

HOUSTON INDEPENDENT SCHOOL DISTRICT



2019–2020

MID-YEAR BUDGET AMENDMENT

FISCAL YEAR:

JULY 1, 2019 - JUNE 30, 2020

HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER

4400 West 18th - Houston, Texas 77092

www.HoustonISD.org

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GENERAL FUND

The recommended budget for the General Fund for the 2019-2020 fiscal year was adopted on June 27, 2019. Revenues and appropriations were estimated at \$1,940,675,482 and \$1,963,877,171 respectively. The district projected use of \$8,490,000 from the assigned reserve for Public Facility Corporation payments resulting in a deficit of \$14,711,689 for the fiscal year.

Mid-Year Budgetary Update

Revenues

The adjusted budget for the General Fund revenues and other financing sources includes a net increase of \$80,503,765 from the original budget, as shown in more detail on page 5.

The major changes in revenue are listed below:

Increases

- Increase of \$41,011,912 in Current Year Taxes due to an increase in property values from the Harris County Appraisal District's Certified Estimated values in April 2019.
- Increase of \$36,938,406 in Foundation School Program from a 2017 property value audit. These funds replace revenues that the district has refunded due to protested property values.
- Increases of \$11,477,504 in Per Capita State Revenues due to an increase in the rate provided by the state.
- Increase of \$1,615,856 in Other State Revenues (SB500) in supplemental funding for each full-time equivalent student in average daily attendance in a special education program.
- Increase of \$1,500,000 in expected taxes, penalty and interest

Decreases

- Decrease of \$8,533,474 in Delinquent Prior Years Taxes based current year to date and historical refunds
- Decrease of \$2,000,000 in interest on earnings due to a lower property tax rate in HB3 and lower interest rates
- Decrease of \$1,084,333 in Federal Revenue through TEA primarily in expected indirect cost rates
- Decrease of \$1,000,000 in Miscellaneous Revenues from various sources

Appropriations

Appropriations show a net increase of \$120,401,607 as shown in more detail on page 6.

The major changes in appropriations are listed below:

Increases

- Carryover encumbrances of \$58,598,289 which includes funds reservation and ERP projects
- Early Education Allotment increase in the amount of \$27,000,000 to be compliant with required expenditures in HB3. These additional funds have offsetting revenues.
- State Compensatory Education expenditures in the amount of \$10,000,000 to be compliant with required expenditures in HB3. These additional funds have offsetting revenues.
- Campus PUA enrollment increase in the amount of \$9,700,000 due to increases in at-risk students and overall enrollment
- Facilities Assessment expenditures in the amount of \$7,300,000 in preparation of a possible 2020 bond.
- Harvey Transportation expenditures in the amount of \$3,066,326 for the four rebuild campuses.
- Sinclair Elementary temporary buildings in the amount of \$3,000,000
- Old Law Building restoration expenditures in the amount of \$2,758,265
- Charter school enrollment funding increase in the amount of \$2,400,000
- SB500 Special education Expenditures in the amount of \$1,615,856 in supplemental funding for each full-time equivalent student in average daily attendance in a special education program.
- Tropical Storm Imelda Drainage project expenditures in the amount of \$1,521,464
- Self-insurance budget increase in the amount of \$1,000,000

Decrease

- Decrease in transfers out of \$2,500,000 to other funds.
- Decrease in College, Career and Military Readiness expenses in the amount of \$1,056,471 due to a decrease in the estimated counts and revenues from adopted budget.

Budget

Final budgeted revenues and other sources total \$2,021,179,247. The appropriations budget for the General Fund is \$2,084,278,778

including carryover. Changes to revenues, expenditures and use of reserved fund balances the district's budget deficit has changed from \$14,711,689 to \$4,206,662. This is primarily due to the one-time revenue from a 2017 property tax audit of approximately \$36 million.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
GENERAL FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2019-2020 (as adjusted)

