaigns and Activities</i> | \$750,000 | \$0 | \$750,000 |
| <i>Recruitment and Hiring: Core-to-High-Need Content Area Certification</i> | \$200,000 | \$0 | \$200,000 |
| <i>Recruitment and Hiring: International Teacher Recruitment and Support Costs</i> | \$200,000 | \$0 | \$200,000 |
| <i>Recruitment and Hiring: Early Notification Incentive for Separating Employees</i> | \$500,000 | \$0 | \$500,000 |
| <i>Growing Talent: T-TESS Calibration and Master Appraisers for T-TESS Launch Years</i> | \$3,900,000 | \$0 | \$3,900,000 |
| <i>Growing Talent: Cost-Free HISD ACP (Alternative Certification Program)</i> | \$750,000 | \$0 | \$750,000 |
| <i>Growing Talent: Opportunity Culture Implementation</i> | \$300,000 | \$0 | \$300,000 |
| Total: | \$48,450,000 | \$82,700,000 | \$131,150,000 |

COMMITMENT #6: CULTIVATING WORLD-CLASS TALENT AT ALL LEVELS



COMMITMENT #6: CULTIVATING WORLD-CLASS TALENT AT ALL LEVELS



COMMITMENT #6: CULTIVATING WORLD-CLASS TALENT AT ALL LEVELS



Current School Year

SY2022-23

SY2023-24

SY2024-2025

SY2025-26

SY2026-27

Educator Effectiveness

Texas Teacher Evaluation and Support System (T-TESS) Design, Initial Observer Certification, and Observer Recertification

Implement T-TESS with Ongoing Calibration

T-TESS Master Appraisers to Supplement Principal Capacity and Ensure Launch Success

Grow Your Own Programs

Expand HISD ACP (Alternative Certification Program) as Cost-Free Teacher Preparation Program

Reimagine an HISD High School Graduate-to-HISD New Teacher Pathway

Ongoing Needs Assessment and Development of *Grow Your Own* Programs for Staff Across Roles

Opportunity Culture

District Design and Capacity Building

School-Based Design and Implementation of Opportunity Culture Models with Multi-Classroom Leaders and Teacher Residencies

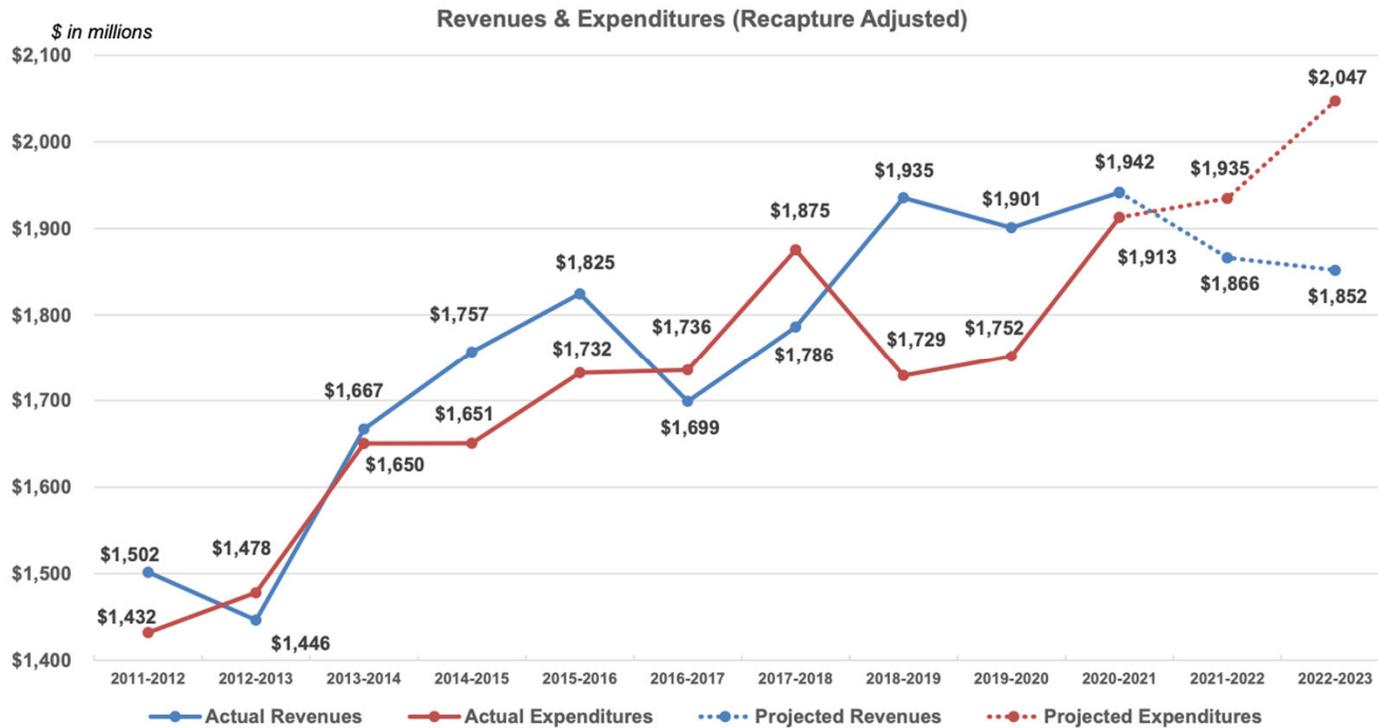
Design and Implement "Total Opportunity Culture," Including Multi-School Leadership

