

FISCAL EXCELLENCE, SERVICE DRIVEN.

2021 - 2022
ADOPTED BUDGET BOOK

**EXECUTIVE
SUMMARY**

EXECUTIVE SUMMARY





HOUSTON INDEPENDENT SCHOOL DISTRICT

Hattie Mae White Educational Support Center
4400 West 18th Street • Houston, Texas 77092-8501

Millard House II
Superintendent of Schools

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December 13, 2021

The Honorable Board of Education Houston
Independent School District 4400 West 18th Street
Houston, Texas 77092

Dear Board Members:

I am pleased to provide to you the 2021-2022 Adopted Budget Book. The budget process after implementing the SAP Budgeting and Planning (SBP) tool has provided a better look into the programmatic requests of the district's support services and how they align to the district's purpose and goals and is paving the road to building budgets that better align to district and departmental goals and initiatives and to the strategic plan.

HISD's adopted budget projected an increase in local funding from the 2020-2021 original budgeted property tax levy of \$123.2 million, an increase in operating transfers in and proceeds from sale of capital leases of \$19.8 million, a decrease in state funding of \$9.6 million, a decrease in federal revenues of \$2.49 million and a projected decrease in revenues from other sources of \$2 million for a net increase of \$128.93 million in revenues.

The 2021-2022 total district tax rate per \$100 of property value was reduced from \$1.1331 to \$1.0944 with a Maintenance and Operations (M&O) rate of \$0.9277 and an Interest and Sinking (I&S) rate of \$0.1667.

In the 2016-2017 fiscal year Houston Independent School District (HISD) began sending recapture payments to the state. The district was and is still considered property rich and is required to send back funds to the state (Local revenue in Excess of Entitlement). For the 2021-2022 fiscal year the adopted budget reflects \$213 million of local property tax collections to the state under recapture, an increase of \$201 million from the 2020-2021 fiscal year.

The development, review, and consideration of the 2021-2022 Governmental Funds (General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund) and the Proprietary Funds (Internal Service Funds and Enterprise Funds) were completed with a detailed review of revenue and expenditure accounts. The Financial Section of this document contains the budgets for the General Fund, the Debt Service Fund, and the Nutrition Services Fund, which by Texas law, must be approved by function by the Board of Education.

Budget Presentation

The budget process is comprised of seven phases:

- Planning
- Preparation and Submission
- Review and Coordination
- Adoption
- Implementation
- Monitoring
- Evaluation

The budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary vehicles used to present the financial plan and the results of operations of the district. This document, the 2021-2022 District Budget, comprises of four sections:

- Executive Summary
- Organizational Section
- Financial Section
- Informational Section

The information included in the budget document is structured to meet the requirements of the Meritorious Budget Award (MBA) of the Association of School Business Officials International (ASBO). To receive this award, a school entity must publish a budget document which is also a policy document, an operations guide, a financial plan, and a communications device. We believe our current budget conforms to the requirements of the program. We are submitting this document to ASBO to determine its continued eligibility for this award. This award represents the highest level of recognition in budgeting for school entities. Its attainment represents a significant accomplishment by a school entity and its management. The award is conferred after a comprehensive review by a panel of independent budget professionals. Using extensive criteria, the reviewers not only evaluate the effectiveness of the budget in meeting the program's criteria, but it also provide commentary and feedback to the submitting entity as a basis for improving the process and presentation of their district's financial and operational plan.

Our most important concern in the presentation of the budget data, however, is to improve the quality of information provided to our community about the financial plan for the district's educational programs and services for the 2021-2022 fiscal year. The material in the budget document also includes information that has been suggested by the Board of Education, patrons, community members, staff, and those who review the document for the awards previously mentioned.

Both human and financial resources are allocated in the budget to achieve the goals of the district. The adopted budget reflects the allocation of revenues and expenditures to support educational programs and services defined by the district's purpose, goals, strategic intent, and core values. It represents the vision of district leadership and the hearts and minds of teachers and staff articulated through financial and operating policies. The budget is a good balance of choices representing the responsive equilibrium between the educational needs of students and the ability of the community and the state to provide the necessary financial support to serve them.

District Mission

The Board of Education's mission is to equitably educate the whole child so that every student graduates with the tools to reach their full potential.

District Vision

Every child shall have equitable opportunities and equal access to an effective and personalized education in a nurturing and safe environment. Our students will graduate as critical thinkers and problem solvers; they will know and understand how to be successful in a global society.

District Goals

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 percent in Spring 2019 to 50 percent in Spring 2024.

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 percent in Spring 2019 to 54 percent in Spring 2024.

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 percent for 2017–18 graduates to 71 percent for 2022–2023 graduates reported in 2024.

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 percent in Spring 2019 to 29 percent in Spring 2024.

Superintendent Constraint

Superintendent Constraint 1: The superintendent will not allow the district to operate without a system to recruit/employ strong teachers, who meet the needs of students needing the most support.

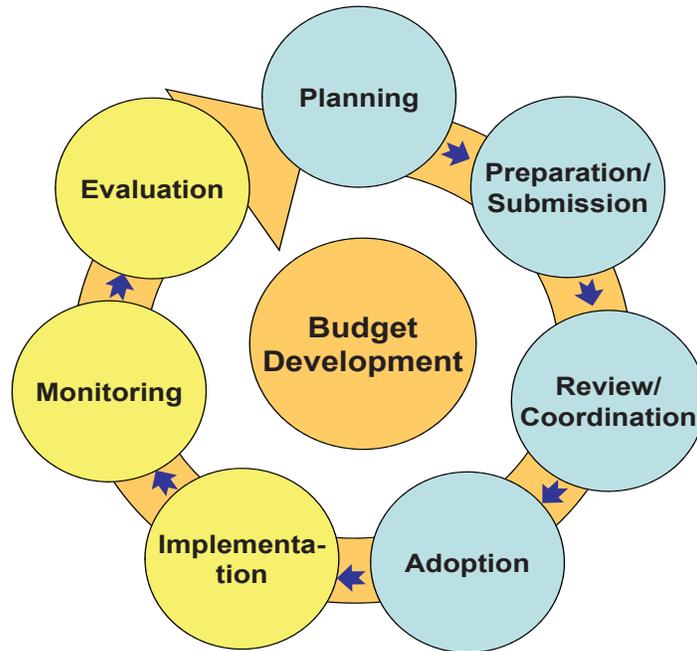
Superintendent Constraint 2: The superintendent will not allow the district to operate without students having effective, school-based wraparound support systems.

Superintendent Constraint 3: The superintendent will not allow the district to operate without notifying parents/guardians at least once each 12 weeks about how to help their student, if the student is one or more grade level behind in literacy.

Superintendent Constraint 4: The superintendent will not allow the district to operate without students receiving special education services meeting IEP progress.

Superintendent Constraint 5: The superintendent shall not allow the district to operate without significantly increasing quality seats for early childhood education, including Prekindergarten 3, Prekindergarten 4, and Kindergarten.

Budget Development



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 hundreds of people in the schools, the administrative offices, and the community. It 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 issue such as 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 allocation formula. These approaches 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 follow the budget preparation guidelines issued by the Superintendent. While the revenue side of the district budget is prepared by district administrators, campus-level budgets become the basis for the expenditure side of the district budget as that information filters up through the various levels of review, including campus staff members and the SDMC. Additional expenditures for costs such as debt service and interest are added when the district-wide preliminary budget is compiled.

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

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

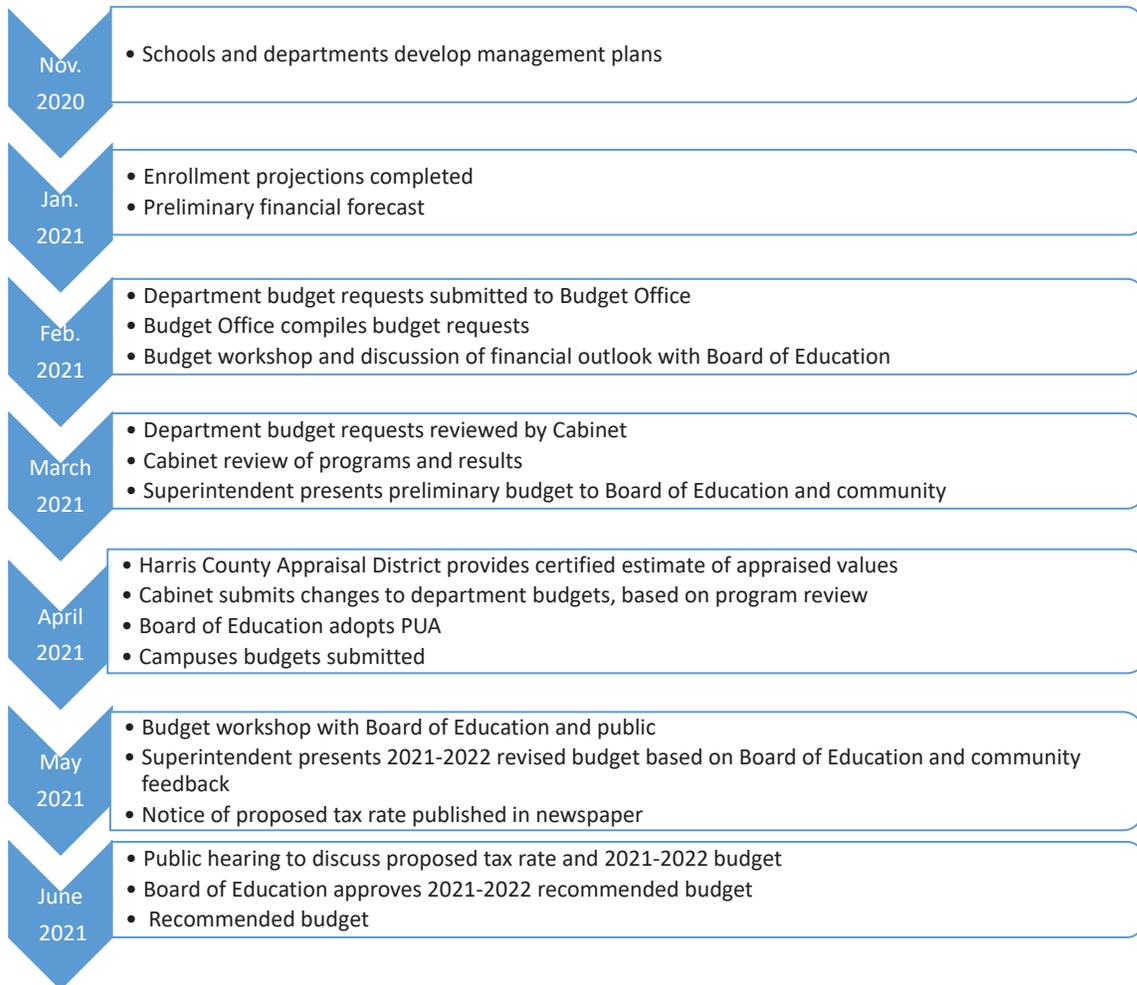
Budget submission is completed electronically for schools. Budget units receive budget development packages that allow them to develop their budgets electronically and submit them through the intranet. An overall summary request is generated along with detailed line-by-line budget items. During the submission process, there is frequent review and consultation process with Budgeting and Financial Planning staff members.

The preparation of other budgets occurs simultaneously with the development of the General Fund budget. 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. Nutrition Services Funds budgets are created by the HISD Nutrition Services department 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. A timeline of the 2021-2022 budget process is contained in the chart on the next page:

Fiscal Year 2021-2022 Budget Development Timeline



Criteria for reviewing budget proposals, especially increase requests, include the degree of alignment with districtwide goals and objectives, priority status compared with other proposals, use of district resources for efficiency and effectiveness, the unit's track record for operational performance, and the likelihood of success for particular initiatives and programs.

Final review and coordination of the annual budget is conducted in public workshops and hearings with members of the community and the school board.

