



AISD Guest Wi-Fi

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Agenda: Budget Stabilization Task Force



Monday, July 16, 2018

- I. Call to Order – 5:30 pm
- II. Appointment of Tri-Chairs – 5:40 pm
- III. Citizen Communication – 5:45 pm
- IV. Approval of Minutes – 5:55 pm
- V. David Edgar – Overview of Education Finance in Texas and the Austin Independent School District – 6:00 pm
- VI. Nicole Conley Johnson – School Finance Committee Update – 6:45 pm
- VII. Break – 7:15 pm
- VIII. Travis Zander – Forecast and Data Trends – 7:20 pm
- IX. Defining Terms: Equity Lens – 8:05 pm
- X. Closure, Homework, Next Steps – 8:25 pm
- XI. Adjourn – 8:30 pm



Tonight's Objectives



- Gain an understanding of current state of Texas school finance and findings of the Texas School Finance Commission
- Review AISD's fiscal forecast and comparison to its peers
- Come to a shared understanding of what we mean when we agree to approach our work with an equity lens
- Identify priorities for further exploration





Appointment of Tri-Chairs





Citizen Communication



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AUSTIN ISD

BUDGET



**Overview of Education Finance in Texas and
the Austin Independent School District**



Texas Public School Finance Overview





Education Finance Characteristics



- School finances are highly categorical in nature
- Property taxes are a primary source of revenue
- Often times include complex formulas to allocate resources in efforts to maintain “equity” (state or local)
- School districts are highly regulated
- Finances are administered publicly
- Political issues have high relevance in financial and operational management



Texas Constitution, Article 7, Section 1



SUPPORT AND MAINTENANCE OF SYSTEM OF PUBLIC FREE SCHOOLS.

A general diffusion of knowledge being essential to the preservation of the liberties and rights of the people, it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of public free schools.



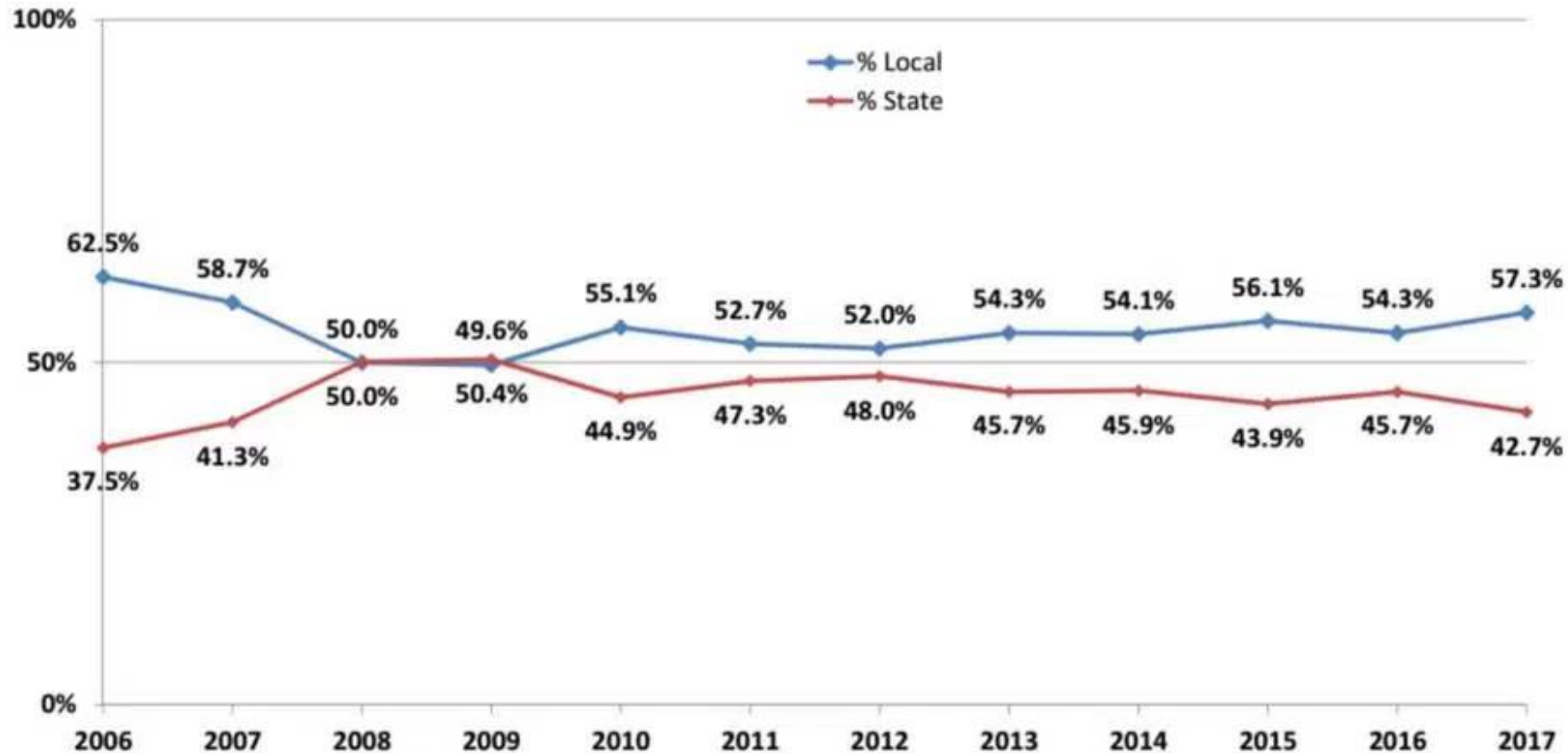
From the Courthouse to the Capitol



Court Decision	Legislative Response
Edgewood I (1989)	Senate Bill 1 (1990)
Edgewood II (1991)	Senate Bill 351 (1991)
Edgewood III (1992)	Prop. 1 (failed), SB 7 (1993)
Edgewood IV (1995)	System found constitutional
West Orange-Cove (2005)	House Bill 1 (2006)
ISD Plaintiffs (2016)	System found constitutional (2016)



State vs. Local Contribution to Texas Education



* 2008-2017 information obtained from Legislative Budget Board 2016-17 Fiscal Size Up Report.
2006-2007 information obtained from Legislative Budget Board information provided in most recent school finance lawsuit.



Primary Drivers in the System



- **Student Counts** – including enrollment, average daily attendance (ADA), full time equivalents (FTEs) and weighted average daily attendance (WADA)
- **Property Values** – including “Local” (CAD) values and “State” (CPTD) values
- **Tax Effort** – product of tax & collection rates applied to the Local property values



Property Taxes



- **Every school district in Texas has the authority to levy two local property taxes:**

Maintenance and Operations (M&O): pays for the day-to-day operations of the districts. The maximum M&O tax rate is \$1.17 for each \$100 in property value. A district must hold a Tax Ratification Election (TRE) to raise the rate above \$1.04.

Interest and Sinking (I&S): pays the money due on bonds issued by the districts to construct facilities. The maximum I&S rate is \$.50 for each \$100 in property value (note: no recapture on I&S revenue).



Maintenance & Operations Tax Rate



\$1.00	=	Compressed rate
0.04	=	Golden pennies <ul style="list-style-type: none">• no voter approval required• not subject to recapture
0.02	=	Golden/Silver Pennies <ul style="list-style-type: none">• voter approval required• not subject to recapture
0.11	=	Copper pennies <ul style="list-style-type: none">• voter approval required• subject to recapture
<hr/>		
\$1.17		Max. Rate Allowed



Foundation School Program



Foundation School Program



- The FSP establishes how much state funding school districts and charter schools are entitled to receive.
- Formulas are set in statute (Chapters 41, 42, and 46), and they consider both student and district characteristics including the number and type of students enrolled, district size and geographic factors, and local taxable property values and tax rates.
- Generally, once entitlements are established, the formulas are used to determine how much a district can generate locally (**local share**) through property taxes before making up the difference with state funds (**state share**).



Total Statewide FSP Entitlement in FY2018



5.01 million students in average daily attendance
and that number is projected to grow by more than 70,000 each year



\$45.12 billion (state & local) for FSP **M&O**
M&O = maintenance & operations -> salaries, utilities, etc.



\$6.96 billion (state & local) for FSP **I&S**
I&S = interest & sinking -> debt service payments on bonds



FSP Key Concepts



M&O local property tax rate contribution to each Tier

Tier I



RECAPTURE

LEVEL 1

Tier II

LEVEL 1



**NO
RECAPTURE**

Tier II

LEVEL 2



RECAPTURE

LEVEL 2



Maintenance and Operations Tiers



Tier I

Refers to the district's foundation entitlement.

The calculation is based upon:

- District characteristics.
- Student characteristics.
- Number of students in average daily attendance (ADA).
- **Basic allotment** per student in ADA, which is set in the General Appropriations Act (\$5,140 in FY2018 and FY2019).
- School district tax rate (generally, \$1.00 per \$100 of local school district property value).