Strategic Plan Key Budgetary Takeaways

- The total amount of general funds going directly to cover campus-level expenses in 2022-2023 is **increasing by \$30.6 million**.
- Schools will also receive an **additional \$13 million** in direct Title 1 funding.
- The district is also investing an **additional \$600 thousand** to expand magnet offerings.
- The total net cost for implementation of the strategic plan in 2022-2023 is \$255 million.
 - Highlights:
 - \$82.7 M of this is going towards increased compensation
 - \$48.5 M is recruitment and retention stipends
 - \$47.1 M is for air filtration and student technology
 - \$6.2 M of this is going towards students with exceptional needs
 - How is it funded?
 - \$83.9 M is covered through general funds
 - \$121.3 M is covered through direct ESSER funds and \$50 million is from ESSER indirect costs

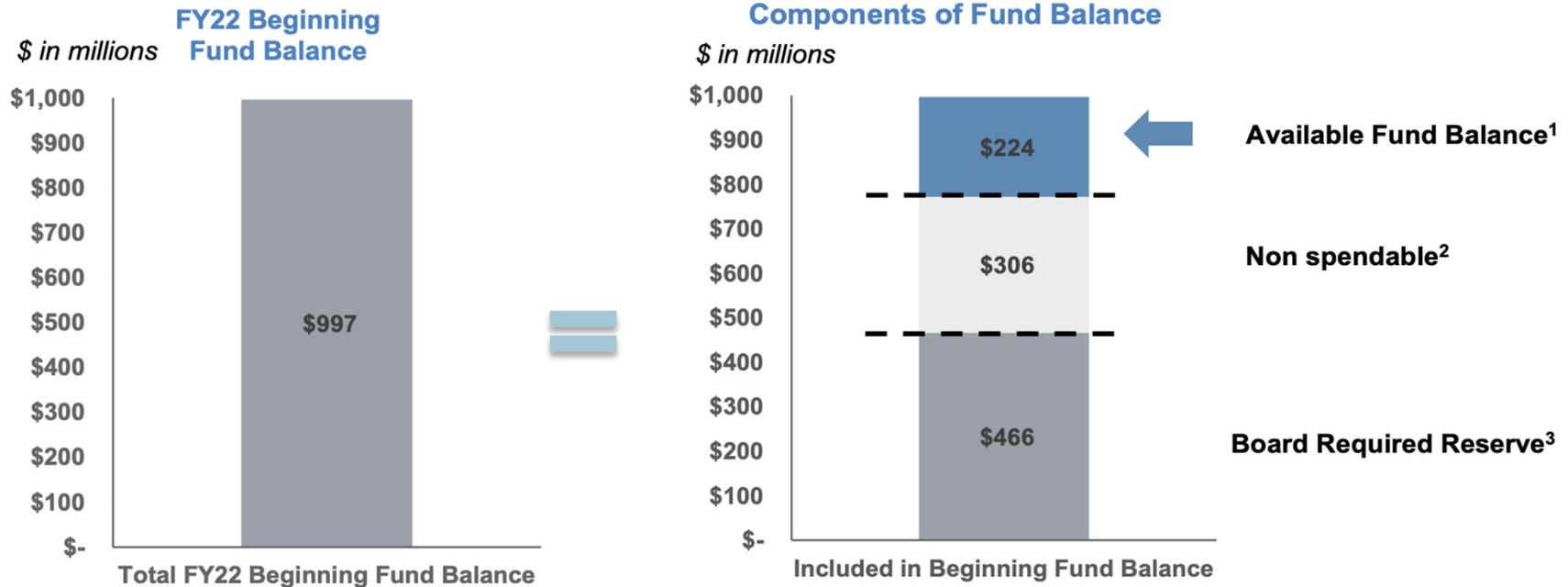
FINANCIAL LANDSCAPE

Revenues & Expenditures: Last 10 Years



Note: 2021-2022 and 2022-2023 reflects latest available strategic plan investments (staffing model, compensation, etc.) and latest thinking forecast for projected revenue and are subject to change

Available Fund Balance

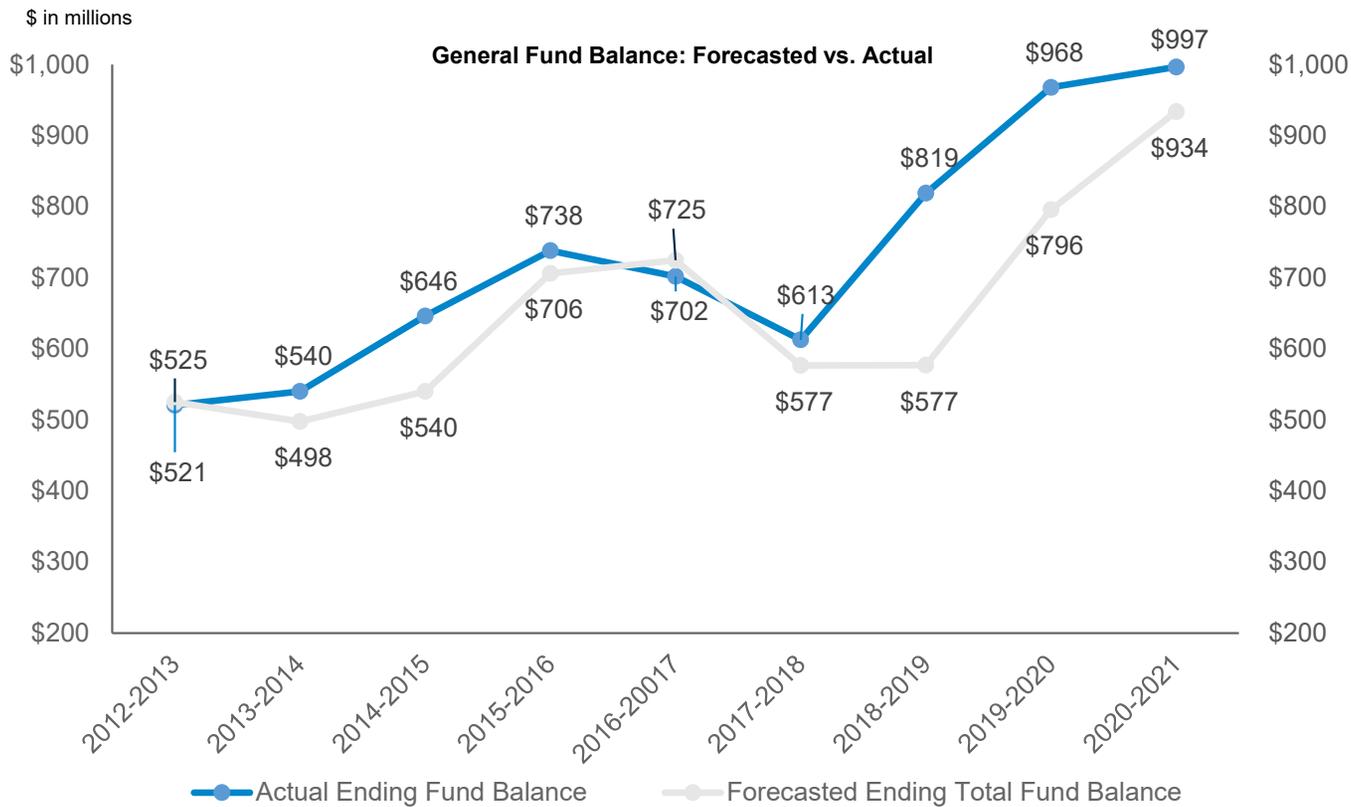


Available Fund Balance - includes unassigned fund balance and instructional stabilization funds