Budget Adoption

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

Budget Implementation

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

Personnel Controls and Approvals

The management of positions in HISD is an integral part of the budgeting process since approximately 64.9 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 school positions must be approved by the principal or Area 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.

Purchasing

Purchasing 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. The district restricts 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 or Area Superintendent for schools and by the appropriate direct report or department head for central office amendments.

Reporting System

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

A *Comprehensive Annual Financial Report* is prepared to report the detailed results of district operations, and it includes statements and reports such as balance sheets for all funds, statements of revenue and expenditures, detailed explanation of different funds by function and major object, as well as miscellaneous statistical data in accordance with the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).

School-Based Budget Development Process

For 2021-2022, principals will be responsible for taking into consideration recommendations from their school's PTA/PTO, employee representatives, their school community, business partners, and the school's Shared Decision-Making Committee.

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

- Grade Level Allocation
- Adjustments—Provides an adjustment for enrollment increases or decreases in the next school year, based on the school projections
- Special Population—G/T, CATE, Economically Disadvantaged, Multilingual, Homeless, and Refugee students receive additional weight in the resource allocation

Central Budget Committee for the 2021-2022 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

Budget Monitoring

As budgeted funds are expended, periodic monitoring of the budget is conducted in accordance with responsible accounting as well as applicable laws and regulations. Each level of the district's organization is responsible for monitoring those budget items for which it is responsible. As the budget is prepared, spending plans are developed for use in budget monitoring. For example, as a principal and other resource planning group members develop a campus budget, the timing of planned expenditures is noted and documented. Thus, a principal and other district administrators have a tool to monitor expenditures during the fiscal year. The district accounting system normally generates expenditure and encumbrance information on a monthly basis. To review budget performance, this information

is compared with campus spending plans by principals. Principals may in fact monitor budgetary performance on a transaction-by-transaction basis through access to the district's computerized accounting system, SAP. The HISD budget must also be submitted to TEA via the Public Education Information Management System (PEIMS) transmission process. TEA monitors for compliance at the district level only. This monitoring is a legal requirement to ensure mandatory expenditure levels in certain areas. Similarly, district administrators monitor the entire district budget. The Chief Financial Officer and other district administrators use similar expenditure and encumbrance reports to monitor the budget compliance of programs and funds. Performance monitoring of the budget is also conducted regularly. This includes such items as comparing the planned effectiveness of educational programs with actual student achievement results, reviewing a particular department's effectiveness at using allocated resources to achieve specified results, and reviewing a school or department budget against standard ratios to monitor unusual expenditure patterns. This information is then periodically conveyed to the Board of Education, keeping the board apprised of issues that might affect the district's performance.

Evaluation

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

The results of the evaluation phase in the budgeting cycle, output directly into the planning phase for the next budget year. The three main areas of evaluation include schools, programs, and stakeholder satisfaction. Schools and programs are evaluated for student achievement using such tools and measures as STAAR (State of Texas Assessments of Academic Readiness) tests, attendance rates, drop-out and graduation rates, SAT and ACT test results, etc. Stakeholder satisfaction is measured through questionnaires, survey instruments, and indirect measures such as voter approval rates of bond elections, etc. Budgetary performance evaluation includes measures such as budget-to-actual or budget-to-projected actual comparisons of revenue, expenditures, cash flow, fund balance, and staffing levels.

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

Prior Year Actuals

Prior year actual revenues and expenditures are reflected in the charts below.

General Fund Budget to Actuals Comparison

Revenues	Adopted Budget 2020-2021	Actual Revenues 2020-2021
General Fund	\$ 1,994,554,361	\$ 2,183,138,030

Appropriations	Adopted Budget 2020-2021	Actual Expenditures 2020-2021
General Fund	\$ 2,028,542,973	\$ 2,154,412,466

Actual revenues over the adopted budget are primarily due to increases in state aid from prior year property tax audits, per capita state revenue increases, higher current property tax collections than anticipated, TRS on behalf increases and Harvey insurance claim payments.

Actual expenditures over the adopted budget are primarily due to unspent funds from district-wide salaries, campus, and department funds, increase in excess revenue payments, increase in payroll expenditures for retention stipends, and COVID-19 pandemic related expenditures.

2021-2022 General Fund Revenues

The adopted budget reflects the allocation of revenues and appropriations to support educational programs and services defined by the district's purpose, goals, strategic intent, and core values. Projected revenues for the 2021-2022 General Fund are \$2,123,494,251, which is a 6.46 percent increase over the original 2020-2021 budgeted revenues. Revenues for the General Fund and other financing sources are primarily generated through local property taxes and state aid, but include other sources. A description of the methodology for calculating state formula revenue in detail is included in the Informational Section of this document.

General Fund Revenue Assumptions

The 2021-2022 state revenue projections are based on an estimated average daily attendance (ADA) of 177,693.300 pupils, or weighted average daily attendance (WADA) of 250,680.543.

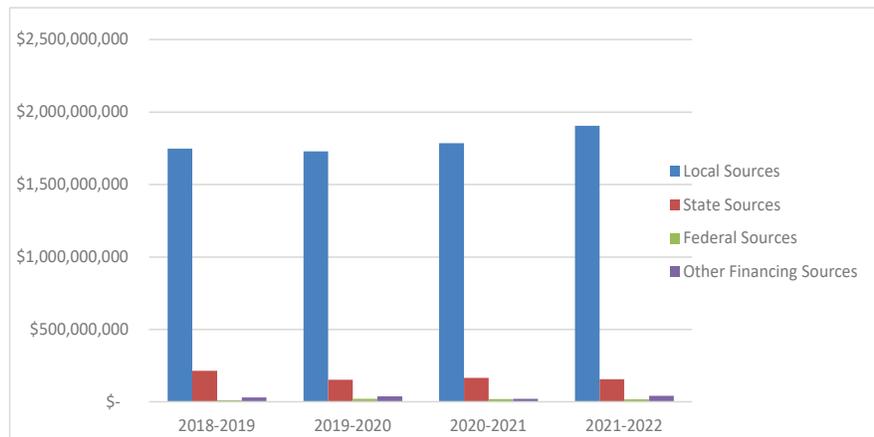
Property tax revenue is the district's largest revenue source in the amount of \$1,878,069,877, comprising 88.44 percent of all budgeted revenues. HISD is projecting an increase in local funding from the 2020-2021 original budgeted property tax levy of \$121,181,004 million, a decrease of state funding of \$9.6 million, and projected increase in revenues from other sources of \$19.8 million for a net increase of \$128.9 million in revenues.

Revenues percentages for the General Fund are generated from the following primary resources:

Total Revenue Sources for the General Fund

Revenue Sources	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Budget 2021-2022
Local Sources	\$ 1,749,167,264	\$ 1,729,051,055	\$ 1,785,542,493	\$ 1,906,723,497
State Sources	215,146,388	153,313,693	166,787,686	157,174,069
Federal Sources	13,031,351	20,720,946	19,724,182	17,230,000
Other Financing Sources	30,400,000	37,589,788	22,500,000	42,366,685
Total General Fund Revenue	\$ 2,007,745,003	\$ 1,940,675,482	\$ 1,994,554,361	\$ 2,123,494,251

Revenue Sources by Year



The general fund revenue increase in local sources is primarily the result of an increase in property values.

2021-2022 Tax Rate

To support the approved 2021–2022 budget and to make required expenditures, the Houston Independent School District (HISD) must adopt a tax rate that will provide revenue through the property tax as provided by law. The rate to be adopted must include the necessary revenue for payment of maintenance and operations expenses and for debt service. The district adopted a tax rate of 1.0944 on September 9, 2021. This rate includes a maintenance and operations component(M&O) of \$0.9277 and a debt-service component of \$0.1667 cents.

Below is a chart of the district's roll values for the past 10 years:

Fiscal Year	Tax Roll Value	% Change
2012-2013	111,568,771,772	5.36%
2013-2014	125,112,516,134	12.14%
2014-2015	139,580,407,554	11.56%
2015-2016	152,860,482,797	9.51%
2016-2017	165,861,644,665	8.51%
2017-2018	171,610,628,471	3.47%
2018-2019	173,923,630,109	1.35%
2019-2020	185,535,534,086	6.68%
2020-2021	196,631,674,148	5.98%
2021-2022	204,421,393,533	3.96%

Note: 2020-2021 and prior are from the HISD Comprehensive Annual Financial Report, 2021-2022 is the Certified Estimated value from the Harris County Appraisal District.

The revenue projections used for 2021-2022 are based off the certified estimated roll value that the district receives in April of each fiscal year. The district works with the Harris County Appraisal District (HCAD) early in the year, usually around February, to determine a starting point for tax revenue projections. These projections are used to build early estimates of the district's budget resources and help with the planning and ranking of programs in the upcoming years. The district has traditionally taken a conservative approach in early revenue and projections and in the past has been able to fund projects on a ranked planning list.

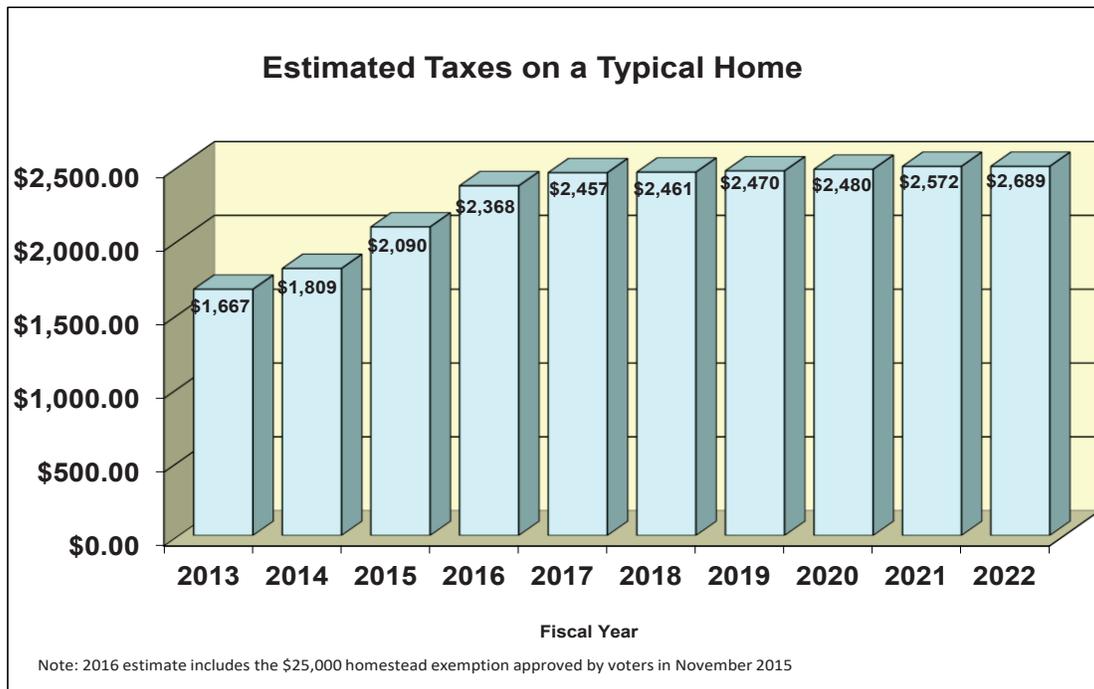
In the near-term, the district revenue projections are impacted by growth in property values, changes in student enrollment, and current state statute. District revenues are driven by local property taxes, and roll values are used to estimate revenues before the budget is adopted in June. In most cases, roll values increase as the year progresses, and the district does not need to make significant budget changes to address shortfalls during the middle of the budget cycle. Sudden declines in student population can impact the district's formula funding allotment, discussed in further detail in the Informational Section of this document, and per-student allocations budgeted at the school-level. Student population is monitored daily during September of each year, and the district responds immediately, preparing for allocation adjustments as necessary. The district then settles-up with campuses after the state's enrollment snapshot in October. The district's long-term revenue forecast is represented in more detail in the Informational Section of this document. This forecast makes several assumptions, estimating the future property tax roll values will grow at two percent annually.

