



Preliminary General Operating Budget *2023-2024*

Factors Influencing Budget Process

LEGISLATIVE
SESSION

ENROLLMENT &
ATTENDANCE

AVAILABLE
FEDERAL
FUNDING

RECRUITMENT
& RETENTION

NEW FACILITIES

INFLATION

INCREASE IN
PROPERTY
VALUES

UNFILLED
POSITIONS

Funding of School Districts

PROPERTY TAXES

- Values determined by Harris Central Appraisal District (HCAD)
- Tax rate comprised of:
 - ✓ Maintenance and Operations (M&O)
 - ✓ Interest and Sinking (I&S)
- M&O rate capped
 - ✓ Voter-Approval Tax Rate Election
- Optional homestead exemption
 - ✓ 20%

STATE AID

- Legislative state funding formula
 - ✓ Values determined by Comptroller
- Influenced by:
 - ✓ Enrollment
 - ✓ Average Daily Attendance (ADA)
 - ✓ Special populations
 - ✓ Enrichment pennies
 - ✓ Property wealth
- Not adjusted for inflation
 - ✓ Basic allotment = \$6,160

Taxable Property Values (HCAD)

BUDGET YEAR	TAX YEAR	TAXABLE VALUE*	PERCENT CHANGE
2019-2020	2019	\$54,003,809,843	6.90%
2020-2021	2020	\$56,661,350,988	4.92%
2021-2022	2021	\$60,099,053,433	6.07%
2022-2023	2022	\$67,930,299,408	13.03%
2023-2024	2023	\$74,662,447,784	9.91%

*Certified values as of April 2023 except for 2023-2024

Student Enrollment

BUDGET YEAR	ACTUAL ENROLLMENT	ENROLLMENT CHANGE	PERCENT CHANGE
2019-2020	117,446	934	0.80%
2020-2021	115,801	(1,645)	(1.40)%
2021-2022	117,217	1,416	1.22%
2022-2023	117,686*	469	0.40%
2023-2024	118,732**	1,046	0.89%

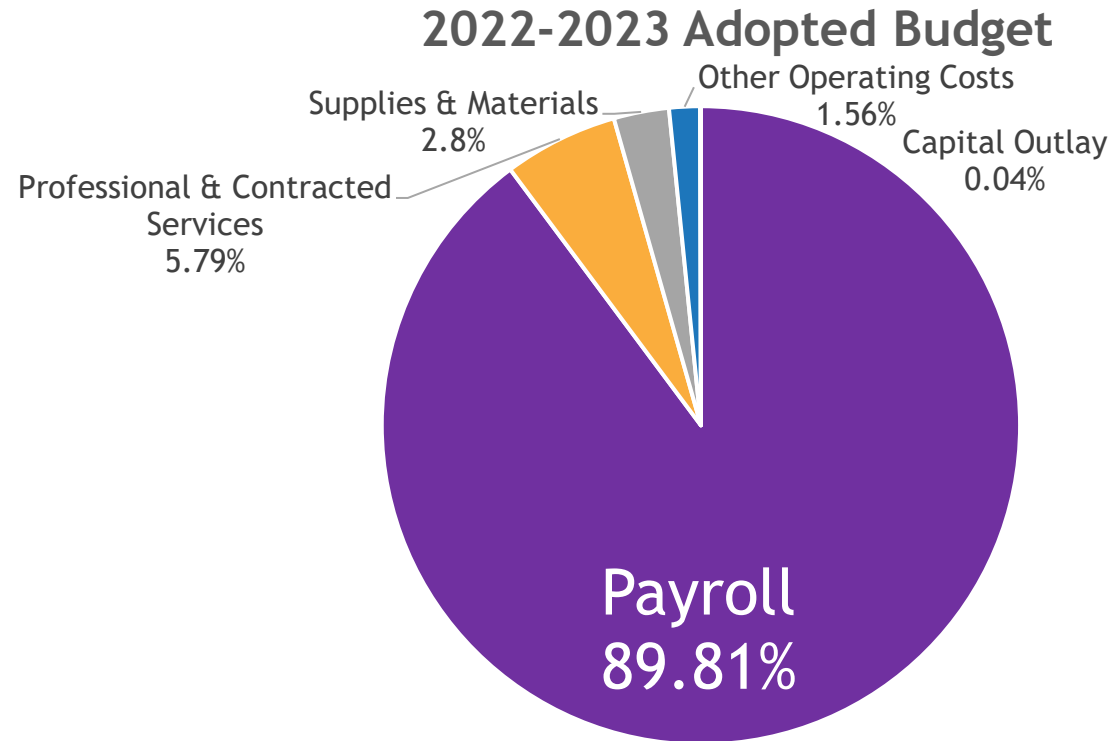
* Enrollment as of October 2022 Snapshot

** Budget estimate

Teacher Salary Comparison 2022-2023

SCHOOL DISTRICT	0-YEAR SALARY	5-YEAR SALARY	10-YEAR SALARY	15-YEAR SALARY	20-YEAR SALARY
Aldine	\$61,000	\$62,250	\$63,500	\$64,763	\$66,715
Cypress-Fairbanks	\$60,500	\$62,304	\$65,272	\$67,234	\$70,180
Houston	\$61,500	\$64,500	\$67,500	\$70,000	\$73,000
Katy	\$60,700	\$62,850	\$65,350	\$67,350	\$69,350
Klein	\$60,000	\$61,050	\$63,637	\$64,687	\$67,422
Spring	\$60,500	\$62,000	\$63,500	\$65,600	\$68,100
Spring Branch	\$62,000	\$63,600	\$65,700	\$68,300	\$71,300
Tomball	\$57,500	\$61,135	\$63,639	\$65,489	\$67,239

