

# HISD BUDGET WORKSHOP: #4

April 7, 2022

*Millard House II  
Superintendent, Houston Independent School District*



# Agenda

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1. **Revisit Strategic Plan Components**
2. **Alternative Funding Model**
  1. Review Proposed Adjustments
3. **Strategies to Increase Student Enrollment**
4. **Financial Updates**
  1. Impact on PUA & Central Office
  2. Updated Projection for 2022-2023

# Commitments

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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

# **ALTERNATIVE FUNDING MODEL**

# Commitment

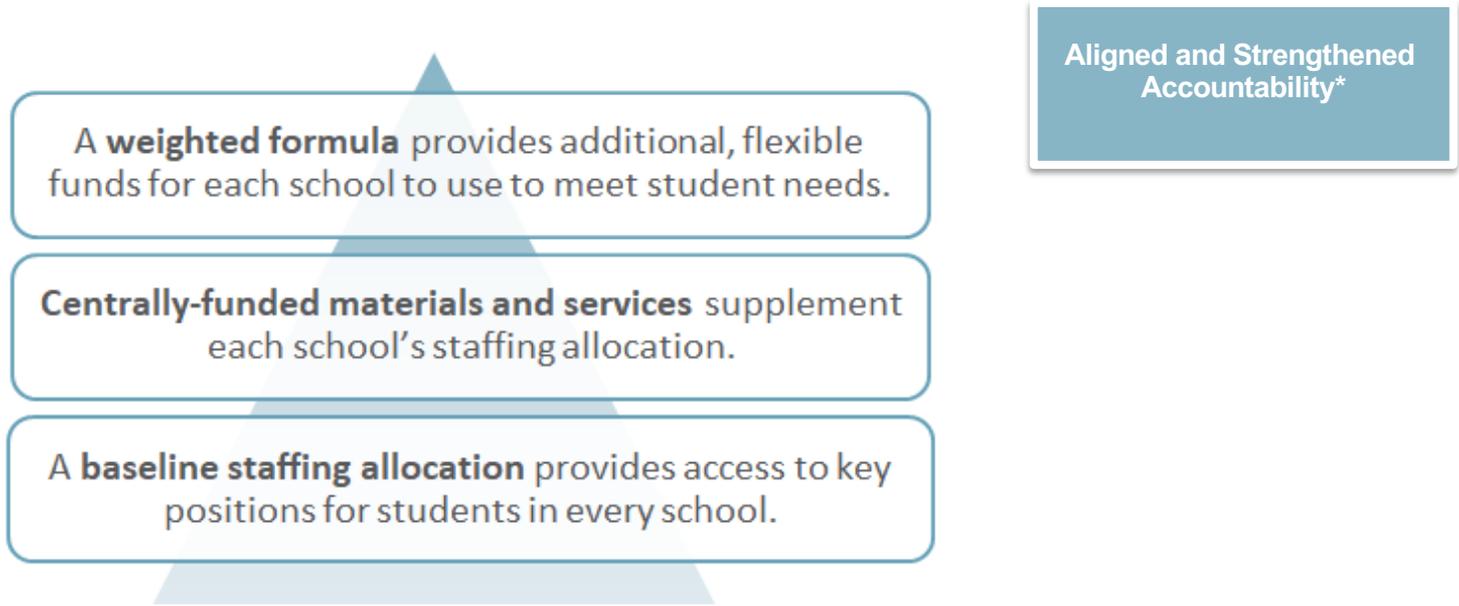
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**We commit to ensuring every school provides a quality student core experience that supports the development of the whole child.**

# Originally Proposed Hybrid Model

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- Schools maintain a significant level of autonomy and flexibility layered on top of a core baseline set of expectations and equitably distributed resources.