Non Spendable - Committed, Assigned Fund Balances (includes carryover, excluding instructional stabilization)

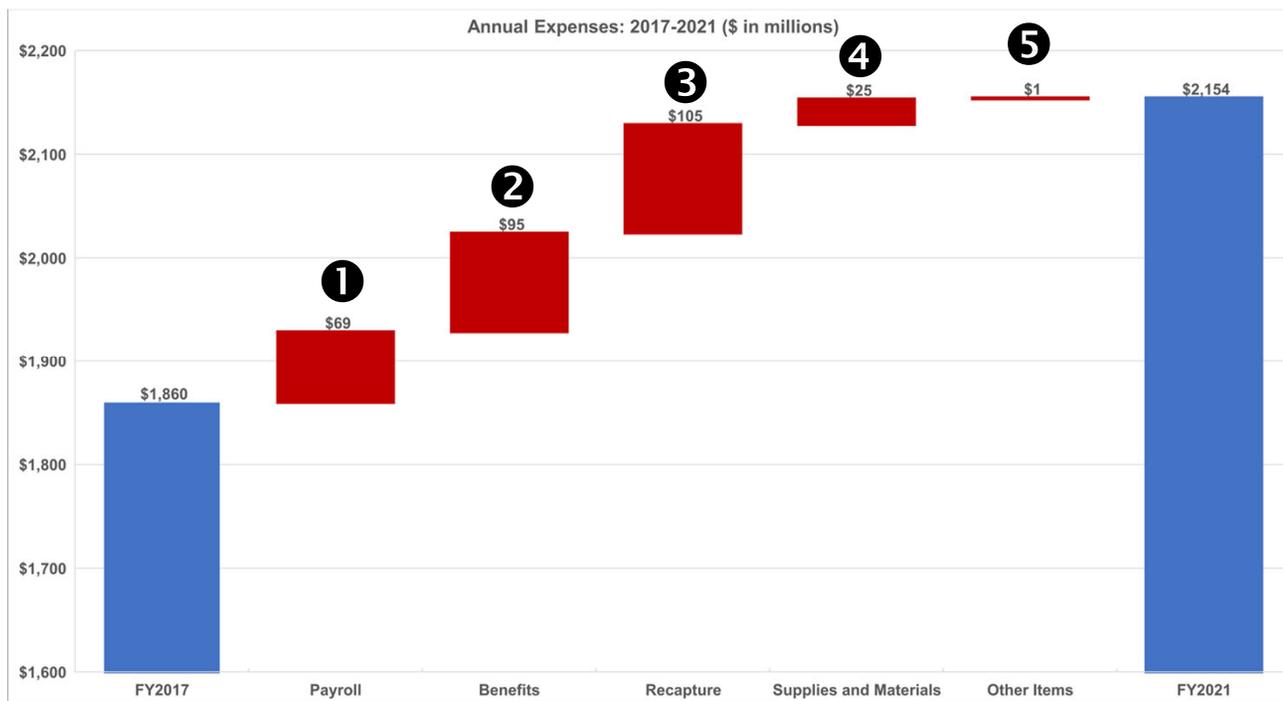
Board Required Reserve - (HISD Board Policy CE LOCAL) requires HIDS to maintain 3 month operating reserve

General Fund Balance History



- HISD has seen fund balance changes with more variance in recent years. The fund balance growth has been driven by:
 - **18-19:**
 - \$133M in unexpected Hurricane Harvey Funds from the State
 - Increase in State per-capita revenue
 - Vacancies/hiring freeze
 - **19-20 & 20-21:**
 - Cost savings resulting from COVID-19 pandemic
 - High position vacancy rates
 - Cost savings initiatives

