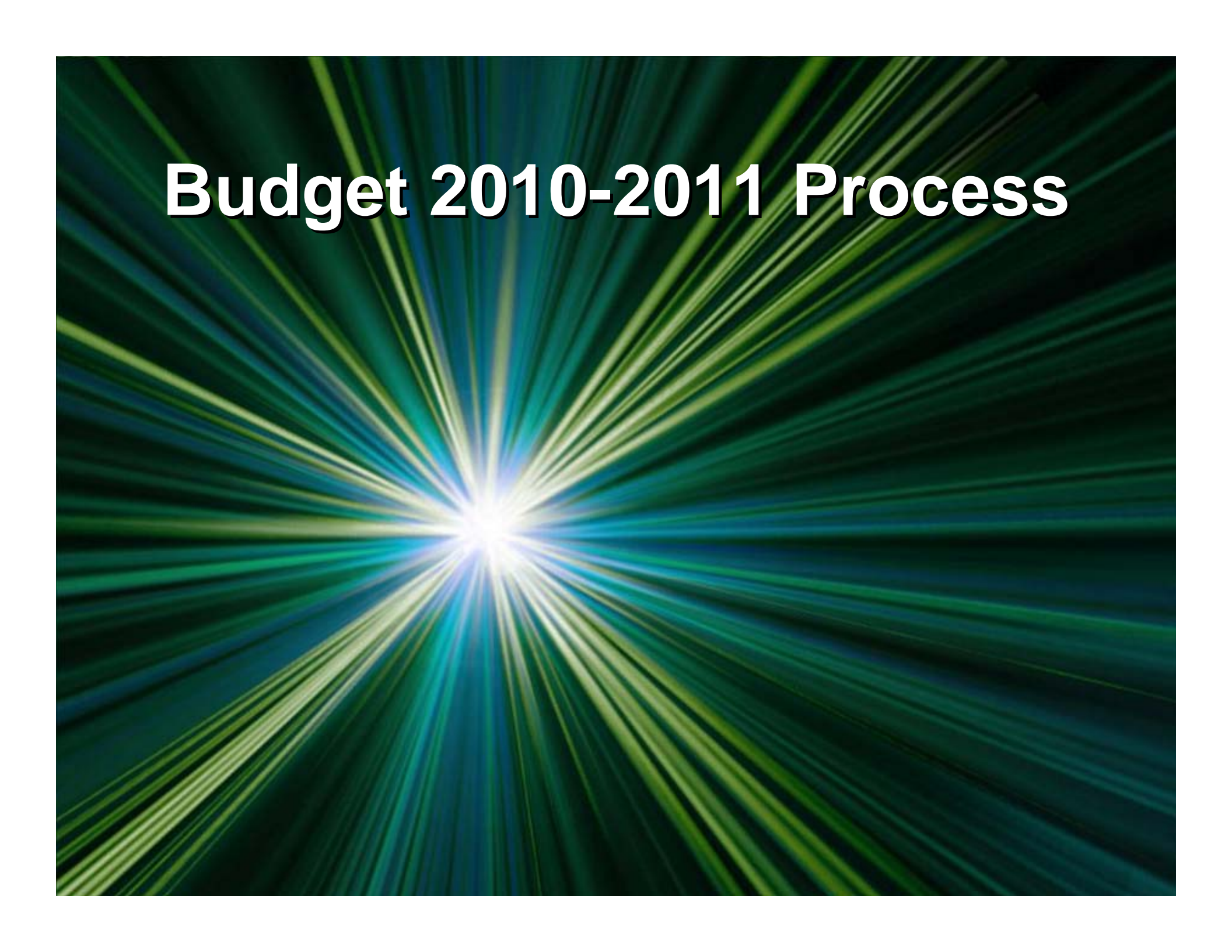


# Budget 2010-2011 Process



# What's the 2010-2011 Budget Challenge?

- **\$10 million Budget Deficit projected for 2010-2011**
- **Includes:**
  - **New schools**
  - **Staffing for student enrollment growth**
  - **Competitive salaries**