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

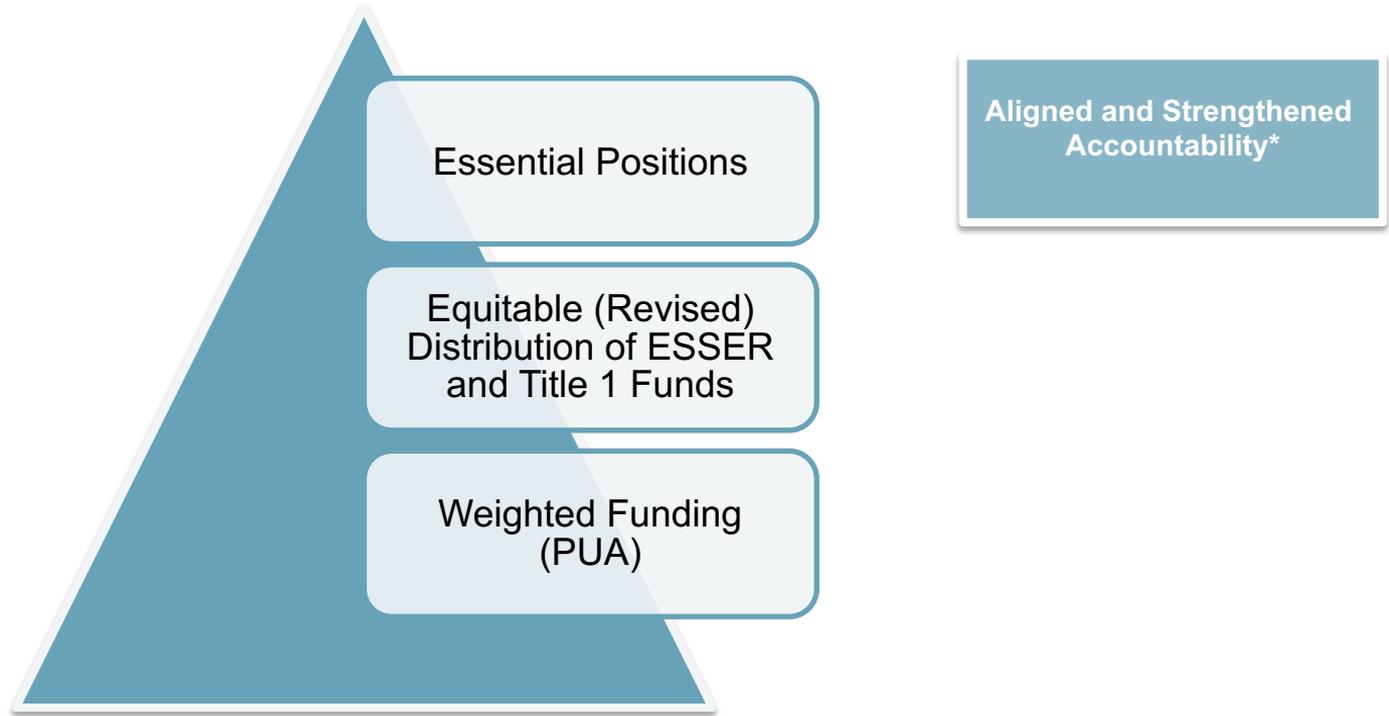
**Centrally-funded materials and services** supplement each school's staffing allocation.

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

Aligned and Strengthened  
Accountability\*

# Alternative Model

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# Weighted-Student Funding (PUA)

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For the 2022-2023 school year, the alternative model would keep a weighted-student funding model that distributes a majority of resources to schools through the PUA.



We would study and analyze the PUA formula and weights for possible adjustments in the future that will increase equity.

# Essential Positions

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**All schools will be required to have the following positions utilizing their campus-based funds:**

- Counselor or Social Worker
- Nurse or Nurse Assistant
- Librarian or Media Specialist

**Pre-K Teaching Assistants will also be funded centrally utilizing ESSER funds for the next two years, after which PUA would need to be adjusted to account for these positions.**

# Examples of PUA Districts with Required Positions

### Baseline Services for FY2022

**Positions**

- Principal
- Assistant Principal
- School Secretary
- Counselor
- Media Specialist
- School Clerk
- Social Worker (0.2 ES, 0.4 MS/HS)
- ISS Monitor (1.0 MS/HS)
- Registrar (1.0 HS)
- Graduation Coach (1.0 HS)
- Flex Teacher (1.0 ES/MS, 1.5 HS)