HISD Local Tax Rolls and Estimated Taxes on a Typical Home

HISD's estimated assessed value for the 2021-2022 fiscal year, per the HCAD certified estimated roll in April 2021, was \$204,421,393,533 compared to the certified estimated value in April 2020 of \$197,185,763,513 during the same period. These are not final tax roll numbers; however, these values are used for original budget projections. The 2021-2022 value used for the 2021-2022 Adopted Budget does not reflect the changes that occur through the tax year or represent a final roll value. For the typical homeowner, taxes to fund programs and services for the 2021-2022 fiscal year will increase an estimated \$116.18. The resulting increase does not take into account exemptions for homeowners over 65, disabled homeowners, or surviving spouses over age 55.

The \$1.0944 tax rate adopted by the Board of Education for 2021-2022 fiscal year decreased from the total tax rate of \$1.1331 adopted in 2020-2021. The tax rate assumes an average taxable value of a Houston-area home of \$329,085 in 2021-2022, and taxes on the average home of \$2,688.62. The tax bill in 2020-2021 for an average value home, \$315,033 was \$2,572.44. This average tax bill is calculated by taking the average market value, provided by HCAD, less a homestead exemption of \$25,000 approved by voters in 2015 and the 20 percent optional homestead exemption offered by the district, and excludes the additional exemptions for which homeowners may qualify.

The chart below illustrates the tax burden for the typical homeowner from 2013-2022, which has primarily increased as a result of property value growth.



Long Term Debt

The Debt Service Fund includes all accounts necessary to record transactions reflecting revenues collected from taxes and investment earnings and expenditures made for the payment of interest and principal on long-term, general debt obligations.

The tax rate for the Debt Service fund is levied to pay general obligation debt of the district. Less than 1 percent of the resources necessary to meet debt service needs are received in the form of state funds.

Growth in the property tax rolls has decreased from double digit increases in prior years and is represented in more detail in the Information Section.

The debt service tax rate for 2021-2022 has remained the same from the previous year at \$0.1667 in the adopted budget.

As of June 30, 2021, the district had total outstanding bonded debt principal of \$2.4 billion and other outstanding obligations of \$162.9 million for total debt principal outstanding of \$2.56 billion. The ratio of net bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the district's debt position.

The district's ratings include the "Aaa" long-term rating on the District's bonds by Moody's Investors Services, Inc. and "AAA" rating by Standard and Poor's Corporation for debt enhanced by the Texas Permanent Fund guarantee. The unenhanced ratings by Moody's and Standard and Poor's are "Aaa" and "AA+" respectively. The latest review by the rating agencies was completed by Moody's in November, 2020 and Standard and Poor's in May, 2021. Lease revenue debt issued by the Houston Independent School District Public Facility Corporation received ratings of "Aa1" and "AA" by Moody's and Standard and Poor's respectively.

2021-2022 Appropriations

Appropriations included in the recommended budget for the General Fund total \$2,205,507,566 an increase of 8.73 percent from the 2020-2021 original budget appropriations.

Increases/(decreases) to the General Fund budget include:

Important increases/decreases

- Salary Increases - \$9,760,551
- 2020-2021 Retention Stipends - (\$15,553,987)

Major increases/(decreases) with offsetting revenues include:

- Capital Lease Recognition - \$22,366,685
- Special Education - \$18,954,831
- Transfers out for debt service - (\$26,744,350)
- Bilingual Education - \$900,000
- Verizon Innovative Learning Support - \$1,636,946
- Property, Liability, Auto Insurance - \$1,000,000
- Harris County Appraisal District (HCAD) - (\$395,077)
- TRS On-Behalf - \$7,000,000
- Charter School Enrollment Increase - \$7,000,000
- Tax Increment Reinvestment Zone (TIRZ) - \$6,040,024

Other major increases:

- Device maintenance from COVID-related purchases - \$4,569,000
- Custodial Services (Convert Contract to HISD)- \$6,700,000

Major decreases:

- Campus Per-Unit Allocation (PUA) Enrollment Decline - (\$52,470,674)
- Department Cuts - (\$4,800,000)
- Districtwide Cuts - (\$5,000,000)
- State Compensatory Education Allotment Funding Decrease - (\$7,000,000)
- Early Education Allotment Decrease - (\$6,433,346)

Net Change in Fund Balance

The district adopted a deficit budget which will be covered through under expenditures in salary due to vacancies.

General Fund Budget Distribution

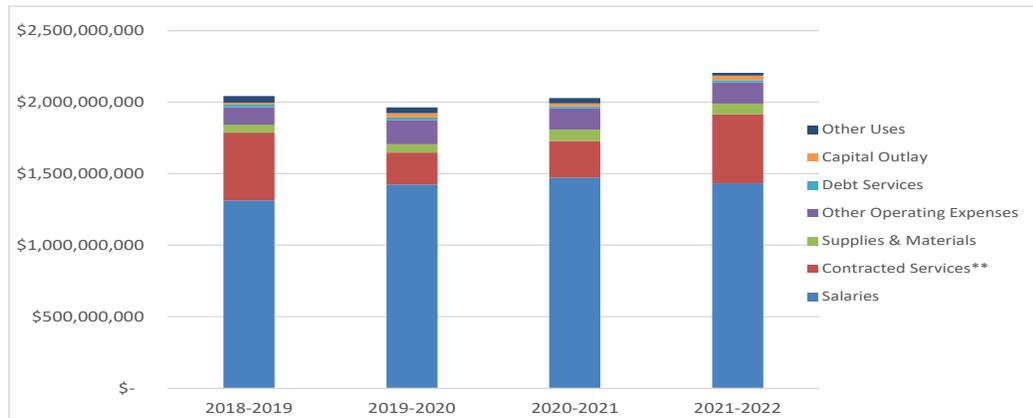
The district's general fund budget by object and organizational structure can be found on the charts on the next page.

Below is a comparison of total General Fund expenditures, by object, for the fiscal years 2018-2019 to 2021-2022.

**General Fund Expenditure by Object
(Comparison of Total Expenditures of Current and Previously Adopted Budgets)**

Object	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Budget 2021-2022
Salaries	\$ 1,313,217,802	\$ 1,423,013,217	\$ 1,473,980,106	\$ 1,432,076,704
Contracted Services**	474,291,467	225,159,211	254,085,255	483,764,663
Supplies & Materials	56,649,958	58,272,876	80,775,744	74,826,922
Other Operating Expenses	120,071,651	168,413,718	148,506,925	147,628,288
Debt Services	17,916,239	17,971,439	15,250,000	15,250,000
Capital Outlay	14,836,734	30,911,945	18,495,802	33,003,599
Other Uses	46,361,773	40,134,765	37,449,140	19,020,390
Total General Fund Expenditures	\$ 2,043,345,624	\$ 1,963,877,171	\$ 2,028,542,973	\$ 2,205,570,566

**Adopted Budgets by Major Objects
FY19 - FY22**



Notes:

*Chart may not add to 100% due to rounding

** Increase to contracted services includes the district's Recapture payment

Below is a chart representing where funds are budgeted within the district's organizational structure. HISD's organizational chart can be found in the Organizational Section of this document. Detail for each campus and department is located in the Informational Section.

2021 - 2022 Original Budget Report - General Operating Fund

	Payroll	Contracted Services	Supplies and Materials	Other Operating Costs	Debt Services	Capital Outlay	Other Uses	Total Allocation	Total Allocation % to Total
Schools	\$1,022,928,620	\$136,034,407	\$46,121,824	\$3,579,071		\$2,735,441		\$1,211,399,363	54.92%
Superintendent of Schools	\$541,480	\$2,436	\$9,455	\$23,390				\$576,761	0.03%
Chief Audit Executive	\$1,699,137	\$793,450	\$15,803	\$28,675				\$2,537,065	0.12%
General Counsel	\$1,613,498	\$3,096,286	\$28,843	\$24,650		\$17,000		\$4,780,277	0.22%
Chief of Staff	\$3,824,280	\$748,155	\$237,030	\$318,801				\$5,128,266	0.23%
Chief of Schools	\$8,854,032	\$20,768	\$85,422	\$67,116		\$15,346		\$9,042,685	0.41%
Chief Talent Officer	\$7,933,506	\$1,105,801	\$257,393	\$522,961				\$9,819,661	0.45%
Deputy Superintendent	\$9,916,776	\$3,454,723	\$522,033	\$73,636		\$1,661,950		\$15,629,118	0.71%
Chief of Police	\$17,644,980	\$1,153,692	\$478,230	\$83,500				\$19,360,402	0.88%
Chief Financial Officer	\$12,480,185	\$18,714,701	\$198,978	\$489,793				\$31,883,657	1.45%
Chief Technology Information Officer	\$19,274,927	\$27,482,846	\$574,851	\$717,038	\$15,250,000	\$2,072,061		\$65,371,723	2.96%
Chief Academic Officer	\$85,110,463	\$31,528,990	\$11,912,714	\$3,022,206		\$751,667		\$132,326,040	6.00%
Chief Operating Officer	\$130,317,125	\$28,745,794	\$14,257,896	\$5,635,734				\$178,956,548	8.11%
Districtwide Service	\$109,937,694	\$230,882,614	\$126,450	\$133,041,716		\$25,750,134	\$19,020,390	\$518,758,999	23.51%
Grand Total	\$1,432,076,704	\$483,764,663	\$74,826,922	\$147,628,288	\$15,250,000	\$33,003,599	\$19,020,390	\$2,205,570,566	100%

2021-2022 Other District Fund Appropriations

HISD operates other additional governmental funds:

The district adopted a **Debt Service Fund** budget of \$355,975,998 that provides for principal and interest payments for outstanding debt in accordance with generally accepted accounting principles for governmental entities.

All remaining unspent funds from the 2020-2021 **Capital Renovation Fund** budget will be carried forward into the 2021-2022 fiscal year to provide for costs for the construction and renovation of school sites in accordance with the district's 2012 HISD Bond.

The \$195,679,694 **Special Revenue Fund** budget provides for school-centered programs designed to support increased student achievement. The district continues to pursue additional dollars from non-traditional sources to support the educational delivery system. The primary sources of this fund is Title I, Title II, E-Rate, IDEA-B, and the Instructional Materials Allotment. Only awarded and known resources are presented in the adopted budget. The district will continue to make adjustments throughout the year as notice of grant awards and district carryover are approved.

The adopted **Nutrition Services Fund** budget is \$136,931,298 and reflects the ongoing activity of the Nutrition Services Program. Revenue to support the Nutrition Service Program is primarily derived from National School Breakfast and Lunch Program and state programs.

HISD operates two Enterprise Funds:

The **Marketplace Fund** budget of \$269,598 accounts for the financial operation of the restaurant-style cafeteria on the first level of the Hattie Mae White (HMW) Educational Support Center.

The district has a very active **Medicaid Fund** that provides Medicaid claiming services to other school districts throughout the state. This fund has a total budget of \$28,591,741 of which \$8,591,741, is for operational expenses and \$20,000,000 which will be transferred to the General Fund for the support of the instructional program.

HISD operates seven active Internal Service Funds:

The **Health Insurance Fund** has a budget of \$194,810,689 accounting for the health insurance plan administered by the district.

The **Print Shop Fund** has a budget of \$9,194,121 accounting for the cost of printing, graphics, and mail services for the district.

The **Workers' Compensation Fund** has a budget of \$8,668,037 accounting for activities related to the district's workers' compensation program.

The **Alternative Certification Fund** has a budget of \$546,010 accounting for the recruiting, training, and supporting of qualified, degreed classroom professionals.

