

HISD Budget Workshop

March 26th

Workshop 2 Outcomes and Agenda

Outcomes:

1. Provide budget updates from 89th Legislative Session
2. Outline SY 25-26 District Action Plan Alignment to Board Goals
3. Preview District Action Plan Investments and General Approach to Cost Management

- Legislative Session Update
- School Year 25-26 District Action Plan Alignment to Board Goals
- Action Plan Investments

Budget Workshop Scope and Sequence

Workshop Series Goals

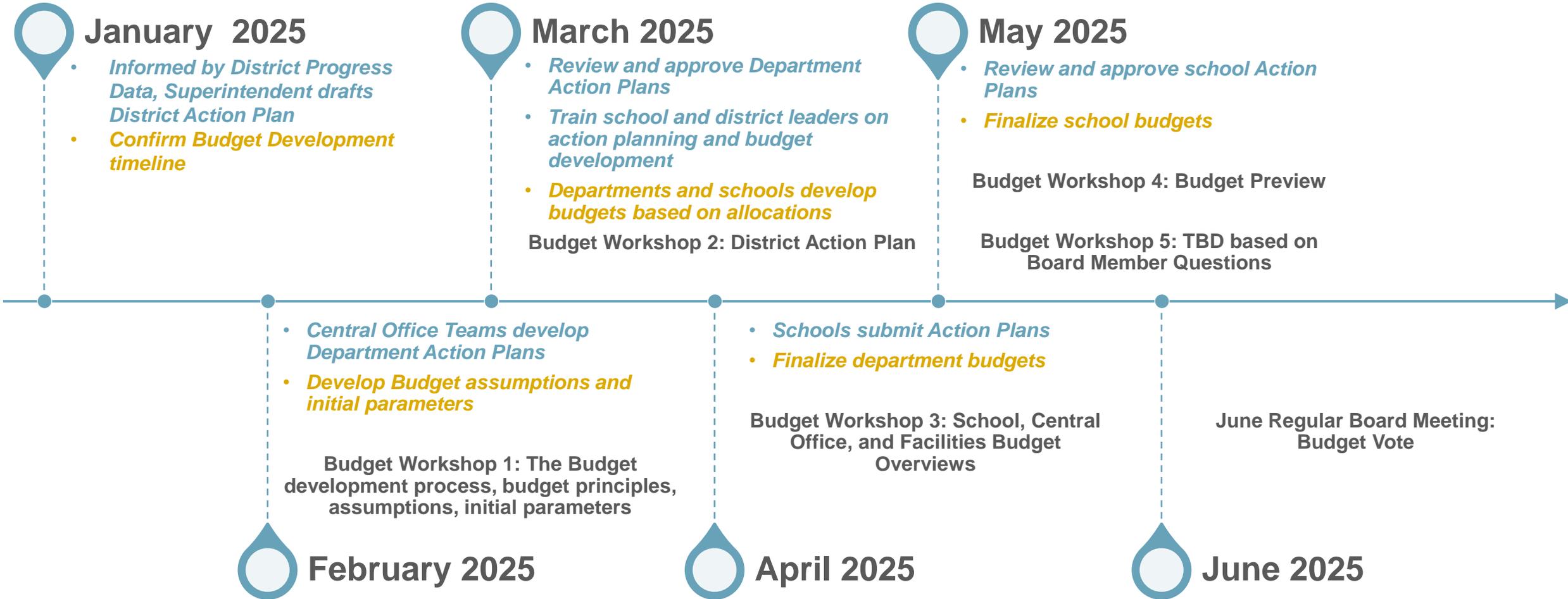
- Socialize HISD’s approach to budgeting
- Connect the 25-26 budget to District goals and priorities
- Clearly identify areas for increased investment and preview possible areas for spending reductions
- Provide transparency into the department and school budget allocations