General Fund Expenditures



■ Payroll ■ Professional & Contracted Services ■ Supplies & Materials ■ Other Operating Costs ■ Capital Outlay

Teacher Retention House Approach*

- CSHB 100 by King - Voted out of House 4-27-23
 - ✓ Basic Allotment (BA) increase \$140 over biennium
 - \$6,250 in FY 2023-2024
 - \$6,300 in FY 2024-2025
 - ✓ Requirement to use 50% of increase in BA for salaries
 - 75% of the 50% for teachers, counselors, nurses and librarians
 - 25% of the 50% for non-administrative staff
 - ✓ BA inflation factor based on 10-year average inflation rate
 - ✓ 6th golden penny (without voter approval)
 - ✓ Includes special education committee recommendations

14.5%
increase
in BA is
\$900

* Changes likely in Senate and conference committee

Teacher Retention House Approach*

- CSHB 100 by King (cont'd)
 - ✓ Enrollment-based funding for most allotments in the second year of the biennium
 - ✓ Creates allotment for schools that provide an advanced math pathway
 - ✓ Creates allotment for fine arts
 - ✓ Creates allotment for book safety
 - ✓ Transportation allotment increased to \$1.54 per mile for regular route services and \$1.67 per mile for special education services
 - ✓ Small increase (0.0005 additional weight) in compensatory education allotment
 - ✓ Removes cap on the fast growth allotment

* Changes likely in Senate and conference committee

Cost of Budget Considerations

DESCRIPTION	AMOUNT (MILLIONS)
Increase in Campus Staff	\$14.6
Increase in Benefits & TRS	\$4.3
Increase in General Supplies (Inflation)	\$1.0
Increase in Utility Costs	\$1.6
Operating Costs to Open New Facilities	\$9.0
Net Increase in Property Insurance, Software Licenses, Contracted Services, Other Operating, etc.	\$5.8

General Fund 2023-2024

DESCRIPTION	PRELIMINARY BUDGET
Local Revenues	\$619,570,494
State Revenues	423,808,208
Federal Revenues	27,141,180
Total Revenues	\$1,070,519,882
Expenditures	\$1,180,608,122
Surplus (Deficit)	(\$110,088,240)

Options for Budget 2023-2024

1

Increase the basic allotment and/or other state funding

➤ Requires legislative action

2

Modify adjustment to state property values for OHE

➤ Requires legislative action

3

Remove portion or all of 20% OHE

➤ Requires Board approval and notification to appraisal district prior to July 1, 2023

4

Increase Maintenance and Operations tax rate

➤ Requires Voter-Approval Tax Rate Election

5

Utilize remaining federal stimulus funds to help offset deficit

➤ Requires Board of Trustees approval

6

Utilize fund balance

➤ Requires Board of Trustees approval

7

Cut expenditures

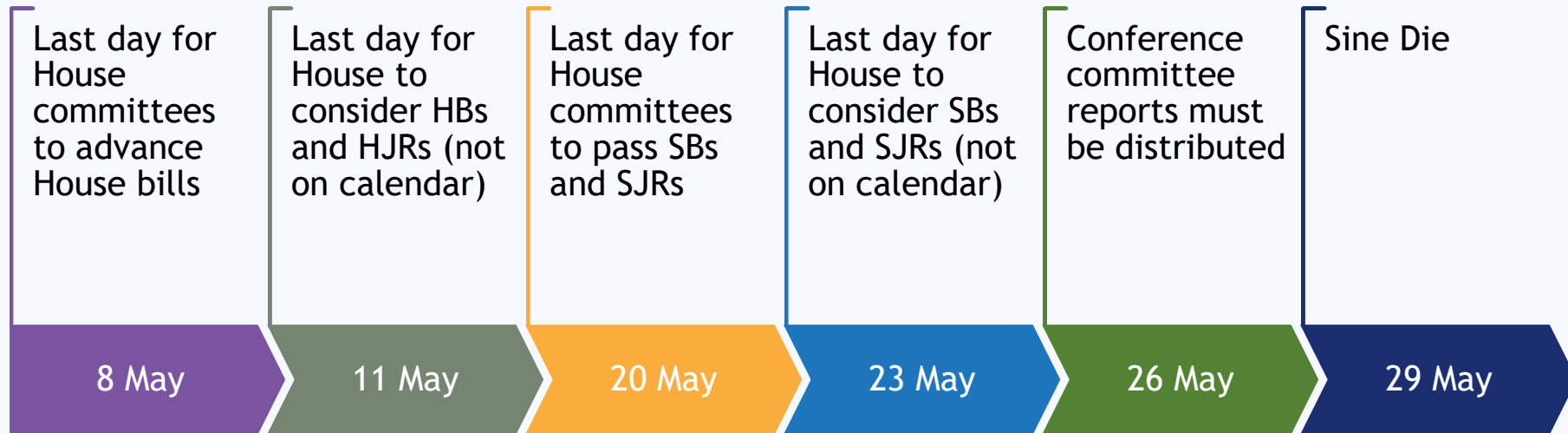
➤ Requires Board of Trustees approval

MESSAGES TO LEGISLATORS

- Basic allotment critical for ALL districts
- 6th golden penny helps many districts
- Costs outside the classroom are also increasing
- Budgets are being built now
- Teachers are making employment decisions now
- Without increased funding, cuts may be on the horizon

88th Legislative Session

Nearly 1,300 Bills Tracked



QUESTIONS