The **Athletics Fund** has a budget of \$5,761,030 accounting for the educational, social, moral and athletic skills of the student athlete in various sports, including football, basketball, track/field and soccer. The fund is also used to schedule athletic activities, transportation trips, game officials and to efficiently operate sports complex venues for HISD athletics competitions and events.

The **Special Education Shared Service Fund** has a budget of \$7,974,150 accounting for the Special Education evaluation and support services.

The **UIL (University Interscholastic League) Fund** has a budget of \$992,184 accounting for campus participation in UIL activities such as One-Act Play, Debate Cross-Examination, Marching Band, Concert Band, Choir, Orchestra, Solo-Ensemble, and Academics.

Below are charts representing the district's total revenues and appropriations in its various funds. Capital renovation revenues exclude bonds sold in prior years, and appropriations are estimated amounts to be spent during the year for capital projects.

Total Revenues

Revenue Sources	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Budget 2021-2022
Governmental Funds Types				
General Fund	\$ 2,007,745,003	\$ 1,940,675,482	\$ 1,994,554,361	\$ 2,123,494,251
Special Revenue Fund	168,821,603	175,563,099	227,129,489	195,679,694
*Nutrition Services Fund	-	145,534,146	153,909,124	140,847,861
Debt Service Fund	341,821,202	353,128,432	355,046,816	356,326,877
Capital Renovation Fund	40,858,000	38,186,974	34,535,375	32,295,456
Public Facilities Corporation	293,211	133,194	-	-
Total Governmental Fund Types	\$ 2,559,539,019	\$ 2,653,221,327	\$ 2,765,175,165	\$ 2,848,644,139
Internal Service Fund Types				
Health Insurance Fund	\$ 162,279,000	\$ 171,197,893	\$ 172,615,330	\$ 184,050,920
Workers' Compensation Fund	7,651,649	6,262,000	6,682,663	8,418,430
Athletics Fund	7,089,814	6,048,939	6,536,827	6,148,370
Print Shop Fund	8,825,736	8,587,000	9,032,832	9,443,460
Alternative Certification Fund	1,168,475	859,337	779,360	869,375
UIL Fund	1,098,254	1,029,839	1,024,094	992,184
Shared Services Fund	7,144,293	7,000,124	7,127,318	7,235,318
Total Internal Service Fund Types	\$ 195,257,221	\$ 200,985,132	\$ 203,798,424	\$ 217,158,057
Proprietary Fund Types				
Nutrition Services Fund	\$ 142,147,259	\$ -	\$ -	\$ -
The Market Place	1,724,476	1,208,926	420,286	322,026
Medicaid Fund	30,911,319	32,733,967	25,358,354	34,961,861
Total Proprietary Fund Types	\$ 174,783,054	\$ 33,942,893	\$ 25,778,640	\$ 35,283,887
Total Revenues	\$ 2,929,579,294	\$ 2,888,149,352	\$ 2,994,752,229	\$ 3,101,086,083

Total Appropriations

Appropriations	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Budget 2021-2022
Governmental Funds Types				
General Fund	\$ 2,043,345,624	\$ 1,963,877,171	\$ 2,028,542,973	\$ 2,205,570,566
Special Revenue Fund	168,821,603	175,563,099	227,129,489	195,679,694
*Nutrition Services Fund	-	146,722,814	121,099,374	136,931,298
Debt Service Fund	341,658,611	353,060,948	360,458,046	355,975,998
Capital Renovation Fund	40,000,000	259,328,560	159,871,140	94,480,484
Public Facilities Corporation	12,000,000	11,354,000	-	2,251,061
Total Governmental Fund Types	\$ 2,605,825,838	\$ 2,909,906,592	\$ 2,897,101,022	\$ 2,990,889,101
Internal Service Fund Types				
Health Insurance Fund	\$ 164,182,020	\$ 174,272,249	\$ 174,063,240	\$ 194,810,689
Workers' Compensation Fund	9,306,963	9,605,638	8,463,011	8,668,037
Athletics Fund	6,743,255	6,048,939	5,742,677	5,761,030
Print Shop Fund	8,825,736	8,600,775	9,045,674	9,194,121
Alternative Certification Fund	1,168,475	859,337	577,249	546,010
UIL Fund	1,056,517	1,025,602	1,026,688	992,184
Shared Services Fund	7,144,293	7,119,293	8,583,857	7,974,150
Total Internal Service Fund Types	\$ 198,427,259	\$ 207,531,833	\$ 207,502,396	\$ 227,946,221
Proprietary Fund Types				
Nutrition Services Fund*	\$ 139,945,266	\$ -	\$ -	\$ -
The Market Place	1,708,215	1,279,715	420,286	269,598
Medicaid Fund	8,343,338	30,069,815	8,642,511	28,591,741
Total Proprietary Fund Types	\$ 149,996,819	\$ 31,349,530	\$ 9,062,797	\$ 28,861,339
Total Appropriations	\$ 2,954,249,916	\$ 3,148,787,955	\$ 3,113,666,215	\$ 3,247,696,661

*In 2019-2020 the Nutrition Services Fund is now in the Governmental Funds type section.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast
Revenues							
5700 Local Sources	\$ 2,080,109,945	\$ 2,148,393,786	\$ 2,098,998,671	\$ 2,185,947,060	\$ 2,271,389,280	\$ 2,362,571,649	\$ 2,389,723,358
5800 State Sources	263,451,706	439,429,082	248,329,249	319,254,904	175,021,773	192,692,065	194,530,951
5900 Federal Sources	352,337,407	332,883,354	352,643,888	341,024,809	330,474,161	347,135,153	352,289,497
Total Revenue	2,695,899,058	2,920,706,222	2,699,971,808	2,846,226,773	2,776,885,214	2,902,398,867	2,936,543,806
Expenditures							
6100 Payroll Costs	1,557,200,230	1,497,674,020	1,567,075,192	1,605,755,800	1,603,182,728	1,675,262,555	1,694,315,743
6200 Professional and Contracted Services	561,215,465	576,174,311	381,630,367	525,097,280	526,900,642	554,513,967	559,970,942
6300 Supplies and Materials	154,814,941	146,959,467	157,936,441	180,728,896	178,800,214	190,895,641	193,631,887
6400 Other Operating Costs	91,080,894	97,719,985	90,152,609	95,189,287	162,018,068	167,730,649	168,371,021
6500 Debt Service	347,955,504	524,584,715	528,737,072	419,674,323	371,225,998	373,896,805	380,971,365
6600 Capital Outlay	654,927,098	359,081,664	347,406,279	120,448,813	119,370,106	109,188,027	60,048,104
Total Expenditures	3,367,194,132	3,202,194,161	3,072,937,960	2,946,894,399	2,961,497,756	3,071,487,644	3,057,309,063
Net Revenue Over (under)	(671,295,074)	(281,487,939)	(372,966,152)	(100,667,626)	(184,612,542)	(169,088,777)	(120,765,257)
Other Sources (Uses)							
7900 Other Resources	516,858,461	271,537,938	305,521,221	138,093,793	71,758,925	66,202,727	66,718,644
8900 Other Uses	(95,936,152)	(58,566,776)	(64,534,378)	(44,589,941)	(29,391,343)	(25,550,081)	(25,832,535)
Total other Financing sources (uses)	420,922,309	212,971,162	240,986,843	93,503,852	42,367,582	40,652,646	40,886,109
Net Change in fund balances	(250,372,765)	(68,516,777)	(131,979,309)	(7,163,774)	(142,244,960)	(128,436,131)	(79,879,148)
Beginning Fund Balance (Estimated)	1,878,347,610	1,627,974,845	1,559,458,068	1,427,478,759	1,433,379,807	1,304,199,669	1,188,828,359
Cumulative effect of the adoption of GASB 84				13,064,822	13,064,822	13,064,822	13,064,822
Ending Fund Balance (Estimated)	\$ 1,627,974,845	\$ 1,559,458,068	\$ 1,427,478,759	\$ 1,433,379,807	\$ 1,304,199,668	\$ 1,188,828,360	\$ 1,122,014,033

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Property taxes	1,710,326,173	1,747,189,582	1,715,002,326	1,801,428,452	1,895,069,877	1,970,872,672	1,989,823,371	1,989,823,371
Earnings on investments	10,408,645	19,083,204	14,027,724	2,342,077	2,200,000	2,288,000	2,310,000	2,310,000
Miscellaneous local sources	18,246,935	15,082,252	9,972,928	12,241,775	9,453,620	9,831,765	9,926,301	9,926,301
State sources	243,073,835	399,872,504	218,933,263	295,665,220	157,174,069	163,461,032	165,032,772	165,032,772
Federal sources	8,381,410	19,372,818	23,877,840	27,712,808	17,230,000	17,919,200	18,091,500	18,091,500
Total revenues	1,990,436,998	2,200,600,360	1,981,814,081	2,139,390,332	2,081,127,566	2,164,372,669	2,185,183,944	2,185,183,944
EXPENDITURES								
Current								
Instruction	1,054,217,502	970,793,048	996,399,361	1,081,410,519	1,135,700,518	1,181,128,538	1,192,485,544	1,192,485,544
Instructional resources and media services	9,246,603	9,822,477	7,798,643	9,071,254	8,877,520	9,232,621	9,321,396	9,321,396
Curriculum development and instructional staff development	27,141,888	29,267,000	29,215,532	33,204,034	35,962,547	37,401,049	37,760,675	37,760,675
Instructional leadership	20,307,711	20,820,355	20,983,417	23,904,023	25,134,311	26,139,683	26,391,026	26,391,026
School leadership	148,888,990	142,326,291	149,489,190	146,408,036	148,669,010	154,615,771	156,102,461	156,102,461
Guidance, counseling, and evaluation services	47,489,488	50,299,761	60,053,228	63,467,347	65,403,532	68,019,673	68,673,708	68,673,708
Social work services	1,699,752	8,429,482	12,142,590	16,938,834	19,275,453	20,046,471	20,239,225	20,239,225
Health services	18,657,747	19,312,797	21,317,891	48,100,766	22,518,241	23,418,971	23,644,154	23,644,154
Student (pupil) transportation	69,146,802	59,243,844	53,629,143	46,389,028	59,893,990	62,289,750	62,888,690	62,888,690
Food services	-	-	234,114	2,741,097	-	-	-	-
Extracurricular activities	19,493,953	15,549,148	16,107,773	14,536,297	11,269,840	11,720,633	11,833,332	11,833,332
General administration	37,861,920	41,097,974	32,135,554	32,663,797	40,251,576	41,861,639	42,264,154	42,264,154
Facilities maintenance and operations	226,626,540	195,853,168	192,496,074	211,943,777	205,844,817	214,078,610	216,137,058	216,137,058
Security and monitoring services	25,073,050	22,606,971	24,179,218	27,507,090	28,026,356	29,147,410	29,427,674	29,427,674
Data processing services	64,835,876	54,951,868	62,025,501	65,812,348	62,405,029	64,901,230	65,525,280	65,525,280
Community services	2,294,499	2,135,207	3,828,274	2,631,134	2,794,599	2,906,383	2,934,329	2,934,329
Juvenile justice alternative education programs	792,000	792,000	792,000	792,000	792,000	823,680	831,600	831,600
Tax increment zone payments	56,170,397	58,465,450	61,321,789	61,491,720	69,106,766	71,871,037	72,562,104	72,562,104
Contracted instructional services between public schools	-	-	-	-	-	-	-	-
Tax appraisal and collection	13,814,336	14,990,752	14,980,471	15,517,042	16,108,790	16,753,142	16,914,230	16,914,230
Chapter 41/Purchase of WADA	204,404,117	265,231,840	80,843,995	197,810,414	213,265,281	221,795,892	223,928,545	223,928,545
Debt service								
Principal	14,216,599	8,764,959	14,420,016	13,611,426	14,500,000	15,080,000	15,225,000	15,225,000
Interest and fiscal charges	498,626	181,903	575,307	1,207,310	750,000	780,000	787,500	787,500
Capital outlay								
Facilities acquisition and construction	21,463,684	269,834	8,635,291	1,340,201	-	-	-	-
Total expenditures	2,084,342,080	1,991,206,129	1,863,604,372	2,118,499,494	2,186,550,176	2,274,012,183	2,295,877,685	2,295,877,685
Excess (deficiency) of revenues over (under) expenditures	(93,905,082)	209,394,231	118,209,709	20,890,838	(105,422,610)	(109,639,515)	(110,693,741)	(110,693,741)
OTHER FINANCING SOURCES (USES)								
Transfers in	29,274,879	26,000,000	22,500,000	22,500,000	20,000,000	20,800,000	21,000,000	21,000,000
Transfers out	(88,500,216)	(52,214,349)	(43,199,832)	(35,912,972)	(19,020,390)	(19,781,206)	(19,971,410)	(19,971,410)
Capital leases	23,481,683	-	35,099,520	-	22,366,685	23,261,352	23,485,019	23,485,019
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Insurance proceeds	40,478,727	23,135,252	16,296,947	21,247,698	-	-	-	-
Total other financing sources (uses)	4,735,073	(3,079,097)	30,696,635	7,834,726	23,346,295	24,280,147	24,513,610	24,513,610
Net change in fund balances	(89,170,009)	206,315,134	148,906,344	28,725,564	(82,076,315)	(85,359,369)	(86,180,131)	(86,180,131)
Fund balances, beginning	701,848,679	612,678,670	818,993,804	967,900,148	996,625,712	914,549,397	829,190,028	743,009,897
Fund balances, ending	612,678,670	818,993,804	967,900,148	996,625,712	914,549,397	829,190,028	743,009,897	656,829,766