Teacher Grade Level	Students	Teacher Ratio
K-3	21	
4-5	23	
6-8	24	
9-12	25	

Resource Type	1 per School	1 per Cluster
Cluster		\$35,000

Resource Type	1 per Pupil Elementary	1 per Pupil Middle	1 per Pupil High
Supplies & Materials	\$101	\$96	\$129
Scholarships	\$120	\$120	\$120
Additional Fee	\$40	\$40	\$40
Textbooks (Regeneration)	\$53	\$53	\$53
Units of Study	\$5	\$5	\$5
K-5 Math	\$40		
K-5 Science	\$24		
6-8 Science		\$57	
Algebra II			\$30
9-12 Science			\$33

Atlanta Public Schools

14 Boston Public Schools

### We provide detailed budget information for individuals schools on our website

Funding Type	FY20 Amount	FY21 Amount
Base Allocation	\$3,212,889	\$4,483,547
Non-WVF Schools	\$	\$
Additional Standard Allocations	\$84,300 / 1.0	\$86,252 / 1.0
Non-WVF Funding FTE	\$60,368 / .8	\$64,584 / .8
Psychologist Funding FTE (coming soon, if applicable)		
Social Worker Funding FTE		\$161,400 / 1.5
Programmatic Supports		
Autism/Non Purchased Services Opt-Out	\$	\$
Functional Assessment	\$	\$
SIEP	\$	\$
I.E.C. / I.E.C. Supplemental	\$	\$
Instructional Facilitators Funding FTE	\$	\$ / .8
Family Liaison Funding FTE	\$	\$ / .8
Other Programs	\$50,300	\$
Non-WVF Funding Adjustment	\$56,798 / .8	\$60,608 / .8
E.E. Specialist Funding FTE	\$182,163	\$176,400
STEAM Funding FTE	\$	\$
Tru. / Grants (before)	\$	\$
IDIA (coming soon, if applicable)	\$	\$
Other Grants (coming soon, if applicable)	\$	\$
State-Based Allocations	\$1,178	\$
Swif Learning	\$	\$81,948
Foundation for Quality	\$3,086,988	\$4,613,200
Total Gen Fund - Fund 100	\$182,163	\$200,093
Total All Funds	\$4,109,151	\$4,824,593

**Sample Allocation One-Pager**

Boston Public Schools

What resource would you like to request (select a school)?

### Student Based Budgeting

Specific Student Support and Needs-Based Funding

Administrative Base

Program Funding

Chicago Public Schools

District	Required Positions
Atlanta	<b>Full Time:</b> Principal, Assistant Principal, School Secretary, Counselor, Media Specialist, School Clerk, <b>Part-Time:</b> ISS Monitor, Registrar, Graduation Coach, Flex Teacher
Boston	Nurse, Social Worker
Chicago	Principal, Clerk and Counselor

# Title 1 Allocations

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- **The amount of recurring discretionary Title 1 funding for campuses in 2022-2023 would increase from \$48.8 M to \$58.8 M.**
  - All Title 1 schools will receive their regular allocation of Title 1 Funding
  - The additional \$10 million in Title 1 discretionary funding will be distributed to schools based on the concentration of at-risk factors (Tier III campuses)
- **All Title 1 schools would also receive one-time additional discretionary Title 1 funding totaling \$12.9 M.**
  - This one-time funding will be distributed based on the same methodology used for the recurring Title 1 funding
- **In addition, the district will use \$3.7 M of Title 1 funds to invest in Reading and Math Interventionist positions for Middle Schools and 6-12 campuses**

# ESSER Allocations

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- The amount of discretionary ESSER funding for high-need (Tier II and Tier III) campuses in 2022-2023 would increase by \$50 million dollars.
- In addition to new discretionary funding, all campuses would continue to receive current campus-based ESSER support (Innovation Funds, Wraparound Services Funds, HB4545 Tutorial Funds and College, Career and Military Readiness (CCMR-high schools only), currently budgeted at \$36 million.
- Campuses would also continue to receive additional centrally supported ESSER resources and support (e.g. Interventionists, Pre-K Teacher Assistants, CCMR Advisors, Fine Arts Instruments and Maintenance, Student Devices, Buses, HVAC upgrades, etc.)