February 27 th	March 26 th	April 23 rd	May 1 st May 22 nd June 13 th
<p><u>The Big Picture</u></p> <p>Overview of District Financial Position</p> <p>Overview of Best-in-Class District Budget Development Practices</p> <p>HISD’s School Year 25-26 Budget Approach and Timeline, Assumptions and Methodology</p>	<p>School Year 25-26 District Action Plan and Alignment to Board Goals</p> <p>School Budget Approach Preview</p>	<p>School Budgeting Approach – How schools will experience this budget</p> <p>Central Office Allocations</p> <p>Deep Dive into Facilities</p>	<p>May 1: Review of Draft Budget and Long-Term Plan</p> <p>May 22: Final Workshop: Tailored to remaining Board questions</p> <p>June 13: Budget Vote</p>

Update on the 89th Legislative Session

- **SB 26** – Teacher Pay Increase
- **SB 260** – School Safety Allotment Increase
- **HB 2** – Comprehensive Education Funding, Increase in Basic Allotment
- **HB 500** – Appropriation for School Health and Related Services (SHARS) program.

Development Timeline



The Problems We're Trying to Solve

School Year 25-26 Budget Goals

- **Prioritize District Resources to Sustain Transformation:**
Resource key district priorities to sustain early transformation progress, accomplish Board Goals
- **Align Resources to Enrollment to ensure Sustainability:**
Create central office department budgets and ensure direct-to-school budget allocations align to the Action Plan and account for enrollment decreases. Ultimately, these allocations aim to ensure minimal disruptions to programming

Our Guiding Principles

- 1. Keep cuts as far away from the classroom as possible.** We are ensuring that every school gets the per-pupil allowance they are supposed to receive. The District will provide the necessary resources to maintain high quality instruction and a safe and supportive school environment.
- 2. Prioritize resources to meet District goals.** The District Action Plan provides an outline of the highest priority items that will help the District accomplish the School Board's goals and the District's mission.
- 3. Make decisions now that will support long term financial sustainability.** The District will be one step closer to a balanced budget, will allocate necessary funds to accomplish Board Goals and actualize District vision while maintaining District fiscal stability.

Houston ISD District Vision



By the year 2030, HISD will implement wholesale systemic reform of 150 schools to significantly narrow achievement gaps and prepare all students for Year 2035 workplace and world.

Board Goals

All teaching, learning, and management in Houston ISD works in service of the four Houston ISD Board Goals.

1. The percent of **3rd grade students in Houston ISD earning Meets Grade Level on the STAAR reading** test will increase from 41% in June 2023 to 56% in June 2028.
2. The percent of **3rd grade students in Houston ISD earning Meets Grade Level on the STAAR math** test will increase from 38% in June 2023 to 53% in June 2028.
3. The percent of **students graduating TSI ready and with an industry-based certification (IBC)** will increase from 11% for the 2021–2022 graduates to 26% for the 2026-2027 graduates.
4. **Students in grades 4 through 8 who receive special education services** that achieve growth as measured by the Domain 2 Part A of the state accountability system will increase from 63% in August 2023 to 78% in August 2028.

Priority and Board Goal Alignment

Priorities Aligned to Board Goals

		Board Goal			
		1	2	3	4
Key Action 1:	Improve the Quality of Instruction				
Key Action 2:	Implement a New Teacher Evaluation and Compensation System				
Key Action 3:	Improve Special Education Instruction, Service, Delivery and Outcomes				
Key Action 4:	Expand HISD's Pre-K3 and Pre-K4 Programs				
Key Action 5:	Improve Districtwide Systems and Efficiency				
Key Action 6:	Provide Accurate, Timely Information to The HISD Community				
Key Action 7:	Expand Access to High Quality Post Secondary Pathways				
Key Action 8:	Address Prioritized Health and Safety Needs				



Directly influences in 25-26



Enabling condition for impact in future years

Key Action 1: Improve the Quality of Instruction

Specific Actions	Indicators of Success
Continuation of professional development and coaching on HISD's core instructional strategies	Improved IRT scores Improved principal proficiency vis-à-vis Instructional Feedback Rubric
Build staff capacity to embed Emergent Bilingual instructional strategies into coaching	Increase in number of students growing TELPAS proficiency levels
Ensure aligned coaching through appraiser certification	100% appraiser certification rates