ESTIMATED REVENUES	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local sources	\$ 1,729,051,055	\$ -	\$ 31,418,763	\$ 1,760,469,818
State sources	153,313,693	-	50,081,767	203,395,460
Federal sources	20,720,946	-	(996,764)	19,724,182
Total estimated revenues	\$ 1,903,085,694	\$ -	\$ 80,503,765	\$ 1,983,589,459
ESTIMATED APPROPRIATIONS	Adopted Budget	Carryover	Mid-Year Adjustments	Mid-Year Adjusted Budget
Instruction	\$ 1,139,170,882	\$ 2,660,158	\$ 17,384,096	\$ 1,159,215,136
Instructional resources and media services	8,905,787	14,070	(90,895)	8,828,962
Curriculum and Instructional Staff Development	30,786,402	253,284	24,890,125	55,929,811
Instructional leadership	24,033,019	524,864	(2,850,837)	21,707,046
School leadership	144,526,927	99,924	2,171,022	146,797,872
Guidance, counseling and evaluation services	65,946,068	1,612,695	1,792,107	69,350,870
Social work services	10,379,352	-	2,757,332	13,136,684
Health services	20,835,004	4,649	361,121	21,200,774
Student transportation	60,867,135	1,845,996	(1,626,825)	61,086,306
Food services	-	-	31,353	31,353
Co-Curricular/extracurricular activities	12,213,691	41,104	1,823,772	14,078,567
General administration	36,269,706	580,028	669,186	37,518,919
Plant maintenance and operations	197,181,393	6,506,316	20,495,100	224,182,809
Security and monitoring services	23,890,855	88,053	1,016,995	24,995,903
Data processing services	50,583,977	36,046,301	3,146,489	89,776,767
Community services	2,365,684	20,460	256,262	2,642,406
Juvenile justice alternative education programs	893,650	-	-	893,650
Tax reinvestment zone payments	61,526,976	-	872,973	62,399,949
Contracted Instructional Services Between Public Schools (Chapter 41 Payment)	-	-	-	-
Tax appraisal and collection	15,342,598	-	657,402	16,000,000
Debt Service - Principal	17,914,739	-	(2,824,951)	15,089,788
Debt Service - Interest and Fiscal Charges	-	-	-	-
Facilities acquisition and construction	108,561	952,776	344,038	1,405,375
Total estimated appropriations	\$ 1,923,742,406	\$ 51,250,676	\$ 71,275,865	\$ 2,046,268,946
Excess (deficiency) of estimated revenues over (under) appropriations	\$ (20,656,712)	\$ (51,250,676)	\$ 9,227,901	\$ (62,679,487)
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital leases	\$ 15,089,788	\$ -	\$ -	\$ 15,089,788
Transfers-in	22,500,000	-	-	22,500,000
Transfers-out	(40,134,765)	-	2,124,933	(38,009,832)
Total other financing sources (uses)	\$ (2,544,977)	\$ -	\$ 2,124,933	\$ (420,044)
Net excess (deficiency) before adjustments	\$ (23,201,689)	\$ (51,250,676)	\$ 11,352,834	\$ (63,099,531)
Reserve adjustments	\$ 8,490,000	\$ -	\$ 50,402,869	\$ 58,892,869
Unassigned Fund Balance, Beginning	\$ 512,328,146	\$ -	\$ -	\$ 512,328,146
Unassigned Fund Balance, Ending	\$ 497,616,457	\$ -	\$ 10,505,027	\$ 508,121,484

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES BY OBJECT
GENERAL FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2019-2020 (as adjusted)

REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Taxes, current year	\$ 1,686,671,380	\$ 41,011,912	\$ 1,727,683,292
Taxes, delinquent prior years	-	(8,533,474)	(8,533,474)
Taxes, penalty and interest	15,500,000	1,500,000	17,000,000
Revenue in lieu of taxes	1,519,675	480,325	2,000,000
Tuition	60,000	(40,000)	20,000
Earnings on investments	15,000,000	(2,000,000)	13,000,000
Rentals	800,000	-	800,000
Miscellaneous revenues	6,500,000	(1,000,000)	5,500,000
Revenue other governments	3,000,000	-	3,000,000
Foundation school program	35,416,729	36,938,406	72,355,135
Per capita state revenues	37,586,964	11,477,504	49,064,468
Other Foundation Sch Prg	-	1,615,856	1,615,856
Other state revenues	60,000	-	60,000
TRS on behalf of	80,000,000	-	80,000,000
State Revenue- NOT TEA	-	250,000	250,000
State Revenue- NOT TEA-IDC	250,000	(200,000)	50,000
Federal Revenue through TEA	6,084,333	(1,084,333)	5,000,000
Federal Revenue Other State (TDA) IDC	6,215,667	84,333	6,300,000
Federal revenue (BABS subsidy)	6,164,281	29,901	6,194,182
Army salary revenue	1,600,000	(50,000)	1,550,000
Air Force salary revenue	60,000	-	60,000
Navy salary revenue	310,000	10,000	320,000
Direct federal revenue	286,665	13,335	300,000
Total Revenue	\$ 1,903,085,694	\$ 80,503,765	\$ 1,983,589,459
OTHER FINANCING SOURCES			
Proceeds-leases	\$ 15,089,788	-	\$ 15,089,788
Transfer from other funds	22,500,000	-	22,500,000
Total other financing sources	\$ 37,589,788	\$ -	\$ 37,589,788
Total revenues and other sources	\$ 1,940,675,482	\$ 80,503,765	\$ 2,021,179,247
	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local	\$ 1,729,051,055	\$ 31,418,763	\$ 1,760,469,818
State	153,313,693	50,081,766	203,395,460
Federal	20,720,946	(996,764)	19,724,182
Other	37,589,788	-	37,589,788
Total revenues	\$ 1,940,675,482	\$ 80,503,765	\$ 2,021,179,247