Budget Forecast Assumptions
 Tax roll increase at 4 percent, 5 percent, and 5 percent respectively.
 No salary forecast included in estimates
 Average Daily Attendance is reduced by 9,773 in 2022-2023, and kept level thereafter.
 Maintenance and Operations tax rate declines as property value's increase based on tax compression.
 No forecast or assumptions included for legislative session beginning in 2022
 See the discussion in the executive summary on school finance from the 86th legislative session.
 Debt Principal and Interest is primarily the Power Up Program.
 Deficit budget adopted which will be covered through salary fallout.

Excess Revenue (Previously called Recapture)
 The recapture calculation was changed in the 86th legislative session and became excess revenue. District revenues are now capped at the district's Total Cost of Tier I, Tier II, and other funding. For HISD other funding is the Tax Increment Reinvestment Zone pass through funding.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Earnings on investments	-	-	-	-	-	-	-	-
Miscellaneous local sources	17,290,516	28,108,792	22,436,554	23,022,617	4,756,791	8,985,420	9,075,274	9,166,027
State sources	17,185,125	36,424,706	26,473,334	20,973,810	15,310,110	26,390,213	26,654,115	26,920,656
Federal sources	215,902,850	186,165,404	238,751,950	216,857,178	175,612,793	194,025,148	195,965,398	197,925,052
Total revenues	250,378,491	250,698,902	287,661,838	260,853,605	195,679,694	229,400,781	231,694,787	234,011,735
EXPENDITURES								
Current								
Instruction	141,961,026	128,890,137	206,378,524	114,859,024	109,757,363	148,877,166	150,365,938	151,869,597
Instructional resources and media services	189,630	130,971	42,674	45,422	55,602	6,715	6,782	6,850
Curriculum development and Instructional staff development	41,413,560	32,077,044	28,372,315	28,278,463	16,703,397	22,204,086	22,426,127	22,650,388
Instructional leadership	9,628,713	13,418,172	12,531,435	13,786,907	7,201,841	11,561,187	11,676,799	11,793,567
School leadership	2,822,315	3,763,360	1,515,175	1,097,826	831,845	962,342	971,965	981,685
Guidance, counseling, and evaluation services	14,840,742	14,454,996	18,030,085	16,623,780	11,067,599	14,756,626	14,904,192	15,053,234
Social work services	1,338,918	1,316,098	2,229,676	2,536,334	5,085,001	2,466,887	2,491,556	2,516,472
Health services	2,968,385	4,485,024	3,528,432	1,707,790	3,225,454	3,284,936	3,317,785	3,350,963
Student (pupil) transportation	3,430,622	4,233,359	5,174,915	4,688,426	2,197,289	6,795,684	6,863,641	6,932,277
Food services	45,849	-	15,757	9,951	2,221	-	-	-
Extracurricular activities	1,906,714	919,041	4,441,246	14,992,503	1,547,471	702,445	709,469	716,564
General administration	1,979,983	3,864,618	2,177,550	2,368,088	8,435,657	6,887,918	6,956,797	7,026,365
Facilities maintenance and operations	13,866,210	1,663,961	647,740	814,025	6,369,592	25,498	25,753	26,011
Security and monitoring services	968,393	1,749,094	739,634	3,641,718	861,721	91,620	92,536	93,461
Data processing services	6,294,379	5,223,578	3,689,402	45,819,236	15,658,173	1,331,322	1,344,635	1,358,081
Community services	5,921,673	5,944,654	10,892,096	10,208,977	4,650,588	9,446,241	9,540,703	9,636,110
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay								
Facilities acquisition and construction	130,577	49,242	18,080	912,287	296,767	108	109	110
Intergovernmental charges								
Fiscal agent/member districts of shared services arrangements	3,045,173	3,719,430	3,598,894	3,647,127	1,732,113	-	-	-
Total expenditures	252,752,862	225,902,779	304,023,630	266,037,884	195,679,694	229,400,781	231,694,787	234,011,735
Excess (deficiency) of revenues over (under) expenditures	(2,374,371)	24,796,123	(16,361,792)	(5,184,279)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	25,858,259	-	282,067	1,821,061	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,858,259	-	282,067	1,821,061	-	-	-	-
Net change in fund balances	23,483,888	24,796,123	(16,079,725)	(3,363,218)	-	-	-	-
Fund balances, beginning	37,058,450	34,684,079	59,480,202	43,400,477	53,102,081	66,166,903	79,231,725	92,296,547
Cumulative effect of the adoption of GASB 84	-	-	-	13,064,822	13,064,822	13,064,822	13,064,822	13,064,822
Fund balances, ending	60,542,338	59,480,202	43,400,477	53,102,081	66,166,903	79,231,725	92,296,547	105,361,369

Budget Forecast Assumption

The district continues to seek out and obtain grant funding for supplemental services for students.

The state of Texas has projected growth of 3.4 percent in the education and health industry and HISD is projecting a 1 percent growth rate in funding.

In 2021-2022 the district will seek other federal funds to replace 21st Century, Teacher School Leader and Music Educators grants with other funding opportunities.

Notes:
 1. The 2019-2020 budget is based on the planning amounts from the previous year. The budget amounts will be adjusted throughout the year based on amendments and grants received and submitted to TEA for each grant.
 2. In 2018-2019 the beginning fund balance was adjusted by \$25,858,259 as a result of the change of the Nutrition Services Fund to be a Governmental Fund
 3. Nutrition Services schedule totals are combined with Special Revenue schedule to capture all Special Revenue revenues, expenditures, and changes in fund balance due to reclassification of Nutrition Services fund as a Governmental Fund.

HOUSTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS

	2017-2018 Actual
REVENUES:	
Food sales	4,935,531
Miscellaneous local sources	189,099
Total revenues	5,124,630
EXPENDITURES	
Current	
Food services	124,044,956
General administration	725,685
Plant maintenance and operations	157,596
Total expenditures	124,928,237
NONOPERATING REVENUES (EXPENSES)	
Earnings on investments	645,193
Grants from federal agencies	
Child nutrition program	115,138,622
Child and Adult Care Program	-
Summer food program	-
Donated Commodities	5,806,938
State matching and other	574,319
Capital asset contribution to Special Revenue Fund	-
Debt assignments to Special Revenue Fund	-
Total nonoperating revenue	122,165,072
Transfers in	-
Transfers out	-
Change in net assets	2,361,465
Total net assets, beginning	10,501,976
Reclassification of net position to fund balance	15,356,283
Net position - beginning restated	-
Total net assets, ending	28,219,724

Note: The Nutrition Services Fund was reclassified as a governmental fund effective fiscal year 2017-2018. Prior years actuals are presented as a Proprietary Fund for historical purposes only.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - NUTRITION SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH FORECAST DATA

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Actuals	Actuals	Actuals	Adopted	Forecast	Forecast	Forecast
REVENUES							
Earnings on investments	968,639	588,540	12,658	15,000	26,000	15,000	15,000
Miscellaneous local sources	4,992,231	3,316,403	945,027	16,009	4,359,414	4,708,167	4,754,778
State sources	548,366	537,247	537,594	537,594	540,820	544,064	547,329
Federal sources	118,051,913	82,876,222	91,081,887	137,631,368	128,584,362	131,477,510	134,435,754
Donated Commodities	7,764,207	6,695,872	5,372,936	-	6,606,444	6,755,089	6,907,079
Total revenues	132,325,356	94,014,284	97,950,102	138,199,971	140,117,039	143,499,830	146,659,939
APPROPRIATIONS							
Food services	128,717,953	112,235,811	81,508,890	135,619,794	134,487,397	139,180,285	142,245,591
General administration	1,296	324	324	-	-	-	-
Facilities maintenance and operations	1,693,003	1,211,448	1,269,844	1,311,504	1,330,865	1,363,106	1,393,127
Capital outlay	-	-	-	-	196,127	200,879	205,303
Total expenditures	130,412,252	113,447,583	82,778,858	136,931,298	136,014,390	140,744,270	143,844,020
Excess (deficiency) of revenues over (under) expenditures	1,913,104	(19,433,299)	15,171,244	1,268,673	4,102,649	2,755,560	2,815,918
OTHER FINANCING SOURCES (USES)							
Transfers in	-	2,647,890	-	2,647,890	-	-	-
Capital Leases	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	2,647,890	-	2,647,890	-	-	-
Net change in fund balances	1,913,104	(16,785,409)	15,171,244	3,916,563	4,102,649	2,755,560	2,815,918
Estimated fund balances—beginning	28,219,724	30,132,828	13,347,419	28,518,663	32,435,226	36,537,876	39,293,436
Estimated Fund balances—ending	30,132,828	13,347,419	28,518,663	32,435,226	36,537,876	39,293,436	42,109,354

Note: The Nutrition Services Fund was previously a proprietary fund. It was reclassified as a governmental fund effective fiscal year 2017-2018. Therefore, for 2019-2020 the budget is presented in the governmental fund budget format.

Budget Projection Assumptions	
Federal reimbursements are forecasted to increase overall by roughly 1% due to an increase in student face-to-face enrollment rate and an increase in the federal reimbursement rates. Seamless Summer Option (SSO) participation is forecasted to increase in comparison to Year over Year (YOY) as a result of the district participating in this program for FY22.	
This program will be utilized for its flexibility and higher reimbursement rates. This program could be extended for FY23, pending USDA determination. The CACFP (dinner) program growth will increase due to the increased efforts to expand afterschool program participation. Meal participation is forecasted to exceed the prior year's performance due to a	
higher enrollment. Personnel costs will decrease approximately 5%, due to change to Broadline Distribution model. The central warehouse will undergo a reorganization as result of this change to a decentralized food and supply distribution. Contracted maintenance costs will be reduced by 17% with the discontinuation of HVAC maintenance, delivery service and equipment leasing due closure of the Bennington warehouse distribution and decommissioning of Bennington refrigeration units. Maintenance costs are projected to decrease as result of the discontinued warehouse storage facility and the transition to Broadline distribution operation in September 2021.	