# Aligned and Strengthened Accountability

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- **As part of TEA's System of Great Schools, we will be developing a school performance framework which will:**
  - Align with and support the district's goals
  - Incorporate academic performance, growth, and achievement gaps
  - Consider academic and non-academic criteria (student wellbeing, parent/student engagement, CCMR, etc.)
- **The school performance framework will serve as the basis for updated and strengthened campus accountability. It will also enable us to develop an operationalized plan for tiered-autonomy.**
- **We will be providing school leaders with additional training on how to strategically align their budgets to their desired campus outcomes.**

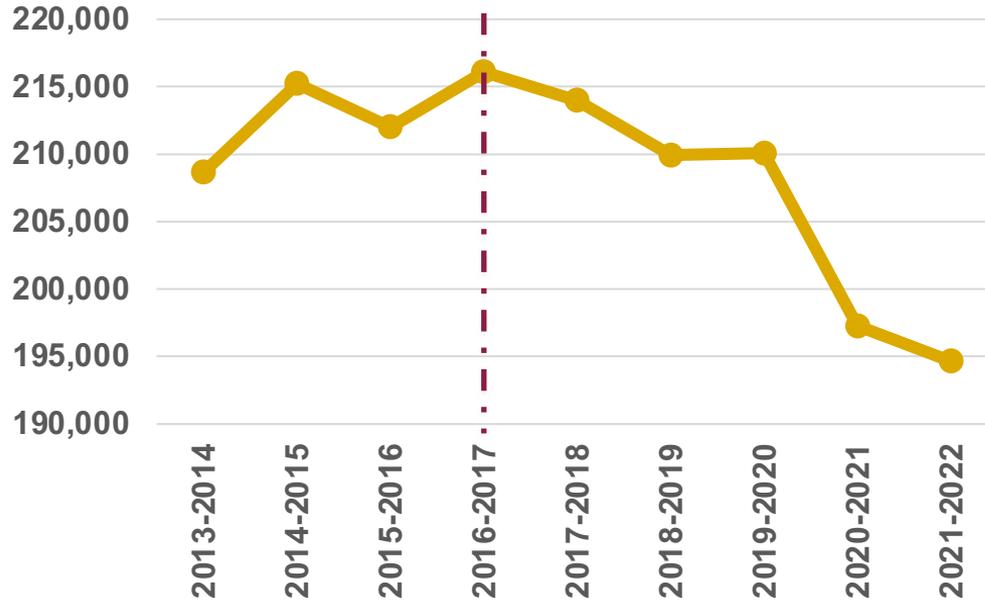
# Comparison to Original Proposed Hybrid Model

Original Proposed Hybrid Model	Alternative Model
<p><b>Staffing</b> - Provided every school with minimum baseline staff allocation. Schools could utilize discretionary funding to add staff to baseline allocation.</p>	<p><b>Staffing</b> - Schools maintain discretion on how to utilize their available funding to staff their schools. Schools must utilize their funding for limited number of essential personnel.</p>
<p><b>Discretionary Funding</b> – Schools receive discretionary funding for additional staff, materials, student services, etc. on top of baseline staffing.</p>	<p><b>Discretionary Funding</b> – Schools have increased discretionary funding since schools are not allotted a baseline staffing allocation.</p>
<p><b>Centrally Funded Services</b> – The district set aside \$61 million in recurring funds to centrally fund student and school resources and services in areas such as fine arts, athletics, UIL, technology, employee stipends, and early childhood education.</p>	<p><b>Centrally Funded Services</b> – Campuses will continue to pay for the services/resources utilizing their campus-allocations, since the funding is being allocated directly to campuses through the PUA.</p>
<p><b>Impact on District Budget</b> - Due to increased efficiency of the hybrid model HISD expected to realize savings that allow us to partially fund the compensation increase.</p>	<p><b>Impact on District Budget</b>– Increasing teacher, principal and other campus-based employees' salaries will increase the budget deficit compared to the hybrid model.</p>