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF BUDGET ADJUSTMENTS
GENERAL FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2019-2020 (as adjusted)

	Mid-Year Budget Adjustments
APPROPRIATION ADJUSTMENTS	
CURRENT YEAR APPROVED ADJUSTMENTS	
Carryover Encumbrances	\$ 20,918,399
Enterprise Resource Planning (ERP) Projects	30,332,277
Total Current Year Approved Adjustments	\$ 51,250,676
MANDATORY INCREASES / DECREASES	
HB3 Early Education Allotment	27,000,000.00
HB3 State Compensatory Education (SCE) Allotment	10,000,000.00
Campus Enrollment Increase	9,700,000.00
Charter School Enrollment Increase	2,400,000.00
Self Insurance	1,000,000.00
Tax Increment Reinvestment Zone (TIRZ)	872,973.00
Harris County Appraisal District (HCAD)	657,402.00
Property, Liability, Auto & Cyber Insurance	500,000.00
HB3 CTE Certification reimbursement	367,028.00
HB3 SAT reimbursment	189,000.00
HB3 College, Career and Military Readiness (CCMR) Allotment	(1,056,471.00)
ONE-YEAR FUNDING ITEMS	
Facilities Assessment	7,300,000.00
Harvey Transportation	3,066,326.00
Sinclair T-Buildings	3,000,000.00
Old Law Enforcement Lease	2,758,265.00
SB500 for Special Education	1,615,856.00
Tropical Storm Imelda Drainage projects	1,521,464.00
OTHER INCREASES	
Chief Audit Executive	229,021.00
American Sign Language Interpreters	155,000.00
Total New Adjustments	\$ 71,275,864
Total Adjustments to Appropriations	\$ 122,526,540
OTHER FINANCING USES ADJUSTMENTS	
Transfers Out	\$ (2,124,933)
Total adjustments to other financing uses	\$ (2,124,933)
Total appropriation and other financing uses adjustments	\$ 120,401,607

DEBT SERVICE FUND

The recommended budget for the Debt Service Fund for the 2019-2020 fiscal year was adopted on June 27, 2019. Revenues and appropriations were estimated at \$353,128,432 and \$353,060,948 respectively.

Mid-Year Budgetary Update

The appropriations budget for the Debt Service Fund (as adjusted) is \$392,746,349. The adjusted revenue and other sources total \$393,707,221.

Details of budget adjustments include the following:

Revenues

- Property taxes experienced an increase of \$1,876,153 due to an increase in roll values
- Interest earnings decreased by \$140,000 primarily due to reductions in market interest rates
- State sources decreased by \$224,682 due to a recalculation of Existing Debt Allotment revenues from the State
- Federal sources experienced a decrease of \$290,873 due to the refunding of PFC Series 2010B bonds
- Increase of \$3,606,079 in Transfers-In primarily as a result of a release of required reserves from the PFC Series 2010B bonds refunding
- Other financing source of \$29,675,000 received from sale of PFC Refunding Bonds, Series 2019 which refunded the existing PFC Series 2010B bonds
- Other financing source of \$5,796,112 received as the premium on the sale of PFC Refunding Bonds, Series 2019

Appropriations

- Increase of \$3,000,000 in additional non-required variable rate principal payments
- Decrease of \$2,114,869 in interest costs resulting from a combination of refunding PFC Series 2010B bonds and lower variable rate payments than estimated at budget adoption
- Addition of \$38,800,270 in payments to escrow agent for current refunding of PFC Series 2010B bonds

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
DEBT SERVICE
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2019-2020 (as adjusted)

ESTIMATED REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local sources	\$ 296,989,491	\$ 2,016,153	\$ 299,005,644
State sources	2,598,721	(224,682)	2,374,039
Federal sources	732,878	(290,873)	442,005
Total revenues	\$ 300,321,090	\$ 1,500,598	\$ 301,821,688
ESTIMATED APPROPRIATIONS	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Debt principal	\$ 213,796,219	\$ 3,000,000	\$ 216,796,219
Debt interest	138,064,729	(2,114,869)	135,949,860
Payments to escrow agents - current refunding	-	38,800,270	38,800,270
Debt service fees	1,200,000	-	1,200,000
Total expenditures	\$ 353,060,948	\$ 39,685,401	\$ 392,746,349
Excess (deficiency) of revenues over (under) expenditures	\$ (52,739,858)	\$ (38,184,803)	\$ (90,924,661)
OTHER FINANCING SOURCES (USES)			
Transfers-in	\$ 52,807,342	\$ 3,607,079	\$ 56,414,421
Issuance of bonds and other debt	-	29,675,000	29,675,000
Premium on the sale of bonds	-	5,796,112	5,796,112
Total other financing sources (uses)	\$ 52,807,342	\$ 39,078,191	\$ 91,885,533
Net excess (deficiency) of revenues over (under) expenditures	\$ 67,484	\$ 893,388	\$ 960,872
Restricted fund balance, beginning	\$ 104,574,389	\$ -	\$ 104,574,389
Restricted fund balance, ending	\$ 104,641,873	\$ 893,388	\$ 105,535,261