Tier II

Refers to the district's "enrichment" entitlement.

The calculation is based upon:

- Number of students in weighted average daily attendance (WADA).
- Number of pennies of tax effort above \$1.00.
- Guaranteed amounts for pennies of tax effort are set in statute and/or General Appropriations Act called the **Guaranteed Yield Per Penny**.
- School district tax rate (based on local decision to have optional tax rate between \$1.00 and \$1.17 per \$100 of local school district property value).





Tier I Funding



How Is Tier I Funding Determined?



The Basic Allotment (BA) is \$5,140 per student for the 2018–2019 biennium and is set in the General Appropriations Act (GAA).

The \$5,140 BA per student is increased for school characteristics:

- Increased for the school districts' cost of education index (CEI);
- Increased if the school district qualifies as small district or mid-size district

Once the BA has been increased for school characteristics, it is used in a series of formulas that take into account student characteristics.



Cost of Education Index



The CEI is assigned to each district to adjust for the cost of educating students in the district's particular region of the state.

The CEI is based upon the principle that it is more expensive to provide education in some school districts than others.

Each school district was assigned a unique CEI in 1991. The CEI values have not changed since their assignment in 1991.

CEI values range from a low of 1.02 to a high of 1.20. The average CEI is 1.12.

The average funding increase produced is \$620 for each student in ADA in each district, and the total formula amount produced for all school districts by the CEI is estimated to be \$2.7 billion for FY2018.



Cost of Education Index (CEI)



School District	CEI Index
Brownsville ISD	1.19
Houston ISD	1.17
Aldine ISD	1.16
Alief ISD	1.16
Conroe ISD	1.16
Cy Fair ISD	1.16
Dallas ISD	1.16
Fort Bend ISD	1.16
Katy ISD	1.16
Pasadena ISD	1.16
Socorro ISD	1.15
Arlington ISD	1.14
El Paso ISD	1.14
Fort Worth ISD	1.14
Garland ISD	1.14
Lewisville ISD	1.14
San Antonio ISD	1.14
United ISD	1.14
Ysleta ISD	1.14
Plano ISD	1.13
Round Rock ISD	1.12
North East ISD	1.11
Austin ISD	1.10
Killeen ISD	1.10



Impact of Different CEI Values on Basic Allotment



ABC ISD (CEI = 1.08)

$$ABA = BA \times (((CEI - 1) \times 0.71) + 1)$$

$$ABA = \$5,140 \times (((1.08 - 1) \times 0.71) + 1)$$

Adjusted Basic Allotment (ABA) =
\$5,432 per student in average daily
attendance

XYZ ISD (CEI = 1.17)

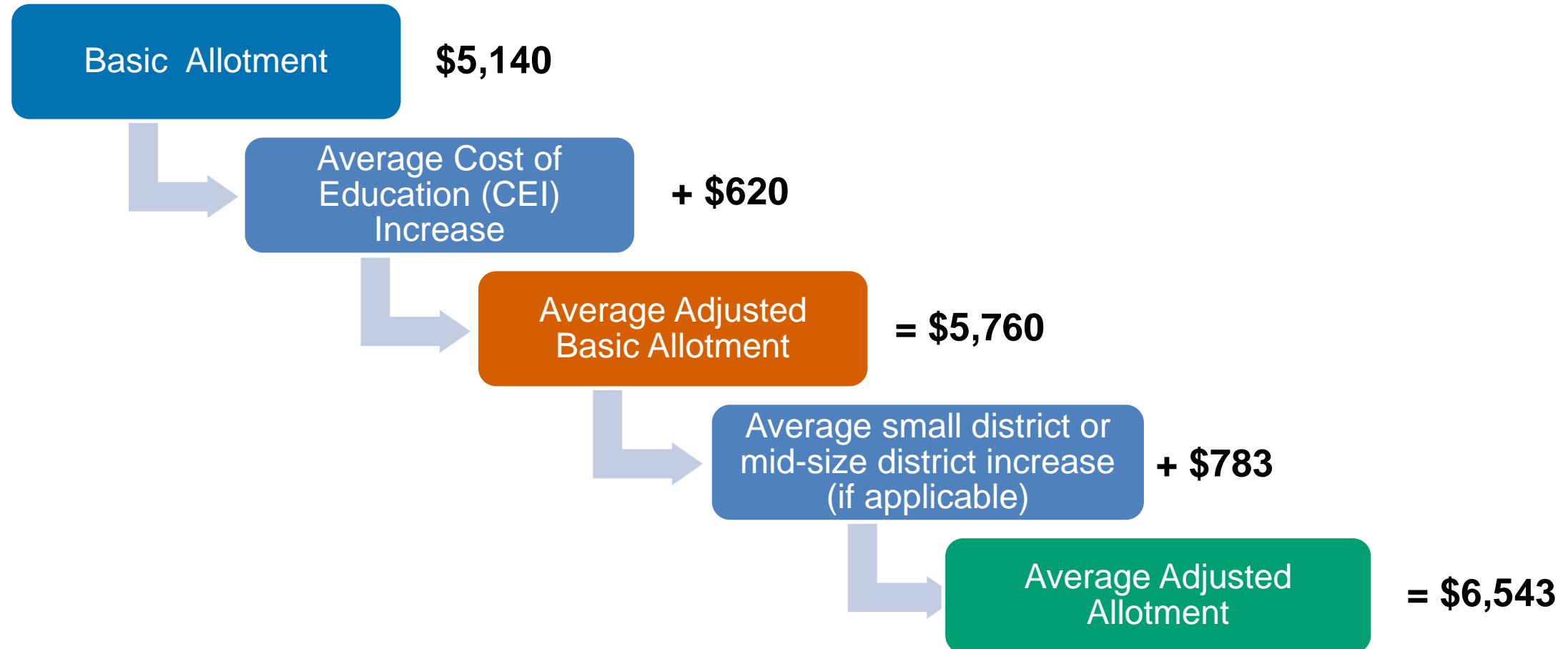
$$ABA = BA \times (((CEI - 1) \times 0.71) + 1)$$

$$ABA = \$5,140 \times (((1.17 - 1) \times 0.71) + 1)$$

Adjusted Basic Allotment (ABA) =
\$5,760 per student in average daily
attendance



In Summary: How the Basic Allotment Becomes The Adjusted Allotment



Tier I Includes Funding Weights to Deliver



Additional Funding for Student Characteristics

Program	Funding Weight
Regular Program (ADA)	1.00
Special Education (FTE)	various weights (subtracted from regular program)
Career and Technology (FTE)	1.35 (subtracted from regular program)
Advanced CTE	\$50 per each eligible CTE course
Gifted & Talented	0.12 (capped at 5% of district ADA)
Compensatory Education (FTE)	0.20
Pregnancy Related Services (FTE)	2.41 (part of compensatory education)
Bilingual Education (ADA)	0.10
Public Education Grant (ADA)	0.10
New Instructional Facility Allotment	\$1,000 per student in ADA in the new facility
High School Allotment	\$275 per high school student in ADA



Outdated Formulas: 20-30 Years Old



Student Program	Weight or Allotment (multiply by AA)	Last Updated
Regular Program Allotment (Block Grant)	1.0	n/a
Career and Technology Allotment	1.35	2003 (reduced)
Gifted and Talented Program Allotment	0.12	1991
Bilingual Program Allotment	0.1	1984
Special Education Allotment (examples)		1995
Resource Room	3.0	
Mainstream	1.1	
Self Contained	3.0	
Speech	5.0	
Residential Care & Treatment	4.0	
Compensatory Education		1984
State Compensatory Allotment	0.2	
Pregnancy Related	2.41	
Transportation	Several formulas	1984
High School Allotment	\$275/high school ADA	2006
New Instructional Facilities Allotment (NIFA)	\$250/NEW ADA	1999



Tier I Bilingual/ESL Allotment Example



In general, Tier I allotments are calculated by multiplying the number of students in each instructional setting by the applicable funding weight and by the district's adjusted allotment:

Bilingual/ESL ADA × Funding Weight × Adjusted Allotment

2,000 bilingual/ESL ADA × 0.10 × \$6,543 = \$1,308,600 in additional funding



Tier I: Local Share Calculated at \$1.00



Tier I



RECAPTURE

LEVEL 1



Tier I: Calculation of State Share



Chapter 42 district

Tier I Total Cost	\$12,500,000
Prior Tax Year District Property Value	\$650,000,000
Local Share at \$1.00 M&O tax rate	\$6,500,000
State Share of Tier I	\$6,000,000

Chapter 41 district

Tier I Total Cost	\$12,500,000
Prior Tax Year District Property Value	\$1,350,000,000
Local Share at \$1.00 M&O tax rate	\$13,500,000
State Share of Tier I	\$0





Tier II Funding



Tier II Overview



A district's Tier II allotment provides for enrichment funding which is intended to supplement the basic funding provided by Tier I funds.