# **STRATEGIES TO INCREASE STUDENT ENROLLMENT**

# Historical Student Enrollment

<sup>1</sup>October Snapshot Trend  
Year-Over-Year Comparison



School Year	# Students	% Change Year-Over-Year
2013-2014	208,649	-
2014-2015	215,225	+3.15%
2015-2016	212,007	-1.50%
2016-2017	216,089	+1.93%
2017-2018	213,987	-0.97%
2018-2019	209,916	-1.90%
2019-2020	210,079	+0.08%
2020-2021	197,263	-6.10%
2021-2022	194,652	-1.32%

# SWOT Analysis

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## Strengths

- Robust portfolio of schools and programs
- Online & paper enrollment; families can complete the process 100% remotely

## Weaknesses

- Perception
- Variation in the student/parent experience
- Late start date in comparison to other districts
- Customer service for parents

## Opportunities

- Strategic Plan Implementation
- Magnet Expansion
- One-time ESSER funding

## Threats

- Competition
- National declining birth rate
- Changing demographics (e.g., aging neighborhood populations, first-time homebuyers, etc)

# Upcoming Supports & Strategies

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Community-Based Enrollment Events



Enrollment Call Center



Revamped Enrollment Website



How-To Guides and Videos for Families



Parent Notifications; tracking progress in the enrollment process



Exit survey required for students leaving



Mobile Enrollment Unit



Paid Social Media & Marketing



Mailers to prospective families



Neighborhood Canvassing

# FINANCIAL UPDATES

# FY 22 Budget

## FY22 Budget

	Amended Budget as of April 7, 2022
<i>\$ in millions</i>	
<b>Total Estimated Revenues</b>	1,901
<b>Total Estimated Expenditures</b>	(1,915)
<b>Operating Surplus (Deficit)</b>	<b>\$ (14)</b>
Use of ESSER Hold Harmless	88
<b>Net Operating Surplus (Deficit)</b>	<b>\$ 74</b>

## Available Fund Balance

	Amended Budget as of April 7, 2022
<i>\$ in millions</i>	
<b>Available Fund Balance</b>	
Beginning Balance	\$ 224
Decrease (Increase) in HISD Board Reserve	-
Budget Surplus (Deficit)	74
<b>Ending Balance</b>	<b>\$ 298</b>

### Use of One-Time Funds Results in Surplus:

\$(14M) Operating Deficit + \$88M Hold Harmless = **\$74M Surplus**

# FY23 Adjusted Latest Thinking Forecast

\$ in millions

	Status Quo <sup>(1)</sup>	Hybrid Model	Alternative Model
Revenues <sup>(2)</sup>	\$ 1,859	\$ 1,859	\$ 1,859
Expenditures <sup>(3)</sup>	(1,955)	(1,957)	(1,978)
<b>Surplus / (Deficit)</b>	<b>\$ (96)</b>	<b>\$ (98)</b>	<b>\$ (119)</b>



Does not include strategic plan initiatives



Includes hybrid model, central office cuts and compensation Plan



Includes current PUA, central office cuts and compensation plan

## Key Assumptions

- (1) Includes revenue adjustments for enrollment changes and impact of proposed \$40,000 homestead exemption
- (2) Revenues are adjusted for recapture
- (3) Expenditures is appropriations adjusted for enrollment changes, recapture and estimated fallout

# FY23 Alternative Model Funding Options

## Recommendation

	FY22 PUA (Adjusted for Board Approved Increases)	FY23 + Salary Increase (Fully Covers Campus-Based Comp. Increases)	FY23 + Salary Increase (Campuses Cover \$21M of \$56M Campus Based Compensation Increase)	\$FY23 + Salary Increase (Campuses Cover Entire Cost of Compensation Increase)
Elementary	\$3,754	\$4,019	\$3,920	\$3,656
Middle	\$3,790	\$4,055	\$3,956	\$3,692
High	\$3,754	\$4,019	\$3,920	\$3,656
<b>Operating Surplus / (Deficit)</b>	<b>\$ (119)</b>	<b>\$ (98)</b>	<b>\$ (68)</b>	<b>\$ (68)</b>
Use of ESSER Indirect Costs		50	50	50
Use of Fund Balance	\$ (69)	\$ (48)	\$ (18)	\$ (18)