Budget allocation change from 24-25 budget: \$0

Key Action 2: Implement a New Teacher Evaluation and Compensation System

Specific Actions	Indicators of Success
Ensure accurate evaluation calculations	Accurate application of target distribution
Launch ongoing teacher and leader engagement campaign and professional development on the new Evaluation System and Distinguished Teacher Review Process	Teachers submit applications for Distinguished Teacher Review Positive feedback on implementation
Create a retention plan for proficient and above, as well as Distinguished teachers	Increased retention percentage for Proficient 1 or higher teachers
Gather feedback to refine implementation of the new system	Positive feedback on implementation

Budget allocation change from 24-25 budget: \$1,000,000

Key Action 3: Improve Special Education Instruction, Service Delivery and Outcomes

Specific Actions	Indicators of Success
Compliance: Conduct folder reviews to review IEPs and ensure timeliness of ARD facilitation	8% of folders reviewed bi-annually
Assess IEPs for instructional proficiency	Improve percentage of IEPs deemed “Instructionally proficient”
Continue and deepen Special Education teacher professional development	Improve IRT scores for Special Education teachers
Allocate additional Special Education staff in NES campuses	Maintain a 1:60 Teacher assistant ratio

Budget allocation change from 24-25 budget: \$0

Key Action 4: Expand HISD's Pre-K3 and Pre-K4 Programs

Specific Actions	Indicators of Success
Determine priority sites and open additional classrooms	Create 800 additional PreK seats
Strengthen outreach and marketing to increase number of Pre-K seat acceptances	Improve percentage of seats filled Increased percentage of PreK school choice applications
Improve high-quality instructional materials	Increase the percentage of students who meet their target growth goal on circle
Revise spot form for PreK alignment and continue and deepen PreK teacher professional development	Improve Pre-K teacher IRT scores

Budget allocation change from 24-25 Budget: \$5,000,000

Key Action 5: Improve Districtwide Systems and Efficiency

Specific Actions	Indicators of Success
Continue transportation optimization efforts	Decrease cost and transit time per rider
Strengthen availability and accuracy of key HISD Data	Launch internal dashboards and improve timeliness of responses to queries
Continue maintenance and operations system enhancements for work order processing and completion	Improve tracking and completion of work orders based on prioritization level
Relaunch and clarify unit concept responsibilities and track KPIs	Improvement throughout the year on KPIs

Budget allocation change from 24-25 Budget: \$10,000,000 in Maintenance Tax Notes (if necessary)

Key Action 6: Provide Accurate, Timely Information to the HISD Community

Specific Actions	Indicators of Success
Produce and stream HISD NOW content	Team is sufficiently staffed and trained
Grow public consumption of HISD NOW content	<p>Increase the number of HISD NOW subscribers</p> <p>Increase local media references to HISD NOW content</p> <p>Improve community perception of the District as measured by an increase in baseline parent sentiment data from spring 2025 survey</p>
Improve Family Facing Communications Infrastructure	<p>Launch new family centric website</p> <p>Adopt tool that streamlines and targets daily communications</p>

Budget allocation change from 24-25 Budget: \$2,000,000

Key Action 7: Expand Access to High-Quality Post-Secondary Pathways

Specific Actions	Indicators of Success
Create 3-year plan to upgrade 2035 Programs of Study	Increase the percentage of students TSI ready and with IBCs, percentage of students enrolled in high-demand programs of student, and number of students enrolled in the AI elective.
Complete phase 1 of Barbara Jordan CTE renovation project	Phase 1 complete
Expand advanced coursework pathways in middle schools	Increase percentage of students accessing advanced coursework
Provide ongoing professional development to CTE and Advanced Course teachers on industry alignment and high-quality instruction	Increase percentage of CTE completers, percentage of students accepted to higher education institutions, and percentage of students achieving at least 1 certification.

