

DEFICIT PROJECTION REDUCED TO \$115 MILLION

HISD'S ANTICIPATED BUDGET DEFICIT FOR THE 2018-2019 SCHOOL YEAR HAS BEEN REDUCED FROM \$208 MILLION TO \$115 MILLION.

HOW DID WE GET HERE?

In the Fall of 2017 and in the immediate aftermath of Hurricane Harvey, HISD began budgeting for the 2018-19 school year with a worst-case scenario in mind based on four dynamic factors:

- 1 Potential property tax value decreases due to Hurricane Harvey
- 2 Anticipated enrollment decline because of Hurricane Harvey
- 3 Recapture payment to the state
- 4 Local Optional Homestead Exemption (LOHE) lawsuit

LOHE LAWSUIT

The LOHE lawsuit was filed by two districts after the TEA agreed to recognize half of the local homestead exemption given to property owners when it calculates HISD's recapture payment.

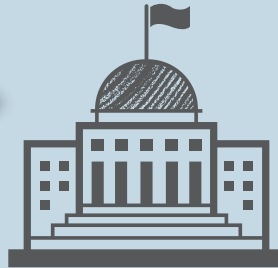
HISD's legal team feels strongly that the state will prevail in the LOHE lawsuit, which would reduce our recapture payment, and the deficit, by \$51 million.

-\$208 MILLION
+\$51 MILLION

-\$157 MILLION

TEA ADJUSTMENT

An anticipated adjustment to the property values by the TEA will reduce HISD's recapture payment and the deficit by \$42 million.



-\$157 MILLION
+\$42 MILLION

-\$115 MILLION

The HISD Board of Education favors a performance review conducted by a firm that has experience with large school district budgets.

An agenda item is anticipated for the April meeting: an immediate start for the performance review will be requested with a completion date by the end of the year.

MARCH APRIL MAY JUNE

- Trustee community meetings
- Budget Workshop
- Regular Board meeting

- Magnet presentation to Board
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- Regular Board meeting

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- Expected Board vote on budget proposal

- Statutory deadline for budget to be passed