Projected beginning available fund balance (Slide 21) is \$298 million\*

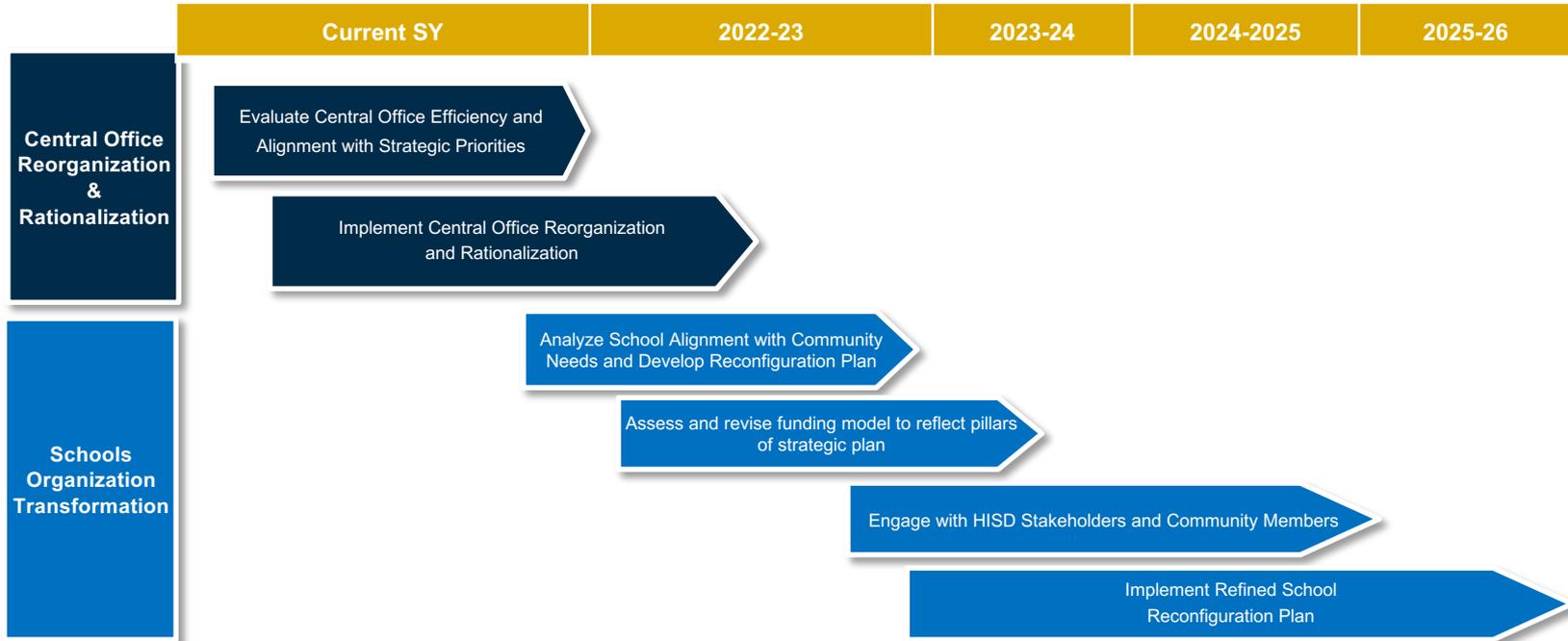
# Cost Reduction Measures 2022-2023

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- **Central Office Budgetary Reductions**
  - \$60 million reduction
  - Will significantly impact level of support and resources provided to campuses
  - Currently in process of determining how to minimize impact to campuses

# Summary: Long-Term Financial Planning

## Fiscal Transformation Roadmap



# Timeframe

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Share updated campus allocations with schools and public (Week of April 11, 2022)



Schools make budgeting and staffing adjustments for 2022-2023 based on updated allocations (April 2022)



Finalize plan for central office budget reduction (April 2022)



Develop school performance framework and aligned accountability and tiered autonomy systems (June 2022- March 2023)

# Q&A

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