Historical Spend Comparison



Total Expenses Grew by \$295M from FY2017 to FY2021

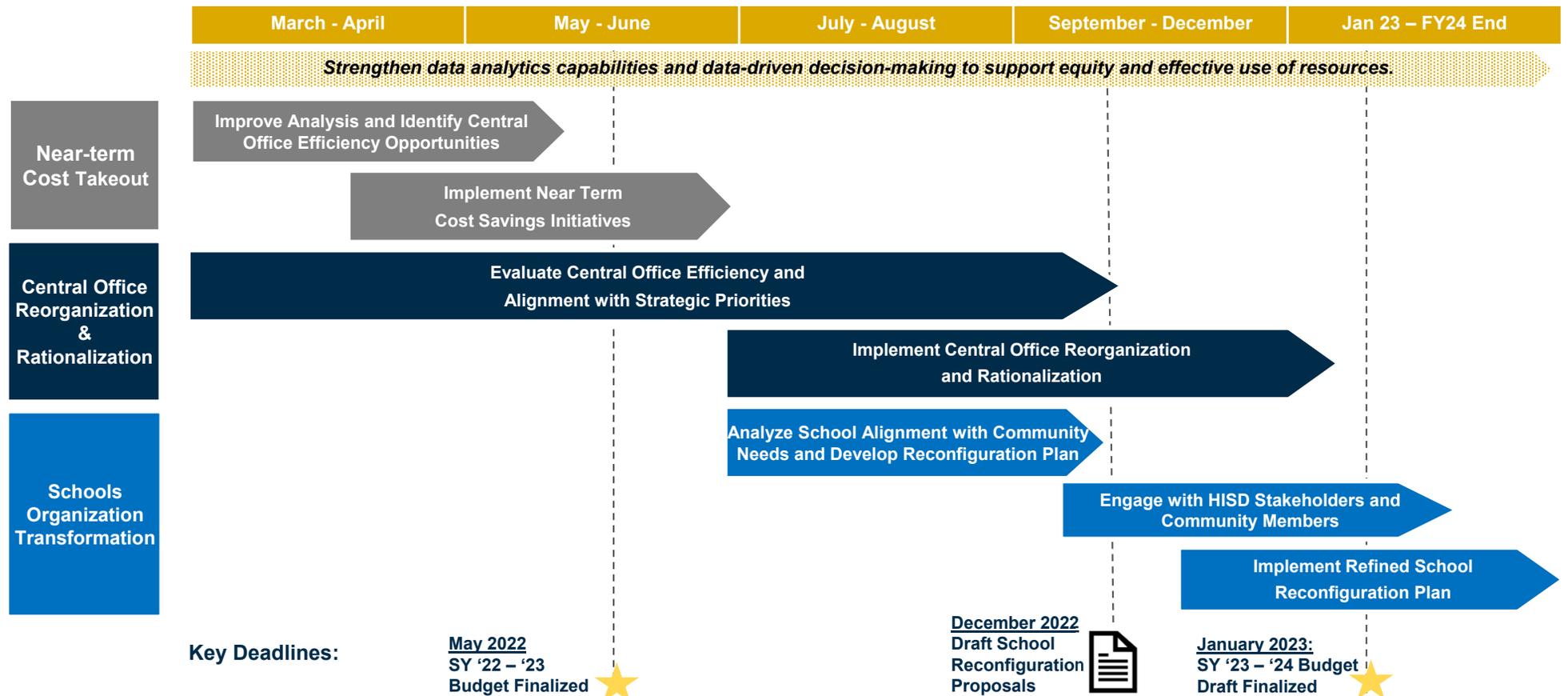
- 1** **\$69 M in Payroll increases**, including:
 - \$30M in Salaries for Teachers
 - \$26M in Salaries for All Other Employees
- 2** **\$95 M in Benefits**, driven primarily by:
 - \$48M in Group Health and Life
 - \$45M in Retirement Benefits
- 3** **\$105 M in Recapture**
- 4** **\$25 M in Supplies & Materials**
- 5** **\$1 M in Other Items** including offsetting savings, including but not limited to the following:
 - \$16M in Capital Outlay
 - \$2M in Other Operating
 - \$0.1M in Debt Service
 - \$ (0.8M) in Contracted Services
 - \$ (17M) in Transfers Out

SHORT AND LONG-TERM BUDGET PLANNING PROCESS & TIMELINE

Cost-Saving Measures for 2022-2023

- As shared during the last board workshop, the district will cover the deficit for 2022-2023 using a combination of ESSER indirect costs and fund-balance.
- This is not sustainable, however, so the district must begin taking additional cost-saving measures immediately.
- One of these measures includes making a \$60 million reduction for 2022-2023 in central office expenditures.
- The district has developed a process and timeline for identifying and implementing additional cost-saving measures.