To receive Tier I funding, school districts generally must tax at \$1.00 per each \$100 of local district property value. However, districts have local discretion to set a tax rate that is between \$1.00 and \$1.17.

Tier II focuses on taxpayer equity by ensuring that school districts receive a guaranteed amount of funding for each penny of tax effort between \$1.00 and \$1.17 for each student in their weighted average daily attendance (WADA).

This guaranteed amount per WADA is called the **guaranteed yield**.



Tier II: Golden and Copper Pennies



Tier II

LEVEL 1



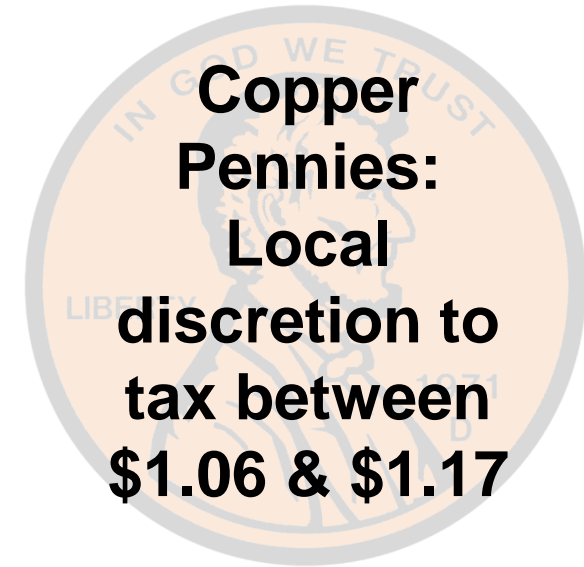
Golden Pennies:
Local discretion to tax between \$1.00 & \$1.06

NO RECAPTURE

Voter Approval needed to tax above \$1.04

Tier II

LEVEL 2



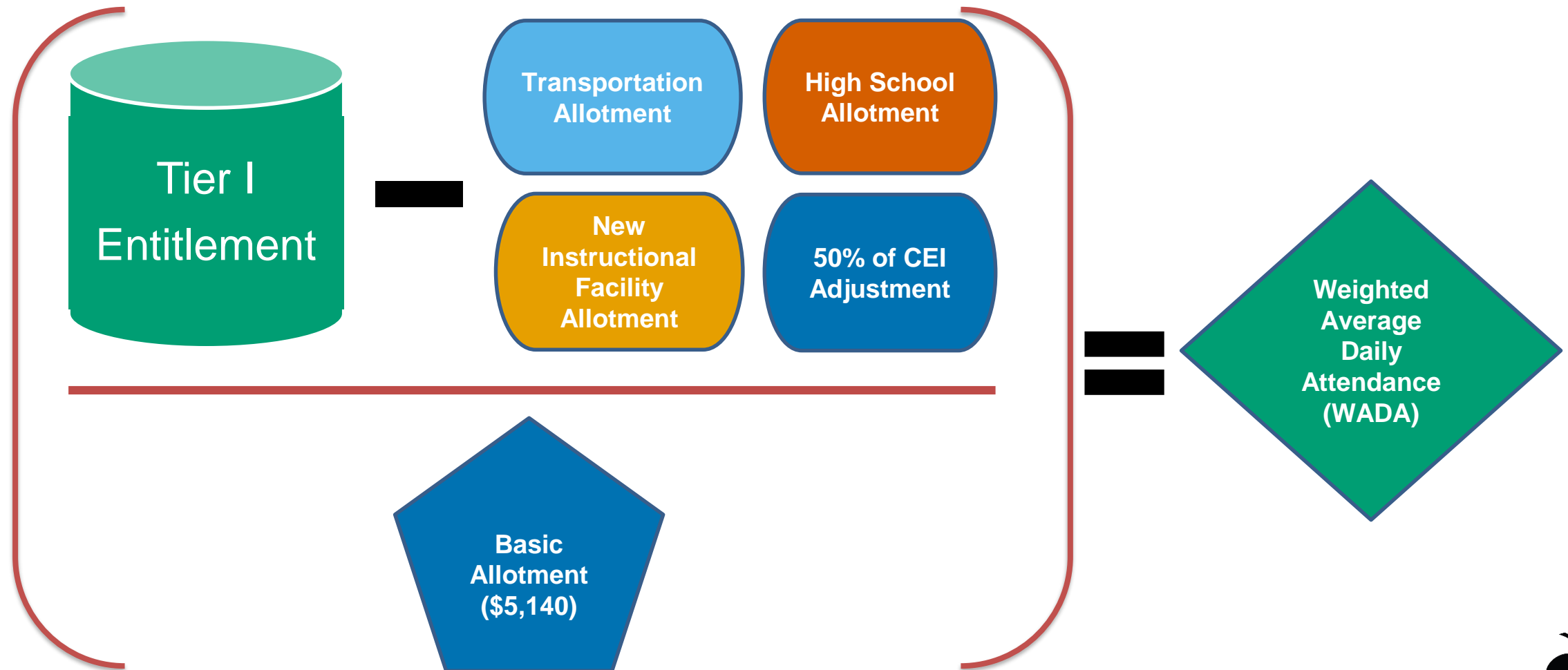
Copper Pennies:
Local discretion to tax between \$1.06 & \$1.17

RECAPTURE

LEVEL 2



Tier II: How Are the Number of Weighted Students (WADA) in a District Calculated?



The Difference Between ADA and WADA



Average Daily Attendance (ADA)

The number of actual students in attendance on the average school day.

There are 5.04 million ADA in Texas but there are 6.84 million WADA.

There will always be less ADA than WADA.

Used to calculate Tier I allotments.

Weighted Average Daily Attendance (WADA)

Calculated using Tier I allotments (not the number of actual students in attendance).

Generally, districts with large populations of students with special characteristics (compensatory education students) will have more WADA.

Used to calculate Tier II allotments.



Tier II: Golden Pennies in FY2018



Tier II

LEVEL 1



Six Golden Pennies are equalized up to Austin ISD's wealth level of \$99.41

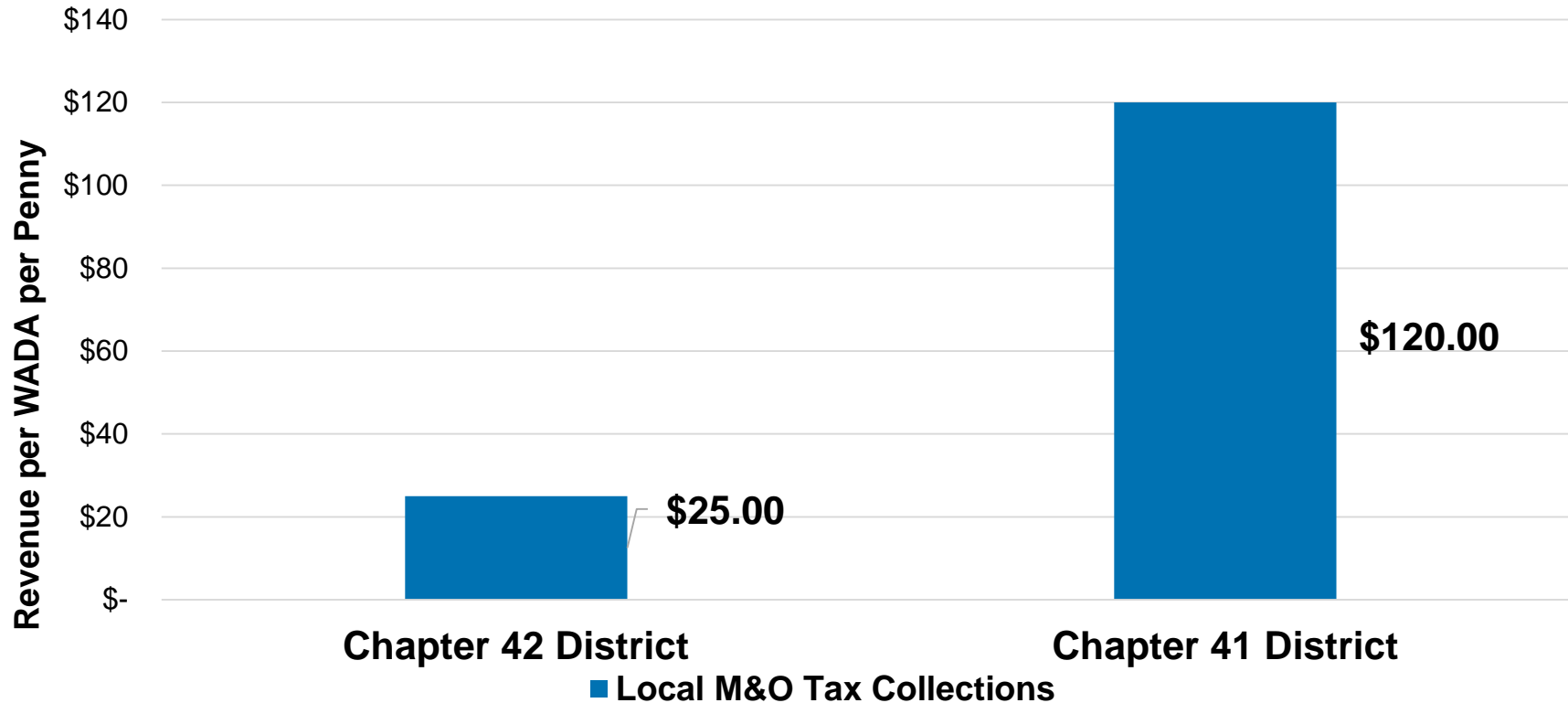


NO RECAPTURE



Revenue Generated by a Penny of Tax Effort

Can Vary Greatly Between Districts



Disparities in local taxable property values directly affect how much a penny of M&O tax effort can generate at the local level.