Budget allocation change from 24-25 Budget: \$20,000 in Maintenance Tax Notes for Barbara Jordan; \$10,000,000 for other CCMR and CTE upgrades

Key Action 8: Address Prioritized Health and Safety Needs

Specific Actions	Indicators of Success
Align on criteria for prioritizing health and safety needs and create project plan	Complete a prioritized list of health and safety projects Complete phase 1 of needs by July 2026.
Address critical HVAC issues	Decrease HVAC complaints related to temperature and air quality
Strengthen team capacity to support families to access healthcare	Increase the percentage of families accessing school-based healthcare and percentage of families that are immunization compliant

Budget Allocation: \$40,000,000

Approach To School Budgets

Use the basic formulae for allocating funds per pupil:
Budget allocation = **PUA * projected enrollment * ADA**

PUA = Per Unit Allocation

- Includes the weights or amounts for gifted & talented, small school subsidy, bilingual students, special education students, high school subsidy, state comp & economically disadvantaged, at risk, homeless, refugee, CTE, Magnet subsidies added after calculation of PUA allocation
- Unchanged from 2023
 - Will wait for the legislative session to end before recalculating weights for FY 2027.

Approach To School Budgets

Projected Enrollment:

Use projected enrollment analysis from HISD demographer.

ADA – Average Daily Attendance:

Use average daily attendance in the last two attendance cycles (III and IV).

True Up:

We will provide budget adjustments once we have the actual enrollment, and ADA after October 2025.

Getting Back To Balance

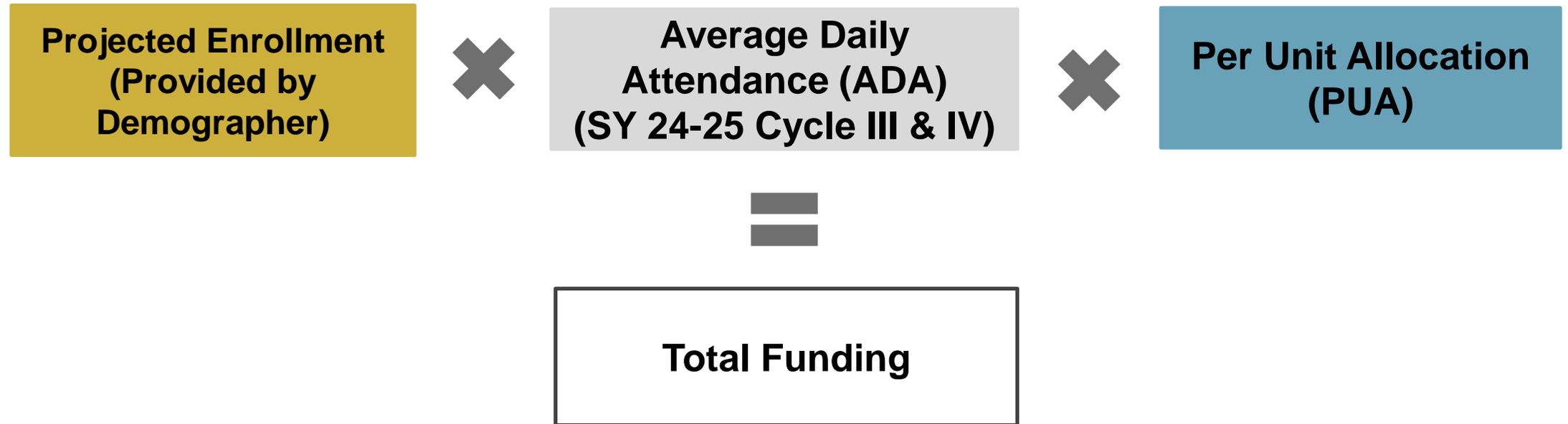
- The District is moving closer to balanced school allocations, eliminating the extra funding received during the ESSER years for attendance hold harmless.
- In the 2024-2025 school year, the District capped the loss of funding from FY24 to FY25 at 12%.
- In the 2025-2026 school year, the District will change the methodology and provide **additional funding** to the basic formula amounting to **10% of the difference** from FY25 to FY26 (if it is a loss).