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Actual	Actual	Actual	Actual	Adopted	Forecast	Forecast	Forecast
REVENUES								
Local maintenance taxes	273,662,311	277,016,694	295,277,106	314,102,913	327,542,527	334,093,378	340,775,245	347,590,750
Earnings on investments	1,436,784	2,179,784	1,397,123	98,449	40,000	40,000	40,000	40,000
State sources	2,618,427	2,583,506	2,385,404	2,078,280	2,000,000	2,300,000	2,300,000	2,300,000
Federal sources	7,107,587	1,529,012	442,004	-	-	-	-	-
Total revenues	284,825,109	283,308,996	299,501,637	316,279,642	329,582,527	336,433,378	343,115,245	349,930,750
EXPENDITURES								
Debt service								
Principal	202,634,393	208,194,517	207,826,219	225,801,456	233,225,073	245,880,000	260,345,000	273,800,000
Interest and fiscal charges	130,605,885	145,333,336	136,967,532	130,004,131	122,750,925	112,180,290	104,647,321	97,050,755
Payment to escrow agents-current and advanced refunding	-	162,110,000	168,815,269	49,050,000	-	-	-	-
Total expenditures	333,240,278	515,637,853	513,609,020	404,855,587	355,975,998	358,060,290	364,992,321	370,850,755
Excess (deficiency) of revenues over (under) expenditures	(48,415,169)	(232,328,857)	(214,107,383)	(88,575,945)	(26,393,471)	(21,626,912)	(21,877,076)	(20,920,005)
OTHER FINANCING SOURCES (USES)								
Transfers in	39,936,152	53,750,302	56,414,421	42,768,880	26,744,350	22,141,375	22,233,625	21,135,000
Issuance of bonds and other debt	-	159,945,000	148,895,000	-	-	-	-	-
Issuance of refunding debt	-	-	17,082,670	45,675,000	-	-	-	-
Premium on the sale of bonds	-	2,650,288	-	-	-	-	-	-
Premium on the sale of refunding bonds	-	-	-	3,608,782	-	-	-	-
Payments to escrow agents - advance refunding	-	-	-	-	-	-	-	-
Total other financing sources (uses)	39,936,152	216,345,590	222,392,091	92,052,662	26,744,350	22,141,375	22,233,625	21,135,000
Net change in fund balances	(8,479,017)	(15,983,267)	8,284,708	3,476,717	350,879	514,463	356,549	214,995
Fund balances, beginning	129,036,673	120,557,656	104,574,389	112,859,097	116,335,814	116,686,693	117,201,156	117,557,705
Fund balances, ending	120,557,656	104,574,389	112,859,097	116,335,814	116,686,693	117,201,156	117,557,705	117,772,700

Budget Forecast Assumptions
Assumptions are estimates only and are contingent upon actual results. For example the required tax rate is largely contingent upon the realization of estimated roll value increases.
Roll value increases 2 percent in each fiscal year.
Debt tax rate does not change from the current \$0.1667 in subsequent years.
No new bonds are sold through 2023-2024. Variable rate principal payments scheduled each year would be available for new debt service if necessary.

HOUSTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL RENOVATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
REVENUES								
Property taxes	-	-	-	-	-	-	-	-
Earnings on investments	12,973,017	18,417,781	8,257,162	324,413	100,000	75,000	50,000	25,000
Miscellaneous local sources	29,726,832	34,928,738	28,654,613	31,424,519	32,195,456	32,000,000	33,000,000	34,000,000
Total revenues	42,699,849	53,346,519	36,911,775	31,748,932	32,295,456	32,075,000	33,050,000	34,025,000
EXPENDITURES								
General Administration	-	-	3,563,383	3,376,045	3,511,896	4,000,000	4,000,000	4,000,000
Facilities Maintenance and Operations	-	-	1,277,000	3,587,783	-	-	-	-
Data processing services	-	-	1,432,817	2,389,112	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Facilities acquisition and construction	560,551,102	338,763,270	271,011,962	65,369,636	82,848,695	70,000,000	20,000,000	10,000,000
Total expenditures	560,551,102	338,763,270	277,285,162	74,722,576	86,360,591	74,000,000	24,000,000	14,000,000
Excess (deficiency) of revenues over (under) expenditures	(517,851,253)	(285,416,751)	(240,373,387)	(42,973,644)	(54,065,135)	(41,925,000)	9,050,000	20,025,000
OTHER FINANCING SOURCES (USES)								
Transfers in	56,000,000	6,057,096	5,000,000	-	-	-	-	-
Transfers out	(7,435,936)	(7,593,049)	(7,637,546)	(7,967,630)	(8,119,892)	(5,768,875)	(5,861,125)	(4,762,500)
Issuance of bonds and other debt	-	-	-	-	-	-	-	-
Premium on the sale of bonds	261,575,000	-	-	-	-	-	-	-
Insurance proceeds on sale of capital assets	40,253,761	1,240,622	1,302,706	472,372	-	-	-	-
Total other financing sources (uses)	350,392,825	(295,331)	(1,334,840)	(7,495,258)	(8,119,892)	(5,768,875)	(5,861,125)	(4,762,500)
Net change in fund balances	(167,458,428)	(285,712,082)	(241,708,227)	(50,468,902)	(62,185,028)	(47,693,875)	3,188,875	15,262,500
Fund balances, beginning	981,894,115	814,435,687	528,723,605	287,015,378	236,546,476	174,361,448	126,667,573	129,856,448
Fund balances, ending	814,435,687	528,723,605	287,015,378	236,546,476	174,361,448	126,667,573	129,856,448	145,118,948

Budget Forecast Assumptions
<ul style="list-style-type: none"> • Remaining funds from prior projects and using other remaining funds for school renovations, maintenance and repairs. • Expenditures-based on trends of other programs and the expectation of the pace decreasing for 2012 Bond Program with the program expecting to be completed by end of 2022. • TIRZ revenue may decrease based on the legislature regarding recapture.

HOUSTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE DATA FOR PRIOR YEARS AND FORECAST

	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Adopted	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
OPERATING REVENUES:								
Charges for sales and services								
Sales to customers	23,419,076	22,490,440	23,602,141	11,174,211	24,494,797	24,739,745	24,987,142	25,237,014
Charges to employees or other funds	158,204,737	165,039,904	163,013,671	193,151,480	178,831,060	180,619,371	182,425,564	184,249,820
Miscellaneous	9,887,991	9,861,225	29,853,585	10,936,849	13,598,800	13,734,788	13,872,136	14,010,857
Total operating revenues	191,511,804	197,391,569	216,469,397	215,262,540	216,924,657	219,093,904	221,284,843	223,497,691
OPERATING EXPENSES:								
Payroll costs	15,233,356	15,972,981	14,970,471	14,480,426	16,654,502	16,821,047	16,989,257	17,159,150
Purchased and contracted services	12,650,227	12,003,956	18,967,818	33,278,788	27,384,716	27,658,563	27,935,149	28,214,500
Supplies and materials	2,377,594	1,468,140	1,597,661	2,711,670	1,815,527	1,833,682	1,852,019	1,870,539
Other operating expenses	1,231,993	1,630,705	1,450,415	1,503,945	2,656,740	2,683,307	2,710,140	2,737,242
Claims and judgements	146,449,690	174,769,438	162,250,830	162,605,335	178,676,849	180,463,617	182,268,254	184,090,936
Depreciation	229,637	294,756	1,914,213	4,540,446	7,764	7,842	7,920	7,999
Capital assets	-	-	-	-	750,123	757,624	765,201	772,853
Total operating expenses	178,172,497	206,139,976	201,151,408	219,120,611	227,946,221	230,225,683	232,527,940	234,853,219
Operating income (loss)	13,339,307	(8,748,407)	15,317,989	(3,858,071)	(11,021,564)	(11,131,779)	(11,243,097)	(11,355,528)
NONOPERATING REVENUES (EXPENSES)								
Earnings on investments	818,610	1,642,319	1,071,259	126,814	233,330	235,663	238,020	240,400
Interest	-	-	(292,620)	(599,785)	-	-	-	-
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	-
Miscellaneous	73,517	27,250	-	-	70	-	-	-
Total nonoperating revenue	892,127	1,669,569	778,639	(472,971)	233,400	235,663	238,020	240,400
Income (loss) before transfers	14,231,434	(7,078,838)	16,096,628	(4,331,042)	(10,788,164)	(10,896,116)	(11,005,077)	(11,115,128)
Transfers In	-	-	-	-	-	-	-	-
Change in net assets	14,231,434	(7,078,838)	16,096,628	(4,331,042)	(10,788,164)	(10,896,116)	(11,005,077)	(11,115,128)
Total net assets, beginning	58,644,489	72,875,923	65,797,085	81,893,713	77,562,671	66,774,507	55,878,391	44,873,314
Total net assets, ending	72,875,923	65,797,085	81,893,713	77,562,671	66,774,507	55,878,391	44,873,314	33,758,186

Budget Forecast Assumption

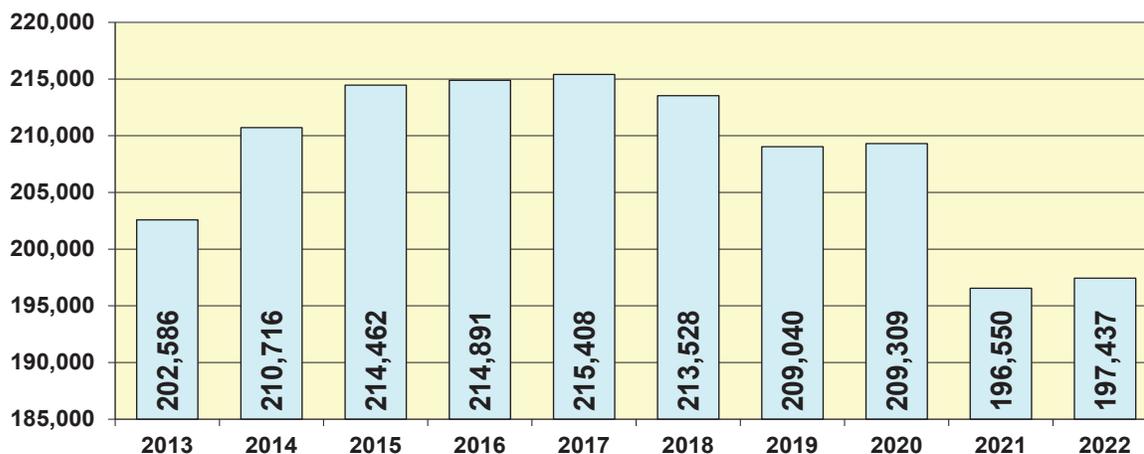
The state of Texas has forecast growth of 1.8 percent in the education and health services industry. Accordingly, HISD is forecasting a 1 percent growth rate in revenue and expenses.

Demographics and Student Enrollment

The Houston Galveston Area Council (H-GAC) has a population of more than 7 million, making it the fourth largest metropolitan area in the country. Demographically and economically, the region has rapidly diversified, transforming the city to a cosmopolitan, international center of business and industry. Over the last decade, the population of H-GAC has experienced significant growth, despite volatility in the oil and gas industry. As a result, the district must be prepared to meet the challenges of educating an increasingly heterogeneous student population. In light of the recent growth of service-sector jobs in the Houston area and U.S. economy, students must be prepared for careers requiring advanced skills in mathematics, science, and technology, in addition to strong reading and writing skills.

The net effect of Houston's growing population on HISD's student enrollment is difficult to ascertain, due to many complicating factors. In particular, the recent growth of state charter schools, private schools, and homeschooling, combined with central-city demographic shifts and economic conditions will mitigate the effect of the Houston metropolitan area's population increases, resulting in difficulty predicting the district's enrollment. Additional demographic information can be found in the Informational Section of this document, while a summary of district enrollment changes is presented below.