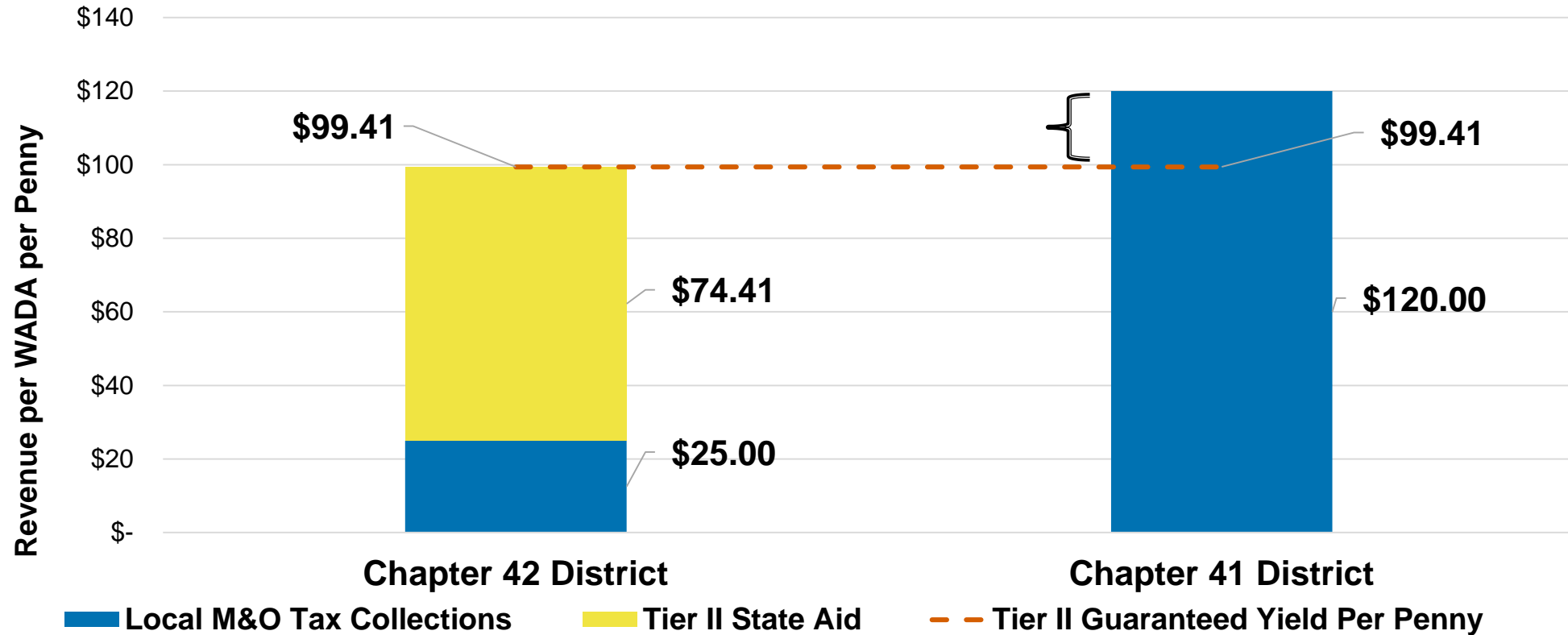
Tier II introduces the concept of the GUARANTEED YIELD (GY) formula on a “PER PENNY PER WADA” basis to help close the gap.



Chapter 42 Districts are Equalized Up to AISD



Wealth Level for Golden Pennies



Golden Pennies equalized up to \$99.41 per penny of tax effort per WADA (up to Austin ISD Wealth Level).

No recapture of M&O tax collections from districts that have a wealth per WADA greater than Austin ISD.