# How Did This Happen? (Inequitable State Funding)

- Funding Frozen by HB 1
- 2005-2006 – The Perfect Storm
  - 05-06 and 06-07 represents one of the largest two-year student enrollment increases
  - Tax collection not maximized due to a 20 percent Optional Homestead Exemption
  - Districts that maximized tax rates and revenue collections were rewarded with higher funding
  - No consideration on the impact of inflation or balancing the budget using fund balance
  - Property value increase benefited the state

# How Did This Happen? (Inequity in Funding 2007-2009)

<i>District</i>	<i>Target Revenue</i>	<i>Additional \$\$ Per Student</i>
<b>CFISD</b>	<b>\$4,505</b>	
Klein	4,809	+ \$304
Spring	4,833	+ \$328
Spring Branch	5,092	+ \$587
Houston	5,094	+ \$589
Katy	5,174	+ \$669
Tomball	5,783	+\$1,278

# How Did This Happen? (Inequitable State Funding)

Results of HB 1...

In 2007-2008 and again in 2008-2009, CFISD had the lowest target revenue - per student funding - in the area.

# How Did This Happen? (Inequity in State Funding Again )

Results from HB 3646 –  
new state funding system...

- No Relief
- Funding Inequity in HB 1 Memorialized
- Did Not Adequately Close Inequity Gap  
Among School Districts

# How Did This Happen? (Inequitable State Funding – Again)

District	New Target Revenue	Additional \$\$ Per Student
<b>CFISD</b>	\$4,744	
Spring	5,007	+ \$263
Klein	5,045	+ \$301
Houston	5,278	+ \$534
Katy	5,484	+ \$740
Spring Branch	5,496	+ \$752
Tomball	6,040	+ \$1,296

# Cost Per Student \*

District	Cost Per Student	Additional \$\$ Spent
<b>CFISD</b>	<b>\$6,180</b>	
Klein	6,571	\$391
Spring	7,207	1,027
Tomball	7,760	1,580
Katy	7,790	1,610
Houston	8,088	1,908
Spring Branch	8,417	2,237

\*2007-08 data

# Low Administrative Cost

<u>District</u>	<u>Ratio</u>
Tomball	7.26%
Spring	6.75%
Houston	5.25%
Klein	5.10%
Spring Branch	4.65%
<b>CFISD</b>	<b>4.55%</b>
Katy	4.29%

# Measures to Ensure Solvency

- Reduced operating budget by \$41 million
  - \$27 million in 2008-2009
    - Eliminated 456 positions
    - No Raises
  - \$14 million in 2009-2010
    - Eliminated 78 positions
    - HB 3646 mandated raises (average about 2 percent) for teachers, counselors, librarians, nurses, speech pathologists. No other employees received a salary increase.



**\$32 million in transportation costs in  
2008-2009**

**\$6 million subsidy from the state**

# Impact of Student Growth

- Student enrollment increases resulted in 7 schools opened in the last two years
  - 2008-2009
    - Cypress Lakes and Cypress Ranch high schools
    - Hemmenway and M.Robinson elementary schools
  - 2009-2010
    - Smith Middle School
    - Swenke Elementary School
    - ALC West
  - 1 middle school and 2 elementary schools needed in the next three years

# Budgetary Impact of Student Growth

- Operating Costs to Open Schools
  - High School: \$5 million
  - Middle School: \$3 million
  - Elementary: \$1.5 million
- \$20 million needed in the budget in the last two years
- \$6 million in the next three years
- Operations budget funds the opening and ongoing costs of new schools

# Measures to Ensure Solvency

- Construction timelines revised (delayed) from original 2007 Bond Study.
  - Elementary #51
  - Elementary #52
  - Middle School #17
- Accommodate growth with portable buildings

# Budget Process- Identifying Reductions

- Why are these efforts being made:
  - To ensure financial solvency for the 2010-11 school year
  - To retain and recruit the highest quality staff for CFISD
  - To prepare for the 2011-12 and 2012-13 school years
    - Projected \$5 billion deficit for the 2011 Legislative Session
    - Comments by Senate Education Chairman Shapiro and House Public Education Chairman Eissler

# Budget Process- Identifying Reductions

- Efficiencies and cost reductions identified
  - Stakeholder input
  - Efficiency audits
- Leadership Cy-Fair input
- Survey posted on [www.cfisd.net](http://www.cfisd.net)