STATEMENT OF REVENUES BY OBJECT
DEBT SERVICE FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2019-2020 (as adjusted)

REVENUES	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Transfers from other funds	\$ 52,807,342	\$ 3,607,079	\$ 56,414,421
Premium on sale of bonds	-	5,796,112	5,796,112
Issuance of bonds and other debt	-	29,675,000	29,675,000
Taxes, current year	293,289,491	3,622,679	296,912,170
Taxes, delinquent prior years	-	(1,466,526)	(1,466,526)
Taxes, penalty and interest	2,000,000	-	2,000,000
Interest earnings	1,700,000	(140,000)	1,560,000
EDA - Hold Harmless	2,598,721	(224,682)	2,374,039
Federal revenues - BABS subsidy	732,878	(290,873)	442,005
Total revenue	\$ 353,128,432	\$ 40,578,789	\$ 393,707,221

	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
Local	\$ 296,989,491	\$ 2,016,153	\$ 299,005,644
Federal	732,878	(290,873)	442,005
State Sources	2,598,721	(224,682)	2,374,039
Other	52,807,342	39,078,191	91,885,533
Total revenues	\$ 353,128,432	\$ 40,578,789	\$ 393,707,221

NUTRITION SERVICES FUND

The recommended budget for the Nutrition Services Fund for the 2019-2020 fiscal year was adopted on June 27, 2019. Revenues and appropriations were estimated at \$145,534,146 and \$146,722,814 respectively.

Mid-Year Budgetary Update

Revenues

While the National School Lunch Program and USDA Foods (formerly referred to as “USDA Commodities”) show a modest increase of \$658,159, flat enrollment, loss of one service day due to Tropical Storm Imelda, and an expected decrease in interest income will result in a decrease to total revenues of \$4,467,439.

Appropriations

Corresponding to the expected revenue losses related to enrollment and service days, appropriations are decreasing \$7,061,657, primarily due to reductions in food purchases and hourly labor.

Budget

The appropriations budget for the Nutrition Services Fund (as adjusted) is \$139,663,427 with corresponding estimated revenues of \$138,566,707.

HOUSTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF OPERATIONS BY FUNCTION
NUTRITION SERVICES FUND
MID-YEAR BUDGETARY UPDATE FISCAL YEAR 2019-2020 (as adjusted)

	Adopted Budget	Mid-Year Adjustments	Mid-Year Adjusted Budget
ESTIMATED REVENUES			
Federal sources	\$ 134,244,842	\$ (4,186,739)	\$ 130,058,103
Other sources	5,556,414	(280,700)	5,275,714
State sources	585,000	-	585,000
Total estimated revenues	\$ 140,386,256	\$ (4,467,439)	\$ 135,918,817
ESTIMATED APPROPRIATIONS			
Food services	\$ 145,840,408	\$ (7,946,762)	\$ 137,893,646
Plant maintenance and operations	882,406	887,375	1,769,781
Total estimated appropriations	\$ 146,722,814	\$ (7,059,387)	\$ 139,663,427
Excess (deficiency) of revenues over (under) appropriations	\$ (6,336,558)	\$ 2,591,948	\$ (3,744,610)
OTHER FINANCING SOURCES (USES)			
Transfers-in	\$ 5,147,890	(2,500,000)	2,647,890
Total other financing sources (uses)	\$ 5,147,890	\$ (2,500,000)	\$ 2,647,890
Net excess (deficiency) before adjustments	\$ (1,188,668)	91,948	\$ (1,096,720)
Restricted Fund Balance, Beginning	\$ 30,132,828	-	\$ 30,132,828
Restricted Fund Balance, Ending	\$ 28,944,160	\$ 91,948	\$ 29,036,108

HOUSTON INDEPENDENT SCHOOL DISTRICT



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It is the policy of the Houston Independent School District not to discriminate on the basis of age, color, handicap or disability, ancestry, national origin, marital status, race, religion, sex, veteran status, political affiliation, sexual orientation, gender identity and/or gender expression in its educational or employment programs and activities.

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