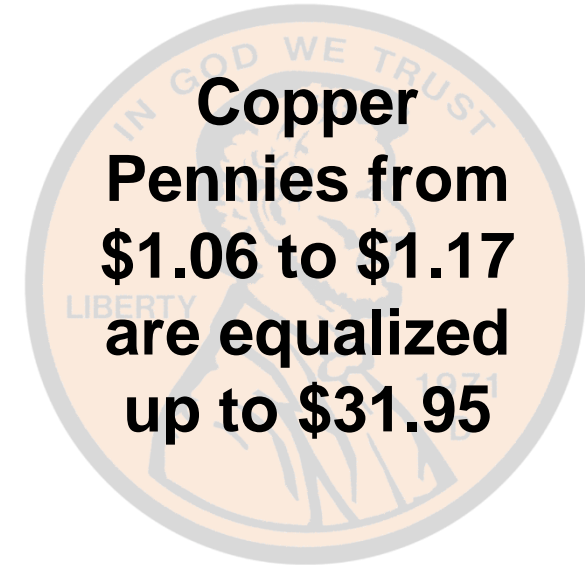
Tier II: Copper Pennies in FY2018



Tier II

LEVEL 2

**Copper
Pennies from
\$1.06 to \$1.17
are equalized
up to \$31.95**



RECAPTURE

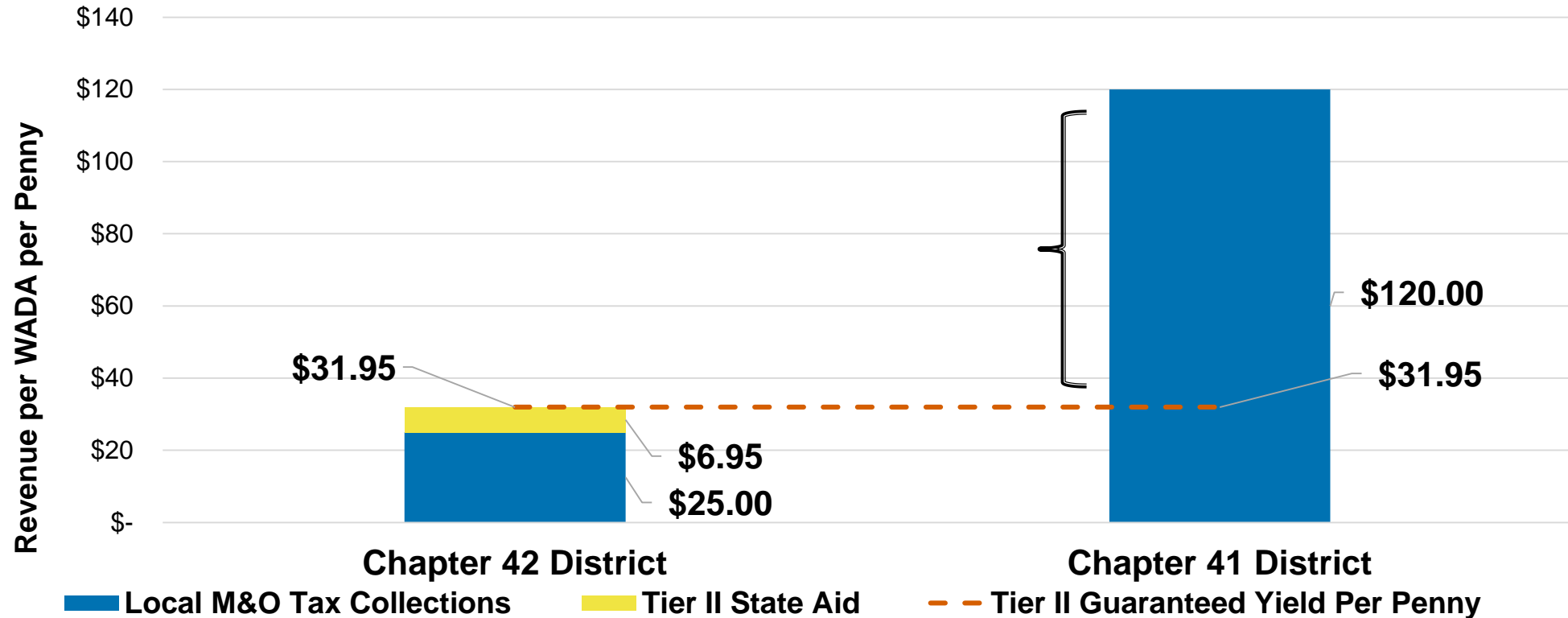
LEVEL 2



Chapter 42 Districts are Equalized Up to \$31.95



Per WADA for the Copper Pennies

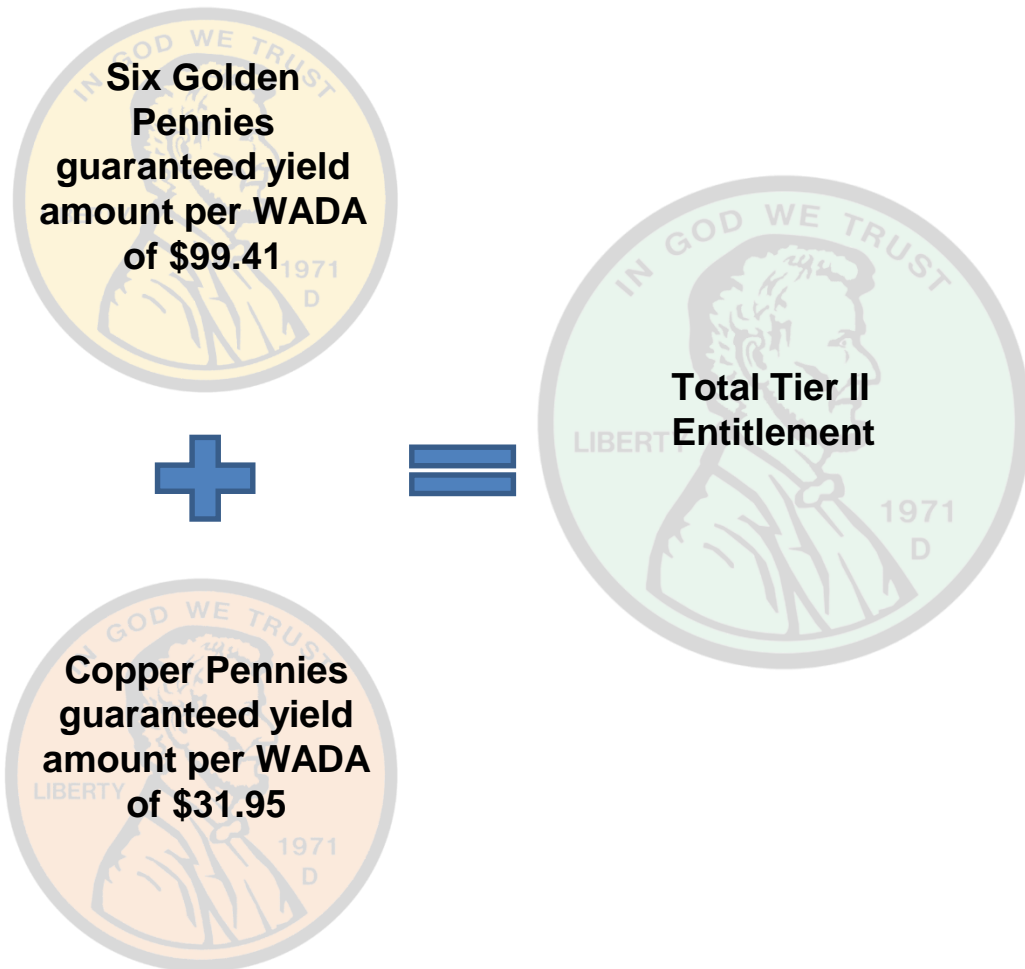


Copper pennies are equalized up to \$31.95 per penny of tax effort for WADA

M&O tax collections from districts that generate more than \$31.95 per penny per WADA are subject to recapture



Tier II Summary for FY2018



Golden Pennies

- Based on the six pennies above \$1.00 (\$1.00 to \$1.06)
- Local election needed to tax above \$1.04
- For Chapter 42 districts, the state will fund up to the Austin ISD yield per penny (\$99.41) of tax effort per WADA
- **For property rich districts, there is no recapture on these six pennies**

Copper Pennies

- Based on pennies above \$1.06 up to \$1.17
- For Chapter 42, the state will fund up to the \$31.95 yield per penny of tax effort per WADA
- Chapter 41 districts with tax effort in this zone will be recaptured at the \$319,500 equalized wealth level



Tier II Example of a District with an M&O Tax Rate of \$1.12 and a Local Yield of \$50



Tier I, level 1 (Golden Pennies)

WADA	1,000
Number of Golden Pennies	6
Guaranteed Yield	\$99.41
Tier II, Level 1 Entitlement	\$596,460
(Line 1 x Line 2 x Line 3)	
Local Share	\$300,000
(Line 1 x Line 2 x \$50)	
Tier II, Level 1 State Share	\$296,460
(Line 4 – Line 5, floor of \$0)	

Tier II, level 2 (Copper Pennies)

WADA	1,000
Number of Copper Pennies	6
Guaranteed Yield	\$31.95
Tier II, Level 2 Entitlement	\$191,700
(Line 1 x Line 2 x Line 3)	
Local Share	\$300,000
(Line 1 x Line 2 x \$50)	
Tier II, Level 1 State Share	\$0
(Line 4 – Line 5, floor of \$0)	



2017 M&O Adopted Tax Rates

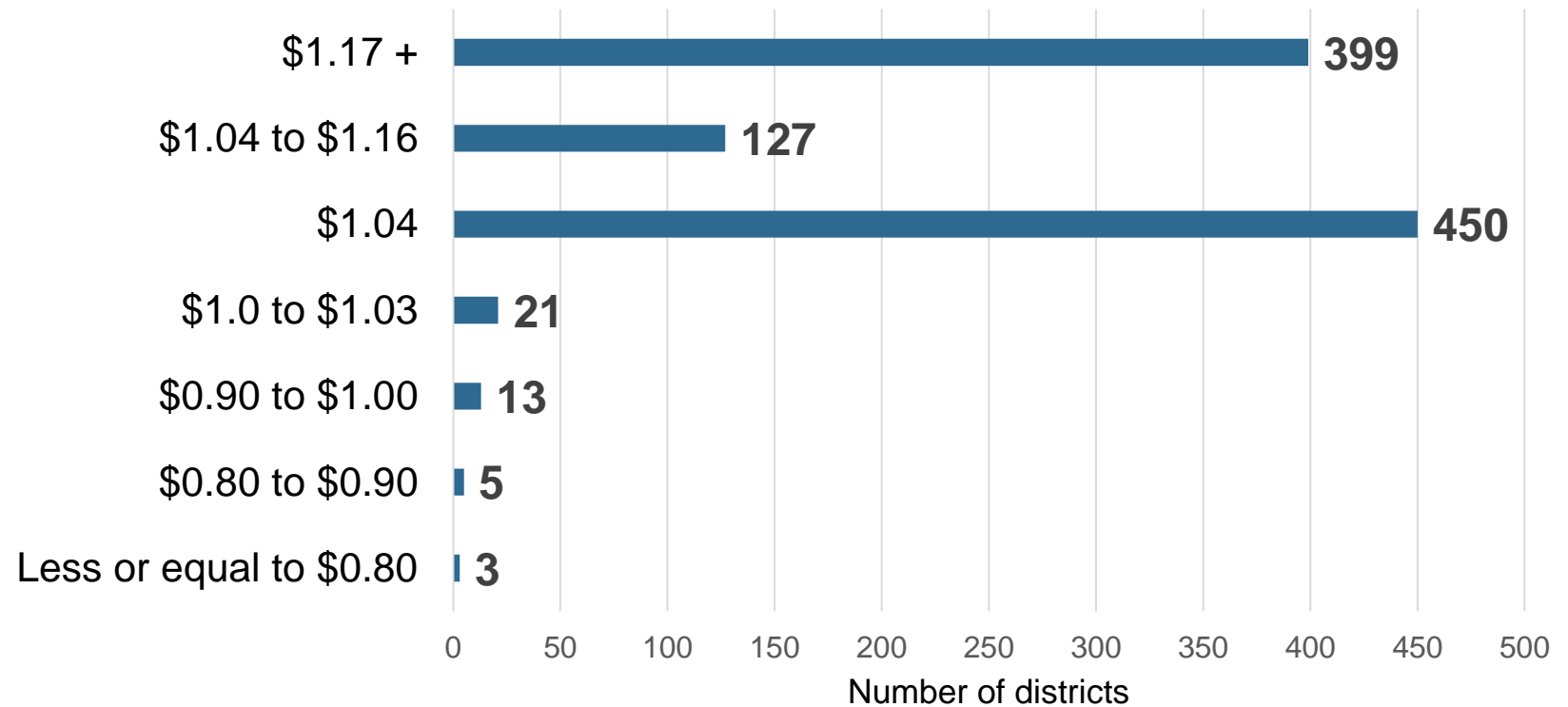


M&O tax rates range from **\$0.67 cents to \$1.29** (certain Harris county districts are able to tax above \$1.17)

450 districts have adopted a \$1.04 tax rate

399 districts have adopted the maximum 1.17 or above

Number of Districts at Varying M&O Tax Rates



Charter School Funding



Charter School Funding



Charter schools are entitled to Tier I and Tier II state aid, but, because they do not have the ability to generate the local share through a property tax base, the state funds 100% of the entitlements.