Approach To School Budgets

Other:

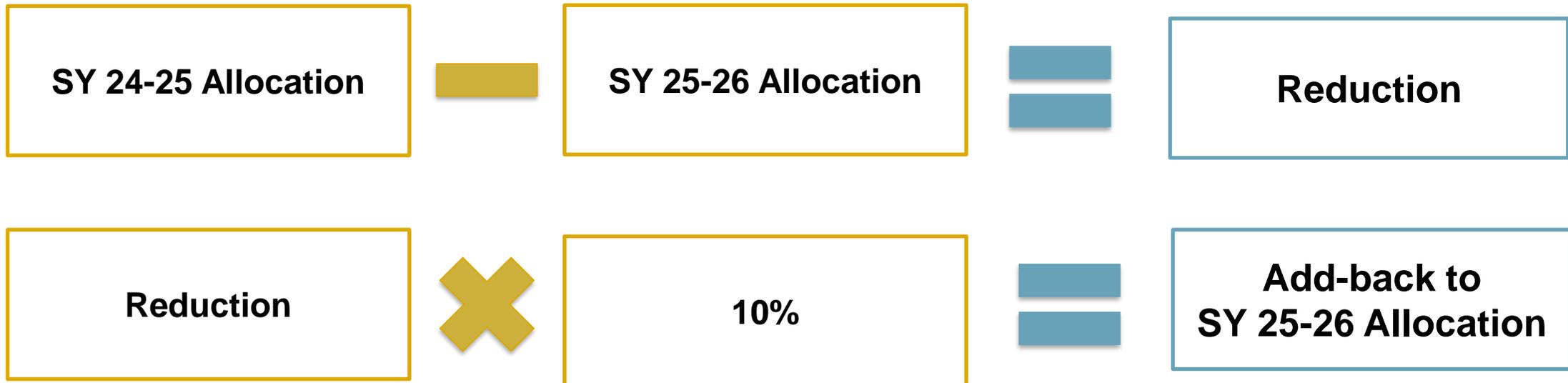
- If enrollment or ADA decreases, then it is likely that the school budget allocation will decrease.
- We will continue to subsidize small schools until the District decides to close schools if needed.

Calculating PUA Campuses Budgets



Note: There are six ADA cycles

Calculating PUA Campuses Budgets



Scenario #1:
Enrollment Decreases
ADA Increases

Campus Allocation Formula: 2025-26 Projected Enrollment x 2024-25 ADA % x Per Unit Allocation (PUA)	
2024-25 Enrollment	3,224
2025-26 Projected Enrollment	3,152
Enrollment Increase/(Decrease)	(72)
2023-24 ADA %	93.1%
2024-25 ADA % (Avg. Cycle III & IV)	93.9%
ADA % Increase/-Decrease	0.8%
Per Unit Allocation (PUA)	5,052
2025-26 Campus Allocation	14,946,787
2024-25 Campus Allocation	15,162,804
Campus Allocation Increase/(Decrease)	(216,017)
** If (Decrease) Add back 10% of (Decrease)	21,602
2025-26 Adjusted Campus Allocation	14,968,388

Scenario #2:
Enrollment Decreases
ADA Decreases

Campus Allocation Formula: 2025-26 Projected Enrollment x 2024-25 ADA % x Per Unit Allocation (PUA)	
2024-25 Enrollment	2,950
2025-26 Projected Enrollment	2,797
Enrollment Increase/(Decrease)	(153)
2023-24 ADA %	93.9%
2024-25 ADA % (Avg. Cycle III & IV)	81.2%
ADA % Increase/-Decrease	-12.7%
Per Unit Allocation (PUA)	5,190
2025-26 Campus Allocation	11,786,934
2024-25 Campus Allocation	14,376,063
Campus Allocation Increase/(Decrease)	(2,589,129)
** If (Decrease) Add back 10% of (Decrease)	258,913
2025-26 Adjusted Campus Allocation	12,045,847