HISD Pupil Enrollment Trends



Personnel Allocation

The district continues to monitor staffing at all levels and finds ways to be more efficient. Central Office staffing levels are monitored closely and were extensively reviewed during the 2021-2022 budget development process to ensure the majority of district funds are directed toward classroom instruction and minimize the impact of necessary district budget cuts to schools. HISD consistently maintains an administrative cost ratio below state limits and peer districts, according to the Texas Schools Financial Integrity Rating System (FIRST).

The chart on the following two pages illustrates the staffing for the district, representing the various types of positions from fiscal years 2020-2022. As a result of the district's belief in site-based decision-making, principals have direct control over positions and employees listed in the campus category. Department positions include custodians, police officers, transportation employees, speech therapists, special education diagnosticians, special education teachers, and teacher aides who work at the campus-level, but who are managed and supervised by central office departments.

HISD Salaried Exempt and Non-Exempt FTE's for 2020 through 2022
(excludes All Hourly, Bus Drivers, and Substitutes)

Group Description	General Fund			All Funds		
	2020	2021	2022	2020	2021	2022
Assistant Principal	316.49	316.00	299.00	317.49	317.00	299.00
Assistant/Associate/Deputy	48.50	50.17	51.17	52.00	53.00	54.00
Associate School Psychologist	0.00	0.00	0.00	1.00	0.00	0.00
Athletic Director	0.00	0.00	0.00	6.00	6.00	6.00
Audiologist	0.50	0.50	0.50	3.00	3.00	3.00
Business Manager	1.00	2.00	1.00	1.00	2.00	1.00
Business Services Professional	75.95	77.95	80.65	145.00	145.00	147.50
Business/Finance	428.81	429.22	427.22	517.09	501.00	499.00
Campus Office/Clerical	1,320.46	1,378.28	1,319.41	1,422.96	1,486.78	1,395.91
Central Office/Clerical	139.68	150.17	155.29	162.88	174.37	182.49
Certified Interpreter	1.00	1.00	0.00	6.00	6.00	3.00
Certified Orientation and Mobility Specialist	6.00	6.00	5.72	6.00	6.00	6.00
Child Nutrition	0.00	0.00	0.00	588.00	397.00	378.00
Communications Professional	10.78	10.90	14.90	19.00	19.00	20.00
Counselor	208.24	235.14	223.39	255.24	283.14	269.39
Custodial	987.50	969.50	971.50	989.50	970.50	972.50
Department Head	68.00	67.00	72.00	70.00	69.00	74.00
Director of Personnel/Human Resources	1.00	1.00	1.00	1.00	1.00	1.00
District Instructional Program Director	30.00	37.00	40.00	35.00	42.00	43.00
Educational Aide	1,276.00	1,504.00	1,293.00	1,340.80	1,566.80	1,343.20
Educational Diagnostician	27.32	27.52	24.52	139.00	141.00	139.00
Electrician	31.00	31.00	36.00	37.00	37.00	37.00
Food Service Professional	0.00	0.00	0.00	27.00	17.00	17.00
Human Resources	28.00	19.00	19.00	30.00	20.00	20.00
HVAC	66.00	65.00	73.00	76.00	75.00	75.00
Information Technology	165.23	168.23	193.73	176.60	179.60	200.50
Internal Auditor	8.00	8.00	8.00	9.00	9.00	9.00
Librarian	71.09	66.49	55.99	71.09	66.49	55.99

HISD Salaried Exempt and Non-Exempt FTE's for 2020 through 2022
(excludes All Hourly, Bus Drivers, and Substitutes)

Group Description	General Fund			All Funds		
	2020	2021	2022	2020	2021	2022
Maintenance	570.00	634.00	650.00	608.00	671.00	671.00
Other	0.00	0.00	0.00	0.00	1.00	1.00
Other Campus Exempt Professional Auxiliary	358.54	451.99	442.99	379.54	468.99	457.99
Other District Exempt Professional Auxiliary	603.37	672.22	702.66	1,171.19	1,229.59	1,243.99
Other Non-Exempt Auxiliary	62.26	77.54	68.54	144.56	144.04	131.54
Painter	22.00	22.00	22.00	22.00	22.00	22.00
Plumber	24.00	24.00	26.00	26.00	26.00	26.00
Principal	272.00	270.00	269.00	272.00	270.00	269.00
Registrar	28.00	29.00	30.00	28.00	29.00	30.00
Safety/Security	266.00	265.00	271.00	281.00	278.00	277.00
School Nurse	254.88	265.87	269.78	260.38	270.87	274.78
School Psychologist	31.48	21.01	15.01	67.99	54.97	45.48
Security	6.00	6.00	6.00	6.00	6.00	6.00
Social Worker	16.00	12.00	15.00	41.00	44.15	47.25
Speech Therapist	74.17	74.17	73.15	91.67	91.67	90.65
Superintendent/Chief Administrator	2.00	2.00	2.00	2.00	2.00	2.00
Tax Assessor/Collector	1.00	1.00	1.00	1.00	1.00	1.00
Teacher	10,895.21	11,199.26	10,866.74	11,283.31	11,579.94	11,232.04
Teacher Facilitator	567.44	658.56	613.61	641.28	737.15	694.70
Transportation	167.50	161.50	159.50	169.00	163.00	161.00
Warehouse	50.00	49.00	49.00	144.00	110.00	107.00
Total FTE's	19,588.40	20,517.19	19,918.97	22,144.57	22,794.05	22,042.90

Summary

After being essentially closed to in-person learning for the final months of the 2019-2020 school year, HISD launched the “Students Within Reach/Return Strong” campaign to ensure all children engage academically in the coming school year. This was a targeted effort to reach students who had not connected with their schools since virtual instruction began in March 2019. Data revealed that 7,541 of the district’s students had been disengaged since that time. The campaign used phone calls, mail, text messages, and social media, as well as home visits by trained HISD staff.

Hundreds of thousands of students, educators, parents, and staff began the first day of the 2020-2021 school year virtually with a charge to “Reconnect Safely, Return Strong.” More information about HISD’s reopening plan, including safety protocols and the district’s instructional continuity plan were made available on the HISD website. Then, on October 19, tens of thousands of HISD students returned to face-to-face instruction, and Interim Superintendent Grenita Lathan visited multiple campuses on that day. More details are available in HISD’s Communicable Disease Plan.

In May 2021, after a lengthy process of gathering stakeholder input, a nationwide search that included a diverse pool of applicants, and a comprehensive interview process of the top candidates, the HISD Board of Education announced Millard House II as the lone finalist for superintendent. He began his tenure on July 1, 2021.

COVID-19 Vaccine: HISD was proactive in its efforts to protect the health and safety of its staff and students by providing opportunities for employees who qualify to receive the COVID-19 vaccine and by providing ongoing testing for staff and students on its campuses. On January 9, 2021, the district partnered with Kroger, as a team of pharmacists from the supermarket chain administered the COVID-19 vaccine to educators who were 65 or older or individuals with certain medical conditions (Phase 1B); police officers; and school nurses and clinical staff who fell under Phase 1A (healthcare personnel) in accordance with state and federal guidelines.

COVID-19 Grant: HISD accepted a \$250,000 grant from the School-Based Healthcare Solutions Network to address students’ and parents’ mental health issues caused by the COVID-19 pandemic. The grant was used at 10 participating schools to assist families whether their students were enrolled in virtual or face-to-face instruction. Only 25 recipients across the nation received the grant. The schools were Highland Heights and Wesley elementary schools; Attucks, Cullen, Henry, and Thomas middle schools; and Bellaire, Madison, North Forest, and Waltrip high schools.

Additional COVID-19 Funds: In February 2021, the HISD Board of Education unanimously approved a budget amendment that included an additional \$41 million for COVID-19 related expenses to help mitigate the spread in schools and facilities and increase safety measures. Up to that point, the district had spent approximately \$109 million on COVID-related expenses to help ensure the health, safety, and well-being of its students and staff and their families. Then in March 2021, the HISD Board approved more than \$12 million in CARES Act reimbursement funding to cover expenses related to COVID-19. The funds were used to reimburse numerous costs, including technology, supplies, and distance learning materials required during the pandemic.

MENTAL HEALTH AND WELLNESS

Needs Map: HISD’s Wraparound Services launched a visual and interactive data display that captures areas of demand and trends of non-academic supports across the district. The Needs Map is the result of a collaboration between the Houston Education Research Consortium (HERC), ProUnitas, and HISD’s Wraparound Services department, as the district continues its strong commitment to provide students with non-academic resources and assistance in order to promote academic achievement.

PARTNERSHIPS

The Equity Project/Rice University: HISD partnered with Rice University’s Houston Educational Research Consortium (HERC) to conduct a comprehensive study on educational equity across the district. HISD and HERC examined equitable access to educational programming, resources, supports, facilities, and opportu-

nities for students by race/ethnicity, economic status, English learner status and other factors. The following topics were included: academic and extracurricular programming, COVID-19 resources, facilities, financial resources, human capital, student supports, and technology. The Equity Project was scheduled to be completed by late summer 2021. Learn more online at www.houstonisd.org/equityproject.

AWARDS, GRANTS, AND RECOGNITION

Top educators named: Dolores Perejon-Lasheras from Helms Elementary School and Gretchen Kasper-Hoffman at Tanglewood Middle School were named Elementary Principal of the Year and Secondary Principal of the Year, respectively. Rosa Oviedo, a first-grade teacher at Neff Elementary School, was named Elementary Teacher of the Year. Aric Barnes, a math teacher at Sam Houston Math, Science, and Technology Center School, was named Secondary Teacher of the Year. Sarah Arvidsson from Seguin Elementary School, Patricia Biles from Revere Middle School, and Christen Smajstria from Heights High School were named Beginning Teachers of the Year. The Ann Sledge honorees were Morgan Dewitt from Jane Long Academy and Satyra Gilford Smith from Bruce Elementary School. Brooke Corso from Pin Oak Middle School was named Librarian of the Year.

2020 National Blue Ribbon Schools: Three schools received a 2020 National Blue Ribbon Schools award from the U.S. Department of Education. The High School for Law and Justice, Young Women's College Preparatory Academy, and Memorial Elementary School – all first-time winners – were among 26 schools in Texas to be nominated.

Children at Risk Rankings: Nearly 100 campuses received high rankings on Children at Risk's annual list of best public schools in the city's eight-county region, with DeBakey High School for Health Professions once again declared the best public high school in the area. Park Place Elementary School and T.H. Rogers School each received number one rankings in two different categories. Other campuses that received number one rankings included Eastwood Academy High School, Energized for STEM West Middle School, Holland Middle School, and Mickey Leland College Preparatory Academy for Young Men.

2021 Best Public High Schools: U.S. World News & World Report released its rankings of best public high schools, and several district schools made the list. Four HISD schools are among the top 100 schools in the country: Carnegie Vanguard High School ranked at number 42, DeBakey High School for Health Professions at number 46, Challenge Early College High School at number 89, and Young Women's College Preparatory Academy at number 97. Eight HISD schools were among the top 10 in the Houston Metro Area: Carnegie Vanguard High School, DeBakey High School for Health Professions, Challenge Early College High School, Young Women's College Preparatory Academy, Eastwood Academy High School, Kinder High School for the Performing and Visual Arts, North Houston Early College High School, and East Early College High School.

Challenge Index: Carnegie Vanguard High School was ranked number five on the Challenge Index list of top 20 high schools, as well as number 2 on the Index's list of Top 10 Magnet Schools and number 3 on the list of Top 10 Southern Schools. Additionally, Young Women's College Preparatory Academy was ranked number 10 on the list of Top 10 Magnet Schools. The Challenge Index has appeared in Newsweek and the Washington Post and is the only list that compares private and public schools. It ranks high schools by a simple ratio: the number of Advanced Placement, International Baccalaureate, or Cambridge tests given at school each year divided by the number of seniors who graduated that year.

Texas Honor Roll: The list of schools selected by the Educational Results Partnership (ERP) included 49 HISD campuses. The schools were selected by the ERP for the 2019-2020 list based on students' academic performance, closing achievement gaps among groups of students, utilizing evidence-based instructional practices, and having a defined systemwide mission of college and career readiness for all students.