Charters are funded using state average funding variables for Tier I, Tier II, and EDA (covered next).

Charter schools are not eligible for facilities funding under IFA but do qualify for NIFA as part of the Tier I calculation and will qualify for EDA beginning in FY2019 due to the passage of HB21 (2017).



Charter School Funding: Tiers I & II



Charter schools' Tier I allotments are calculated using the **state average** adjusted allotment (\$6,522 in FY2018).

This average allotment is higher than that of many school districts because the **small district and mid-size district funding increases are already factored in** when the average is computed.

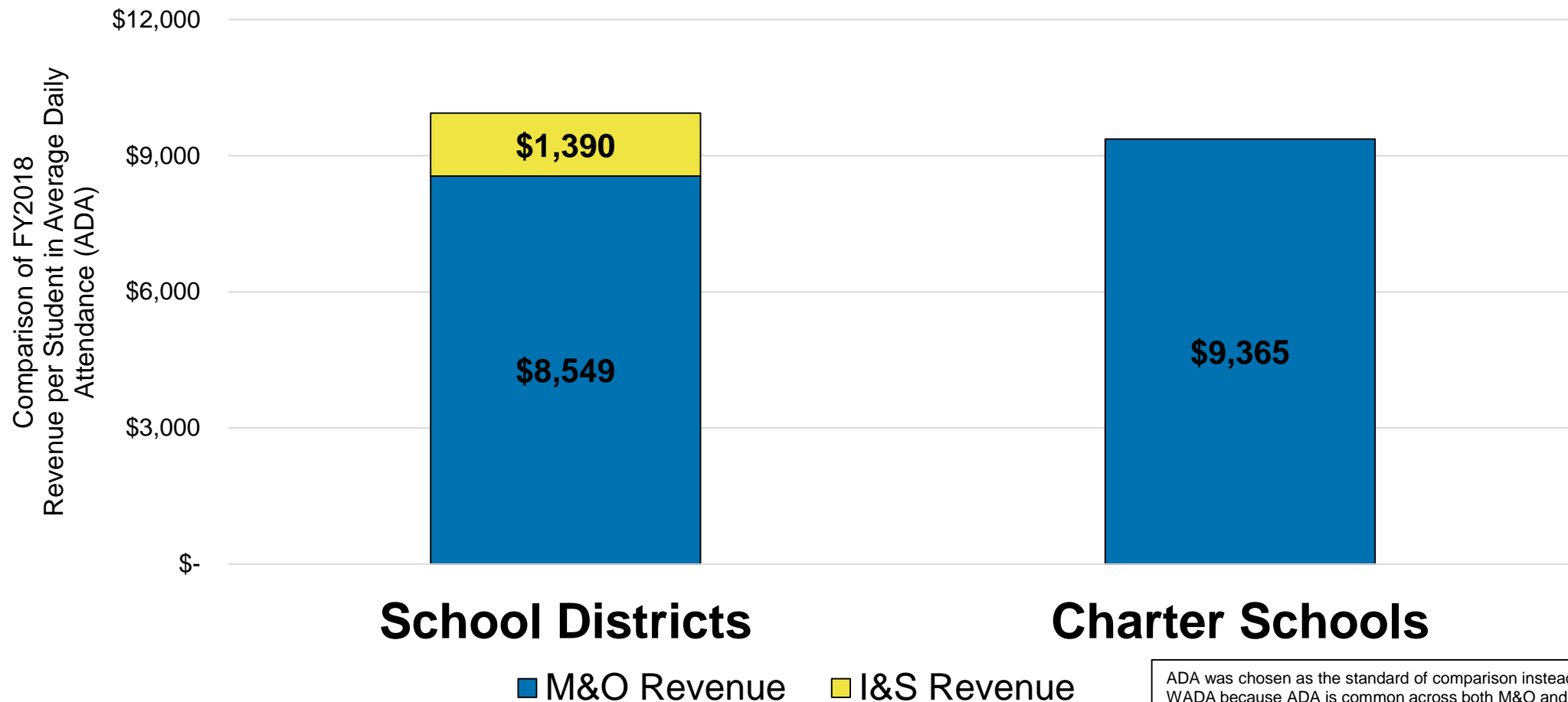
Charter schools' Tier II allotments are calculated using the state average M&O tax rates for the golden and copper pennies (\$0.0562 and \$0.0480, respectively in FY2018). **Charters benefit as more districts hold elections to increase their M&O tax rates above \$1.04.**



Charter Schools



In FY2018, charter schools will receive ~\$574 less per student than school districts (overall), but they will receive \$816 more per student in M&O funding.



Source: Texas Education Agency, April 2018

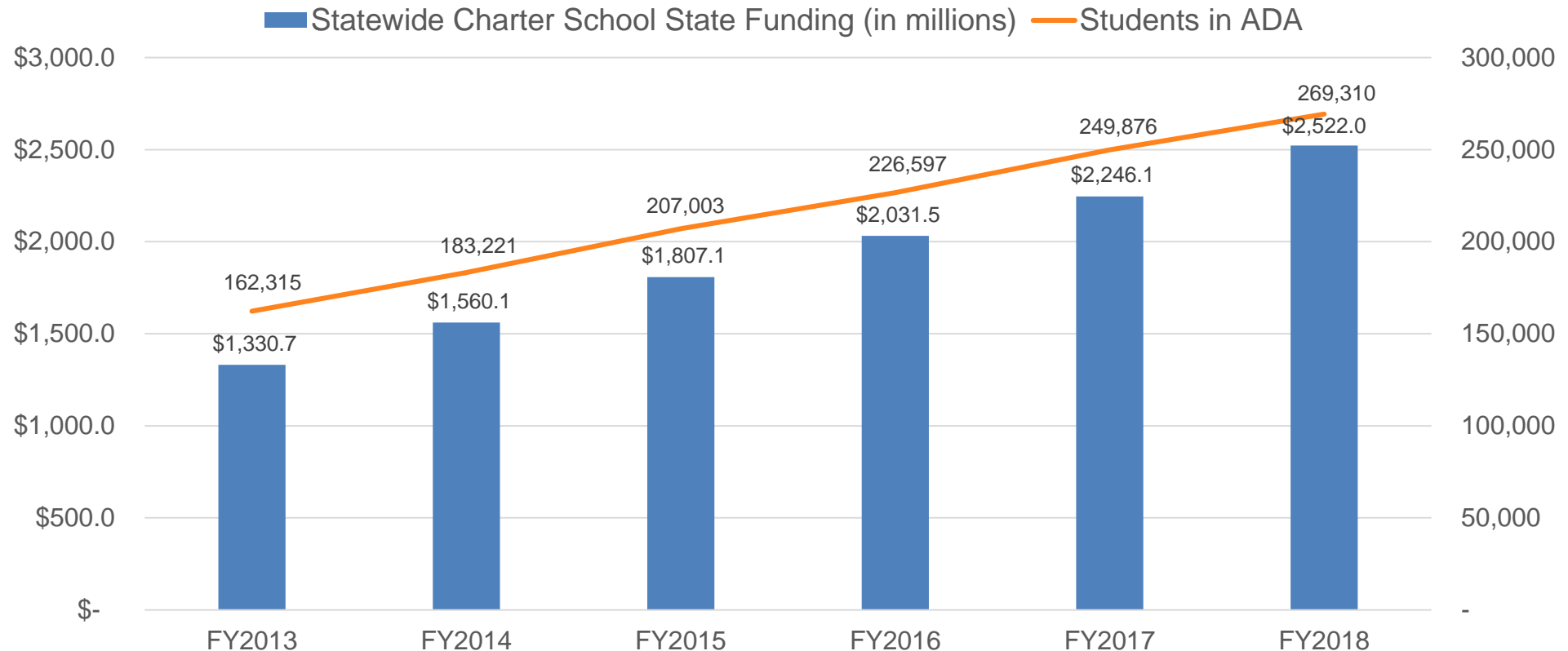
ADA was chosen as the standard of comparison instead of WADA because ADA is common across both M&O and I&S funding whereas WADA is only used in M&O funding.



Charter School Enrollment



Increasing enrollment has increased charter school funding by 162% in the last five years Enrollment





Wealth Equalization (Chapter 41)



What Do We Know About Robin Hood?



