



INDEPENDENT SCHOOL DISTRICT

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2019-2020

**PRELIMINARY GENERAL
OPERATING BUDGET**

MAY 16, 2019

Factors Influencing Budget Process

- Strong economy and low unemployment
- Student enrollment growth rate
- Opening of new facilities
- Increase in property values
- Health insurance premium increases
- School finance current law
- 86th legislative session

Highlights of Senate vs House Version of HB3

Statutory Change	Senate	House
Cost-of-Education Index	Repeal CEI	Repeal CEI
Basic Allotment	\$5,880	\$6,030
Teacher Pay	\$5,000 plus step (teachers/librarians)	25% of gain in basic allotment (non- administrative)
Pre-K	Early reading allotment to fund full-day	Early reading allotment to fund full-day
Current/Prior Year Values	Current year	Prior year
State Compression %	90%, 2.5% revenue cap	96%
Performance-Based Bonuses	3 rd grade reading outcomes bonus	None based on student outcomes



Budget Goals

- Preserve quality of instruction and services
- Compensation plan to retain and recruit quality staff
- High priority on student and staff safety
- Protect District's operational infrastructure

Taxable Property Values (HCAD)

Budget Year	Tax Year	Taxable Value*	Percent Change
2015-16	2015	\$43,631,636,798	9.45%
2016-17	2016	\$46,823,553,425	7.32%
2017-18	2017	\$49,184,858,991	5.04%
2018-19	2018	\$51,456,530,942	4.62%
2019-20	2019	\$54,851,392,674	6.60%

* Certified values as of April 2019 except for 2019-20 (estimated)



Student Enrollment Growth

Budget Year	Actual Enrollment	Enrollment Change	Actual % Change
2015-16	113,897	911	0.81%
2016-17	114,842	945	0.83%
2017-18	116,368	1,526	1.33%
2018-19	116,486*	118	0.10%
2019-20	117,078**	592	0.51%

* Estimate based on 5th six weeks

** Budget estimate



Teacher Salary Comparison Neighboring Districts 2018-2019

School District	0-Year Salary	5-Year Salary	10-Year Salary	15-Year Salary	20-Year Salary	Maximum Schedule
Aldine	\$52,500	\$54,343	\$55,507	\$57,335	\$61,329	\$83,029
Cypress-Fairbanks	54,000(1)	56,920(1)	58,737(1)	61,131(1)	64,658(1)	85,116(1)
Houston	52,530	53,040	55,620	57,184	59,956	74,360
Katy	53,000	53,835	57,625	58,980	61,830	74,945
Klein	52,600	54,870	55,712	58,922	60,322	73,329
Spring	52,275	53,328	54,947	57,752	60,696	63,160
Spring Branch	54,000(1)	55,550	57,550	59,650	62,150	74,900
Tomball	54,000(1)	55,868	57,618	59,718	62,618	65,818



Budget Considerations

- Provide salary increase for all classroom teachers
- Provide salary increase of 1-3% for all other employees
- Provide funding for increases in software licenses, maintenance agreements, property insurance, fuel prices and other items
- Consider 2019-2020 priorities based on available funding

Cost of Budget Considerations

Amount (Millions)	Description
\$45	Cost of teacher salary increase (Senate HB3)
\$2.6	Cost of miscellaneous increases (software, insurance, fuel)
\$2.6-\$7.8	Cost of salary increase for all other employees
\$2.6	Cost of 2019-2020 priorities

*Red – Included in preliminary budget

Preliminary Budget

REVENUES

Local Revenue	\$503,609,743
State Revenue	462,604,829
Federal Revenue	<u>20,000,000</u>
Total Revenues	<u>\$986,214,572</u>

EXPENDITURES

	<u>\$990,283,207</u>
Surplus(Deficit)	<u>(\$4,068,635)</u>

Questions