Scenario #3:
Enrollment Decreases
ADA Increases

Campus Allocation Formula: 2025-26 Projected Enrollment x 2024-25 ADA % x Per Unit Allocation (PUA)	
2024-25 Enrollment	1,610
2025-26 Projected Enrollment	1,596
Enrollment Increase/(Decrease)	(14)
2023-24 ADA %	91.2%
2024-25 ADA % (Avg. Cycle III & IV)	92.5%
ADA % Increase/-Decrease	1.3%
Per Unit Allocation (PUA)	5,286
2025-26 Campus Allocation	7,805,364
2024-25 Campus Allocation	7,761,495
Campus Allocation Increase/(Decrease)	43,869
** If (Decrease) Add back 10% of (Decrease)	-
2025-26 Adjusted Campus Allocation	7,805,364

Scenario #4:
Enrollment Increases
ADA Flat

Campus Allocation Formula: 2025-26 Projected Enrollment x 2024-25 ADA % x Per Unit Allocation (PUA)	
2024-25 Enrollment	911
2025-26 Projected Enrollment	922
Enrollment Increase/(Decrease)	11
2023-24 ADA %	95.7%
2024-25 ADA % (Avg. Cycle III & IV)	95.7%
ADA % Increase/-Decrease	0.0%
Per Unit Allocation (PUA)	5,868
2025-26 Campus Allocation	5,176,780
2024-25 Campus Allocation	5,116,087
Campus Allocation Increase/(Decrease)	60,693
** If (Decrease) Add back 10% of (Decrease)	-
2025-26 Adjusted Campus Allocation	5,176,780

Scenario #5:
Enrollment Decreases
ADA Increase

Campus Allocation Formula: 2025-26 Projected Enrollment x 2024-25 ADA % x Per Unit Allocation (PUA)	
2024-25 Enrollment	1,095
2025-26 Projected Enrollment	1,079
Enrollment Increase/(Decrease)	(16)
2023-24 ADA %	94.3%
2024-25 ADA % (Avg. Cycle III & IV)	95.8%
ADA % Increase/-Decrease	1.5%
Per Unit Allocation (PUA)	5,058
2025-26 Campus Allocation	5,230,059
2024-25 Campus Allocation	5,222,873
Campus Allocation Increase/(Decrease)	7,186
** If (Decrease) Add back 10% of (Decrease)	-
2025-26 Adjusted Campus Allocation	5,230,059

Examples

SCHOOL	2024-2025 Budget	SY 25-26 Projected Enrollment	Enrollment Δ FY25 to FY26	Average ADA Cycle III & IV SY 24-25	Actual Per Unit Allocation	Prelim SY 25-26 Budget	Δ 24-25 Actual Budget vs SY 25-26 Preliminary	10% Additional Dollars for FY25 vs FY26 Loss	10% Add Back to FY26 Base Budget (*Note)
1	\$ 7,471,161	1,375	(38)	94.6%	\$ 5,539	\$ 7,204,386	\$ (266,774)	\$ 26,677	\$ 7,231,064
2	\$ 3,661,587	746	29	96.1%	\$ 5,265	\$ 3,774,337	\$ 112,750	\$ -	\$ 3,774,337
3	\$ 4,359,305	865	(56)	94.1%	\$ 4,961	\$ 4,038,383	\$ (265,041)	\$ 26,504	\$ 4,064,888
4	\$ 13,188,704	2,338	(88)	92.6%	\$ 5,265	\$ 11,398,557	\$ (477,120)	\$ 47,712	\$ 11,446,269

SY25-26 Centrally Funded Academics Supports for Campuses

Draft budget supports as of March 17, 2025



Overview of Centrally Funded Campus Supports

Core Curriculum

- For NES campuses, central office will provide all HISD curriculum for grades K – 11, including dual language materials for K-5.
- For PUA campuses, central office will fund core curriculum on the approved list for RLA, Math, Science and Social Studies (final list and included curriculum components coming soon).
- For all campuses, central office will provide HISD curriculum for additional courses including but not limited to English for Speakers of Other Languages (ESOL 1 & 2), financial literacy, 6th – 8th grade career exploration lessons, the Foundational Programs of Study (FPOS) CTE courses for 9th and 10th grade, and the Artificial Intelligence Elective.
- For all campuses, central office will provide enrichment projects aligned to K-12 Texas standards.