What is Chapter 41? Recapture?



Recapture ensures that a district's property wealth per student does not exceed certain levels, known as equalized wealth levels.

A district that is subject to recapture is often referred to as a Chapter 41 district because the provisions governing recapture are found in Chapter 41 of the Texas Education Code (TEC). Districts not subject to recapture are called Chapter 42 districts.

Districts subject to the provisions of recapture must choose a method to reduce their wealth per WADA below the equalized wealth level.



Austin ISD Financial Overview



AISD Budget Challenges



- Outdated State funding formulas that are nearly 30 years old that don't take into account the provision of services at today's cost or inflation
- Rising inflationary costs for healthcare, electricity water & fuel
- Declining enrollment due to a number of factors that include: lack of affordable housing, declining birthrates and increased competition (Charters)
- Record high and rising appraisal values which substantially increases the district recapture liability. In FY2019, over half of every local tax dollar collected will go to the state



Revenue Loss From Charter Expansion



Austin ISD and Charter School Competition

- ❑ The 13,226 students that were enrolled in charter schools during year 2016/17 represents \$87,291,600 of potential estimated annual revenue for Austin ISD student programs and services.



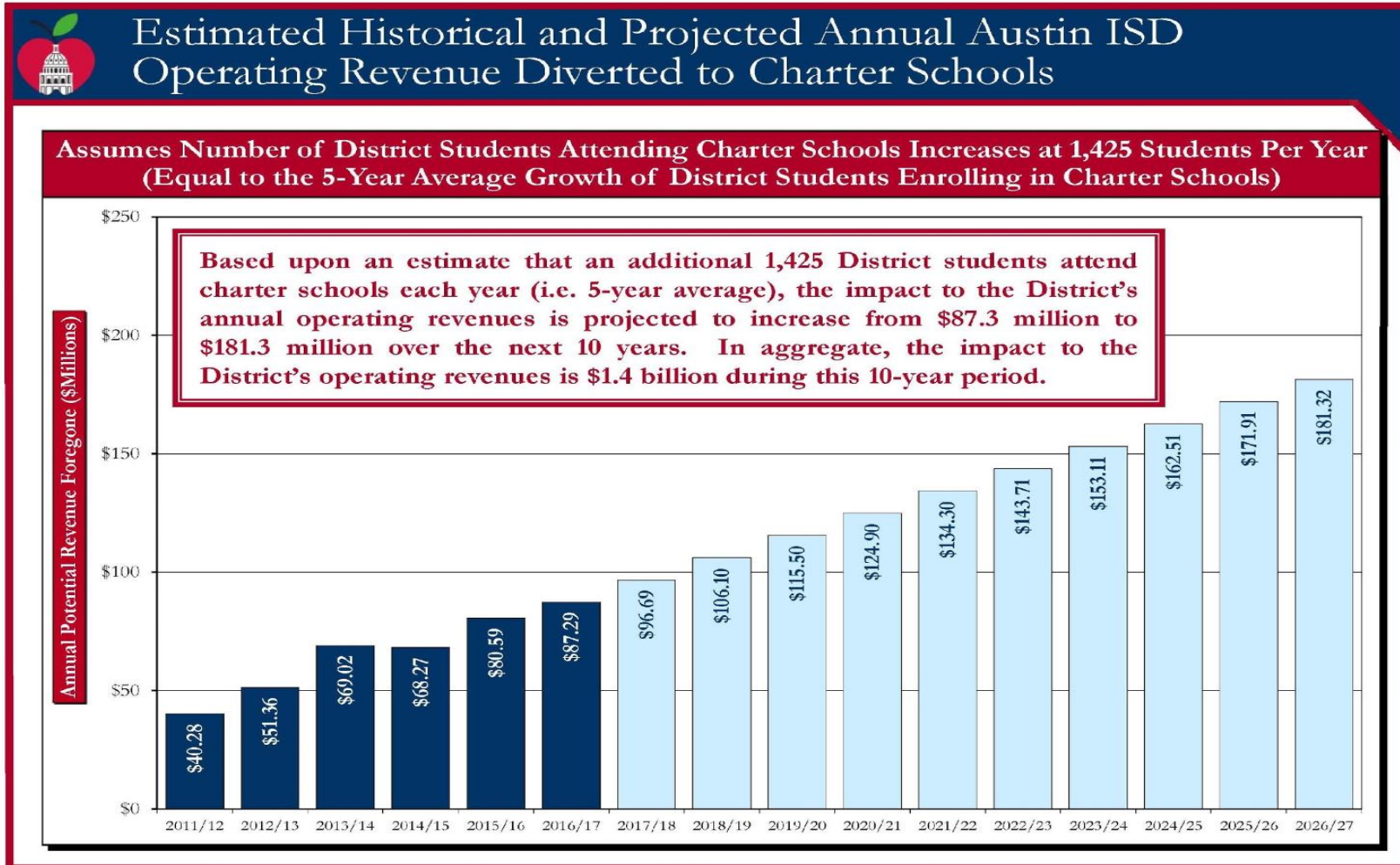
BOK FINANCIAL SECURITIES

Summary of Students Within Austin ISD Attending Charter Schools – Year 2016/17

Charter School	Enrollment Within District	Potential Estimated Annual Revenue
KIPP Austin Public Schools	3,316	\$ 21,885,600
Harmony Public Schools	1,910	12,606,000
IDEA Public Schools	1,858	12,262,800
Wayside Schools	1,560	10,296,000
Austin Achieve Public Schools	658	4,342,800
East Austin College Prep	580	3,828,000
Responsive Education Solutions	543	3,583,800
Texans Can Academies	413	2,725,800
University of Texas Charter School System	403	2,659,800
Austin Discovery School	334	2,204,400
Cedars International Academy	334	2,204,400
Montessori For All	314	2,072,400
NYOS Charter School	314	2,072,400
The Excel Center	223	1,471,800
Texas Empowerment Academy	199	1,313,400
Texas Preparatory School	132	871,200
Jubilee Academic Center	71	468,600
Chaparral Star Academy	55	363,000
John H. Wood Jr. Public Charter District	9	59,400
Total (Year 2016/17)	13,226	\$ 87,291,600
Total (Year 2015/16)	12,210	
Total (Year 2014/15)	10,344	
Total (Year 2013/14)	10,458	
Total (Year 2012/13)	7,782	
Total (Year 2011/12)	6,103	



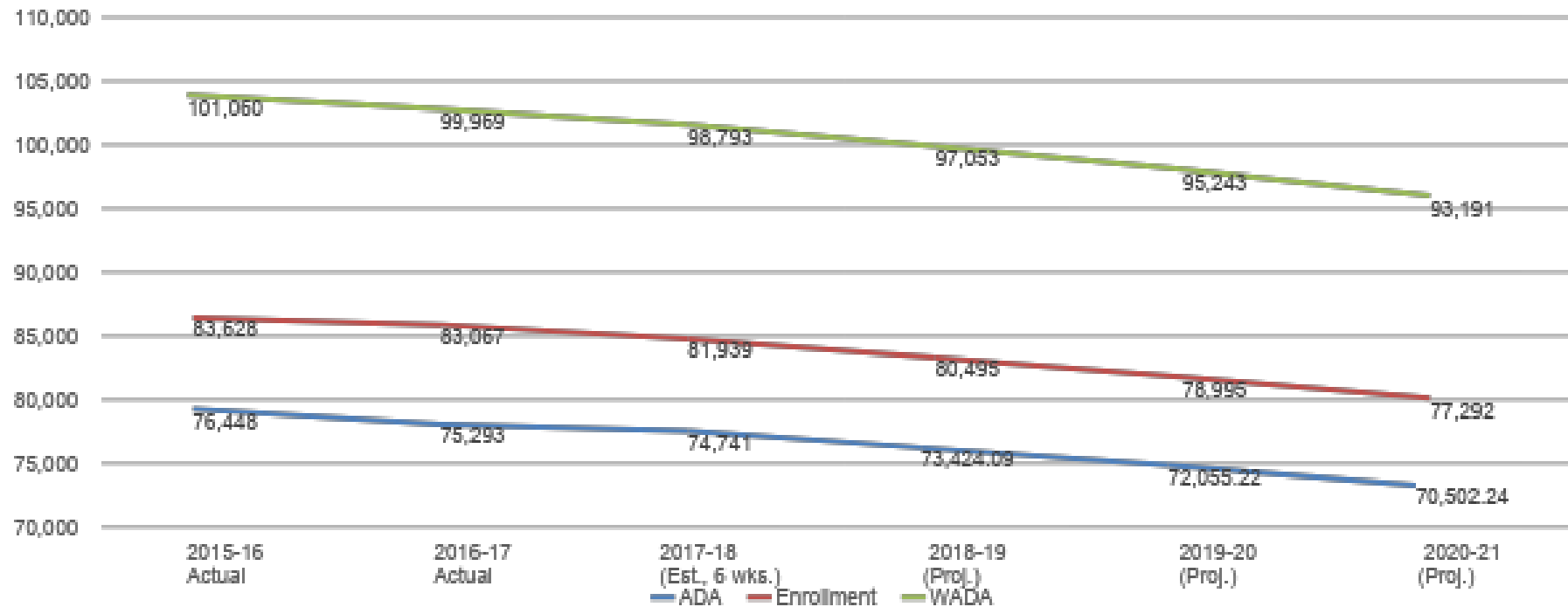
Lost Revenue Climbs to \$135 Million in 5 Years