Region V Athletic Director of the Year: Andre' Walker received the honor this year. Walker spent the past two decades serving students in HISD as a teacher, coach, assistant principal, and now athletic director. Region V covers 24 counties across the Greater Houston area and southeast Texas.

HISD Educator named Texas Poet Laureate: Lupe Mendez was named Texas Poet Laureate in June 2020. Mendez is an HISD teacher development specialist with more than 10 years of experience with the district.

The former classroom teacher has also received fellowships from CantoMundo, Macondo and the Crescendo Literary/Poetry Foundation. Mendez is an internationally published writer. His work is featured in The Kenyon Review, Gulf Coast Journal, the Texas Review, Poetry Magazine and Poem-A-Day from the Academy of American Poets.

Nine Valedictorians at Bellaire High School: Bellaire's Class of 2021 made history in 2021 with nine valedictorians crossing the stage in June. Alkiviades Boukas, Daniel Chen, Evie Tseng-Ying Kao, Angela Ling, Miles Mackenzie, Wenson Tsiang-Hao Tang, Christopher Zhou, and twin sisters Annie and Shirley Zhu all had a perfect 5.0 GPA.

Scholastic Art and Writing Awards: A record nine HISD students from six campuses won prestigious national gold medals in the 2020 Scholastic Art and Writing Awards. This was the first time HISD had nine national gold medal winners in a single year. The winners competed against more than 80,000 students who submitted nearly 230,000 works of art and writing to the Scholastic Awards. Only 2,000 entries received national medals.

Superintendent Scholar Awards: Interim Superintendent Grenita Lathan surprised 11 high school seniors with 2020-2021 HISD Superintendent Scholars Awards during visits to their campuses or their homes in May 2020. The scholarships were underwritten by Coca-Cola Southwest Beverages, which has been supporting HISD students for 19 years. The 11 seniors selected by Dr. Lathan received \$2,500 scholarships. Another 35 awardees received \$1,000 scholarships.

National Merit Scholarship Awards: Four students from two HISD high schools were selected as 2020 winners of the National Merit Scholarships, one of the nation's most competitive academic honors for graduating high school seniors. The final student award recipients were Steven Hutterbach, Justin Sun, and Christopher Woodard from Bellaire High School and Ruth Liu from Carnegie Vanguard High School. In addition, 81 seniors from 10 high schools were named 2021 semi-finalists. This year's HISD winners were seniors at Bellaire, Carnegie Vanguard, DeBaKey, Energy Institute, Kinder HSPVA, and Westside high schools.

DeAnda Elementary accolades: DeAnda Elementary School was named one of the best urban schools in the nation by the National Center for Urban School Transformation. A critical thinking initiative had been in place at DeAnda Elementary for more than five years, providing a rigorous curriculum designed to transform instruction into real-life experiences. The school received multiple awards for the program.

Martin Luther King Jr. Oratory Competition: Crespo Elementary School fourth-grader Vivianna Serna won the 25th annual MLK Jr. Oratory Competition on January 15, 2021. She finished first among 12 finalists with a dynamic speech that focused on prejudice, racial and social injustice, and the courage to confront them. Vivianna follows in the footsteps of last year's winner, who was also a Crespo student.

High ratings for Internal Audit team: HISD's Internal Audit Department received the highest rating offered by the Institute of Internal Auditors, an international professional organization. To obtain the Institute of Internal Auditors' highest rating, the audit department had to demonstrate that its charter, policies, and processes conform to the institute's standards.

Microsoft Imagine Academy: Students at Edison Middle School and Yates High School received innovative technological instruction through the Microsoft Imagine Academy as part of the company's partnership with the City of Houston to stimulate digital literacy in economically disadvantaged communities. Edison Middle School and Yates High School students received virtual instruction in coding, IT infrastructure, and data science, and attended virtual science technology engineering and math (STEM) camps. High school students also received training in Artificial Intelligence, modern workplace tools, and office productivity in preparation for earning certifications. The program will continue in 2022.

Moody Foundation helps Achieve 180 schools: HISD received \$1 million from the Moody Foundation to help close the digital divide by purchasing computers for Achieve 180 students on some of the district's underperforming campuses. The funds were earmarked for more than 2,000 devices for pre-K through fifth-grade students at schools where the Achieve 180 program is in place. Achieve 180 is a research-based action plan to support, strengthen, empower, and increase student achievement in underserved and underperforming HISD feeder pattern communities.

Professional development funding from Amazon: Amazon funded computer-science education and teacher professional development for 60 elementary schools in the district, impacting more than 32,000 students from underserved communities and groups underrepresented in tech as part of its Amazon Future Engineer program. HISD is part of Amazon Future Engineer’s expansion to more than 5,000 schools, 1,000 of which will be elementary schools. Amazon is working with BootUp PD, a nonprofit professional development provider specializing in elementary school education, to bring computer science to each school.

Verizon Innovative Learning Schools Program: 12 HISD middle schools were selected for participation in the Verizon Innovative Learning Schools program, which addresses barriers to digital inclusion. In addition to free mobile devices and accompanying 30GB 4G LTE data plans, participating schools were assigned a full-time coach to train teachers in effectively integrating technology into their lessons. Each VILS partner school received an in-kind award of Chromebooks for all students, teachers, and administrators, professional development, and digital instructional resources.

COLLEGE AND CAREER READINESS

College and Career Readiness Month: The Office of Strategy & Innovation held HISD’s third annual College & Career Readiness Month in October. CCR Month is a fun and creative way to engage students and introduce them to a variety of college and career options. The theme was “Take Control: Explore. Design. Launch Your Future!” Each week of the month highlighted a specific CCR theme. Throughout the month, HISD shared information on a variety of college and career programs and activities for all grades.

Virtual Town Hall: HISD aired a live virtual town hall meeting on April 28, 2020, to assist students pursuing postsecondary education options during the COVID-19 crisis. The virtual town hall, which aired in English and Spanish, opened with remarks from HISD Interim Superintendent Grenita Lathan and featured experts in college admissions, scholarships, and financial aid, testing requirements, and enrollment. While the virtual town hall streamed live on HISD-TV, questions submitted in advance were answered and were posted at HoustonISD.org/HealthAlerts.

National Mentoring Month: January was National Mentoring Month, and HISD’s Ascending to Men (ATM) Project and Resilient Outstanding Sisters Exemplifying Success (ROSES) mentoring programs were celebrated by highlighting mentors and mentoring stories on their social media platforms. National Mentoring Month is a celebration of the positive impact mentors have in their mentees’ lives. HISD is encouraging the public to get involved and become a mentor.

First Virtual Dream Summit: HISD kicked off the district’s Dream Summit Series in November with the “Launch the Dream” virtual event, which offered information to help students take the necessary actions and steps to make their college aspirations a reality. The Office of College and Career Readiness and Multilingual Programs DREAM Summit annual event, which is held each year to aid HISD DREAMers, DACA (Deferred Action for Childhood Arrivals) recipients, visa holders, permanent residents, refugees, and asylum grantees, along with their families, was adapted into a series of virtual events, giving more students a chance to make their college dreams come true.

Project Explore: In August 2020, HISD’s Project Explore prepared to meet the needs of students across the district with an array of virtual college and career readiness programs. Project Explore, which connects middle school students to college and career opportunities, held a variety of virtual expeditions to introduce middle school students to the skills needed for secondary, postsecondary, and career success, including virtual college campus visits and advising sessions.

Career & Technical Education Month: February is CTE month, and graduating seniors had the opportunity through the Office of Career Readiness to explore career opportunities. Students networked with industry partners in the Gulf Coast Region, expanding their knowledge of careers in the military and aviation industry, and engaging with business leaders to hear about out-of-the-box careers that will help them earn more. Career Readiness offered three mini sessions in February to expand, engage, and explore career opportunities.

EMERGE: The program continues to empower and prepare high-performing HISD students from underserved communities to attend and graduate from top colleges and universities across the nation. The EMERGE program serves over 1,000 students across 42 high schools in grades 10 to 12, who benefit from extensive programming, individualized support, and tailored resources. EMERGE program managers work closely with students and their families to complete college applications and succeed once they get there. Since its inception in 2011, over 2,000 students have graduated from the EMERGE program and are attending or have attended nearly 200 institutions across the nation.

AP credit and Futures Academies: HISD students continue to earn college credit through Advanced Placement exams. The number of HISD high school students passing their AP exams with a three or above increased to 10,615 in 2020. A total of 10,603 students took the SAT test. The district's eight Futures Academies are specifically tailored to meet the current and future needs of Houston's thriving industries, which include medicine, shipping, energy, manufacturing, and computer technology. Futures Academy courses are offered at Furr, Jones, Kashmere, Scarborough, Sterling, Washington, and Westside high schools, as well as Jane Long Academy.

DISTRICT MILESTONES

HISD Connect: The district launched HISD Connect, a new Student Information System, for the 2020-2021 school year. The system includes a Parent Portal that launched August 31, 2020. Parents were able to use the Parent Portal as a tool to track information related to their student's schedules, grades, attendance, academic history, and more.

George Floyd tribute: A Black History Month tribute to George Floyd and the Black Lives Matter movement on February 6, 2021, included the unveiling of a street mural that covers two blocks of Alabama Street in front of Jack Yates High School, Floyd's alma mater. The mural was commissioned by Harris County Commissioner Rodney Ellis, Houston Society for Change, and 88 C.H.U.M.P., a non-profit social activism organization formed by Floyd's former Yates football teammates.

International Baccalaureate programs: Yates High School began offering the IB Diploma Programme to juniors and seniors at the start of the 2020-2021 school year. The IB Diploma Programme is for students ages 16 to 19 and is currently offered at Bellaire, Chávez, Heights, Lamar, and Sharpstown International high schools. Numerous HISD schools offer IB Programmes, including five middle schools and 15 elementary schools, while 15 schools are IB candidates.

Miles Ahead Scholars: The inaugural year of HISD's Miles Ahead Scholars (MAS) program for students at Wheatley, Worthing, and Kashmere high schools resulted in decreases in discipline problems and increases in grades and attendance rates, according to an internal study by the district. The program began less than a year ago with 60 boys in ninth and 10th grades. An evaluation conducted by HISD's Research and Accountability Department documents the positive academic and socioemotional impact the program has had on its first cohort.

BUSINESS OPERATIONS

Bond and school building programs: Austin High School students returned to a new school on January 6, 2021, after their winter break. A cornerstone of Houston's historic East End, Austin High School was rebuilt as part of HISD's 2012 Bond Program. The \$80.9 million project called for a new 288,628-square-foot facility, as well as work to preserve the historic facade and auditorium of the original 84-year-old building. The campus, located at 1700 Dumble St., is one of 40 schools — including 29 high schools — renovated or rebuilt as part of the \$2 billion bond program, which is now nearly complete. Only Bellaire High School remains under active construction as part of its original scope of work.

Transportation: The department supports students and teachers by providing safe, professional, and efficient transportation to and from school, field trips, athletic competitions, and more. With nearly 1,400 employees, the department transports about 36,000 students to and from school daily, using a fleet of about 1,000 buses that travel more than 86,000 miles per day and approximately 15 million miles annually.

Nutrition Services: HISD Nutrition Services launched its community food distribution program in March 2020, just days after the district had to close its doors due to the COVID-19 pandemic. Throughout the year, the 1,600-member team worked six days a week, staffed more than 10,000 distribution sites, distributed more than 44 million pounds of food and household supplies, and prepared and served more than 8.9 million meals, all while maintaining standard cafeteria services for face-to-face students. The department worked through not just the pandemic, but also torrential rains, extreme heat, high winds, and even a winter storm as they stepped up to the front lines. Virtual learners continued to pick up curbside student meals through June 10, 2021.



Millard House, II
Superintendent of Schools