Proposed Timeline: HISD Fiscal Transformation



Phase I: Near Term Cost Takeout

Near Term Cost Takeout
March – June 2022

Analyze and Identify Central Office Efficiency Opportunities

Implement Near Term Cost Savings Initiatives

Key Activities

- Review current year budget to identify potential cost saving initiatives.
- Validate and improve fallout estimates for FY22.
- Propose and validate department budget reduction allocations based on various cost-savings targets.
- Enact and support Central Office hiring freeze for FY22.
- Review historical non-academic expenses to identify near-term savings opportunities.
- Provide analytical support for baseline staffing model preparation.
- Review organizational and efficiency studies for potential savings opportunities.
- Maintain savings opportunity tracker to consolidate and recommend cost saving initiatives.
- Execute near-term cost savings initiatives for FY22.



Outcomes

- ✓ Identification and implementation of near-term cost savings initiatives resulting in FY22 savings
- ✓ Improved revenue and expenditure forecasts for FY23
- ✓ Improvements in the efficiency of HISD's staffing approach
- ✓ Reductions in Department Budgets to support cost savings
- ✓ Achieve and monitor cost savings for the remainder of FY22.

Phase II: Central Office Reorganization & Rationalization

Central Office Reorganization & Rationalization March – Aug 2022

Evaluate Central Office Efficiency and Each Function's
Alignment with Strategic Priorities

Key Activities

- Review all costs not included in the baseline staffing model, including department budgets, district-wide supports at schools, and contracted services.
- Evaluate department organization structure and its alignment with 5-year strategic plan.
- Conduct a Span of Control Review in all headquarters positions to identify areas for change and cost savings aligned with the strategic plan.
- Review non-core, non-student facing functions of the district and pursue efficiencies including adjusting levels of staffing with best practices.
- Evaluate the return on investment (ROI) of centrally operated programs at schools.
- Conduct additional benchmarking analysis to identify savings related to central office and costs unrelated to baseline staffing model.
- Understand core functions reliant on ESSER funding.

Implement Central Office Reorganization
and Rationalization

Outcomes

- ✓ New department organizational structures aligned to strategic priorities
- ✓ Elimination of outdated or redundant functions
- ✓ Increased efficiency and effectiveness of central office supports to schools
- ✓ Reductions in staff and realignment of offices to strategic initiatives and position regrading
- ✓ Realization of long-term, sustainable savings at Central Office

Phase III: Right-Size Schools' Organization

Right-Size Schools' Organization FY23 – FY24

Analyze School Alignment with Community Needs to Develop Reconfiguration Plan

Engage with HISD Stakeholders and Community Members

Implement Refined School Reconfiguration Plan

Key Activities

- Assess school-level academic data to compare current and historic performance across schools.
- Assess school performance based on a variety of risk factors (e.g., teacher retention and principal turn-over and community factors related to student achievement and academic success.
- Evaluate school facility conditions, footprint, and feeder patterns support current and expected enrollment levels.
- Evaluate facilities for utilization and highest-and-best use.
- Analyze school transportation operations, including opportunities and barriers associated with enrollment changes and/or school reconfiguration.
- Conduct enrollment and demographic analysis.
- Assess specialized programs and recommend changes to improve efficacy and efficiency.
- Analyze alternative school configuration options including grade-level reconfiguration, consolidation, and closures.

Outcomes

- ✓ Road map recommendation for long-term school transformation to support more students
- ✓ Plan for reconfiguration, consolidation, and modification (as needed) of school territories and feeder patterns
- ✓ Community inclusion in school transformation planning
- ✓ Decommissioning of underutilized schools and other assets, allowing for asset monetization
- ✓ Sustainable school footprint allowing higher per-school and per-class enrollment
- ✓ Cost savings allowing reinvestment in all remaining schools

Q&A

01

Building Trust
and Reliability for
Our Families and
Community

02

Providing
Equitable
Opportunities
and Resources
at Every School

03

Ensuring Great
Schools and
Programs in
Every
Community

04

Promoting High-
Quality Teaching
and Learning

05

Delivering
Effective
Services and
Supports to
Students with
Exceptional
Needs

06

Cultivating
World-Class
Talent at
All-Levels

Looking Ahead

- **Budget Workshop #3**
 - **Date/Time: Thursday, March 31, 1 p.m.**
 - **Focus: Staffing and Budgeting Model & Any Other Topics Requested by Trustees**