Overview of Centrally Funded Campus Supports

Supplemental Curriculum and Digital Resources

Central office will fund the following supplemental resources for campuses for all NES campuses and all PUA special focus schools. All campuses using central office materials will be required to meet minimum usage requirements to support fidelity of implementation.

- Zearn Math in grades K-8
- RLA digital resource for grades K – 8 (*final approved resource pending SY24-25 impact analysis*)
- Summit K-12 in grades K-12 to support English proficiency for English learners
- APEX for all high schools in grades 9-12 to support credit recovery
- Newsela for all PUA campuses in grades K-12
- Learning A to Z for all PUA campuses in grades K-2

Overview of Centrally Funded Campus Supports

Student Assessments

- All assessments included on the assessment calendar for the required schools and grades (e.g., NWEA MAP, Circle, mClass DIBELS, etc.)
- DRC PreLAS/LAS Links and Language Assessment for Dual Language LOTE credit
- All campuses will have access to over 130,000 assessment items and district-created formative assessments in the OnTrack platform.

Pre-K

- Pre-K expansion of all open new classrooms including new curriculum, furniture, equipment, supplies and construction as needed.
- Pre-K teaching assistants at NES schools as part of the NES standardized staffing model.
- 50% of the salary for Pre-K teaching assistants at PUA campuses

Overview of Centrally Funded Campus Supports

Advanced Coursework

- Costs for dual credit, dual enrollment, AP and IB programming, including student fees, curriculum and textbooks, professional development and exams will be covered.
- Approved TSI assessment fees for the SAT, ACT and TSIA 2.0
- Access to Khan Academy to support SAT and TSIA 2.0 preparation to support TSI readiness

Career & Technical Education

- CTE curriculum, student IBC testing fees, professional development and the necessary operational materials and maintenance to sustain all CTE Programs of Study
- Cost of staff for the four Foundational Programs of Study

Overview of Centrally Funded Campus Supports

Health and Medical

- A minimum of two functional AEDs per campus, Stop the Bleed kits, and CPR certification for at least 3 staff per campus
- Free immunization services for all students
- Free vision and hearing screenings for all students in Pre-K4, K, 1st, 3rd, 5th, and 7th, as well as any new to HISD students in any grade

Counseling and Advising

- SchoolLinks for all campuses to support course scheduling and planning
- Credit recovery courses through APEX, including technical support and training.

Overview of Centrally Funded Campus Supports

Fine Arts

- Central office funds the Fine Arts department to support campuses in creating and coordinating opportunities for students to participate in competitions in the areas of music, dance, visual arts and theater. The Fine Arts department works with community partners and professionals to train teachers in fine arts instruction.
 - *This does not include instrument repair, additional equipment, competition transportation or program supplies which will depend on funding availability during the budget process.*
- Central office provides optional fine arts curriculum for K-12 Art, K-12 Dance, K-12 Theatre Arts and K-12 General Music courses through a combination of online resources and curated materials.

Overview of Centrally Funded Campus Supports

Operational

- Building maintenance and repairs, utilities
- Grounds and upkeep
- Custodial work and trash pick-up
- Police, Transportation, and IT support

Accounting and Finance

- Costs for accounting and benefits
- Cash handling and banking
- Grants management and donations
- Procurement and warehousing deliver of supplies and mail
- Insurance

Communications

- School websites
- Family communication tool

Workshop 3 Preview

Outcomes:

1. Provide an overview of department allocations
2. Provide an overview of school-based allocations (NES and PUA)

- Department Allocations
- School-based Allocations
 - PUA Campuses
 - NES Campuses