Enrollment Projections



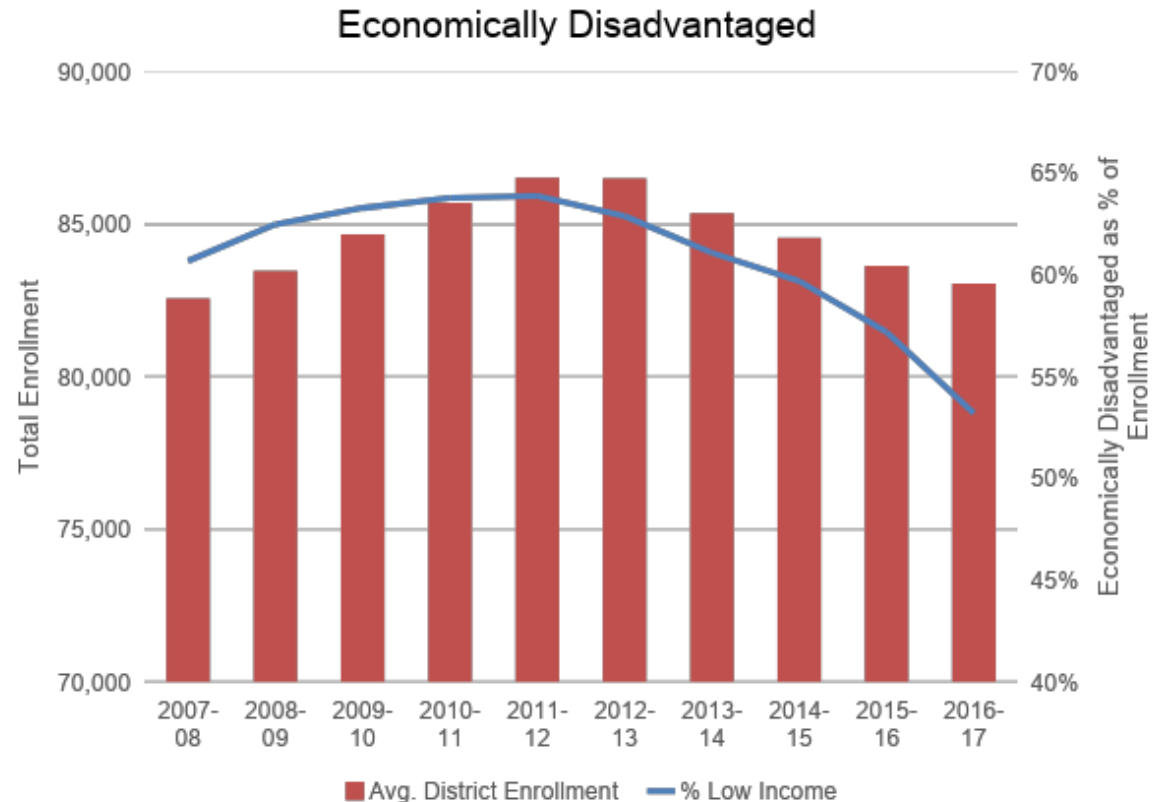
Factors utilized to establish budget projections took into account feedback from campuses, student services, demographer projections, ratio, trend and cohort data



Declining Enrollment and Shifting Demographics



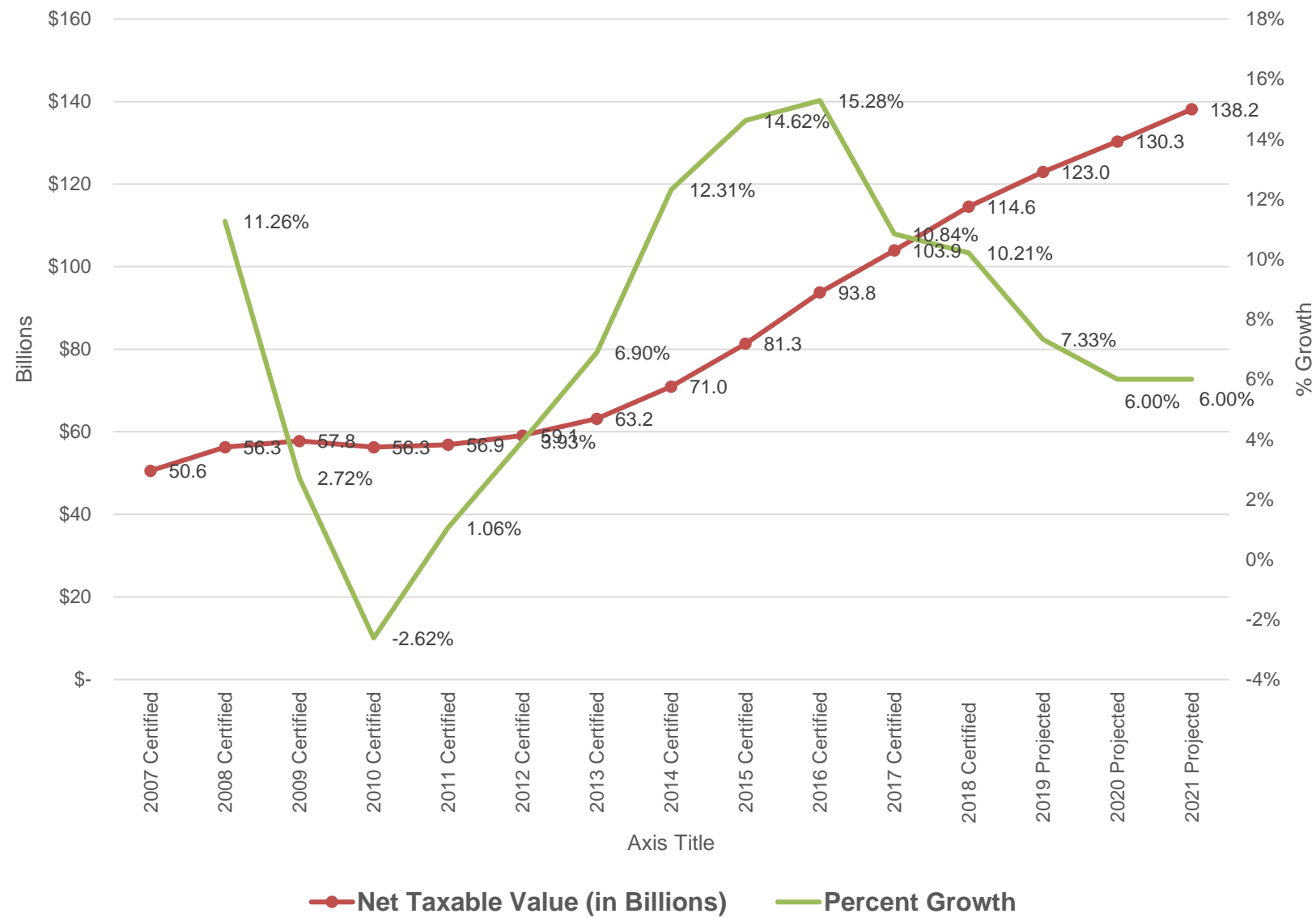
Since the peak in 2011-12, enrollment has declined by 4%, and the percentage decline in the population of economically disadvantaged has declined more than twice as much from 63.9% to 53.2%.



Source: PIEMS data derived through forecast 5.



Tax Revenue Growth



Recapture Growth



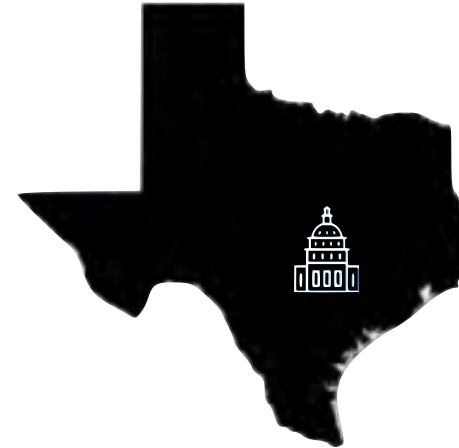
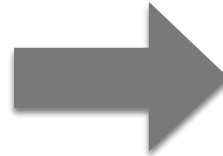
Effect of Recapture in Austin ISD



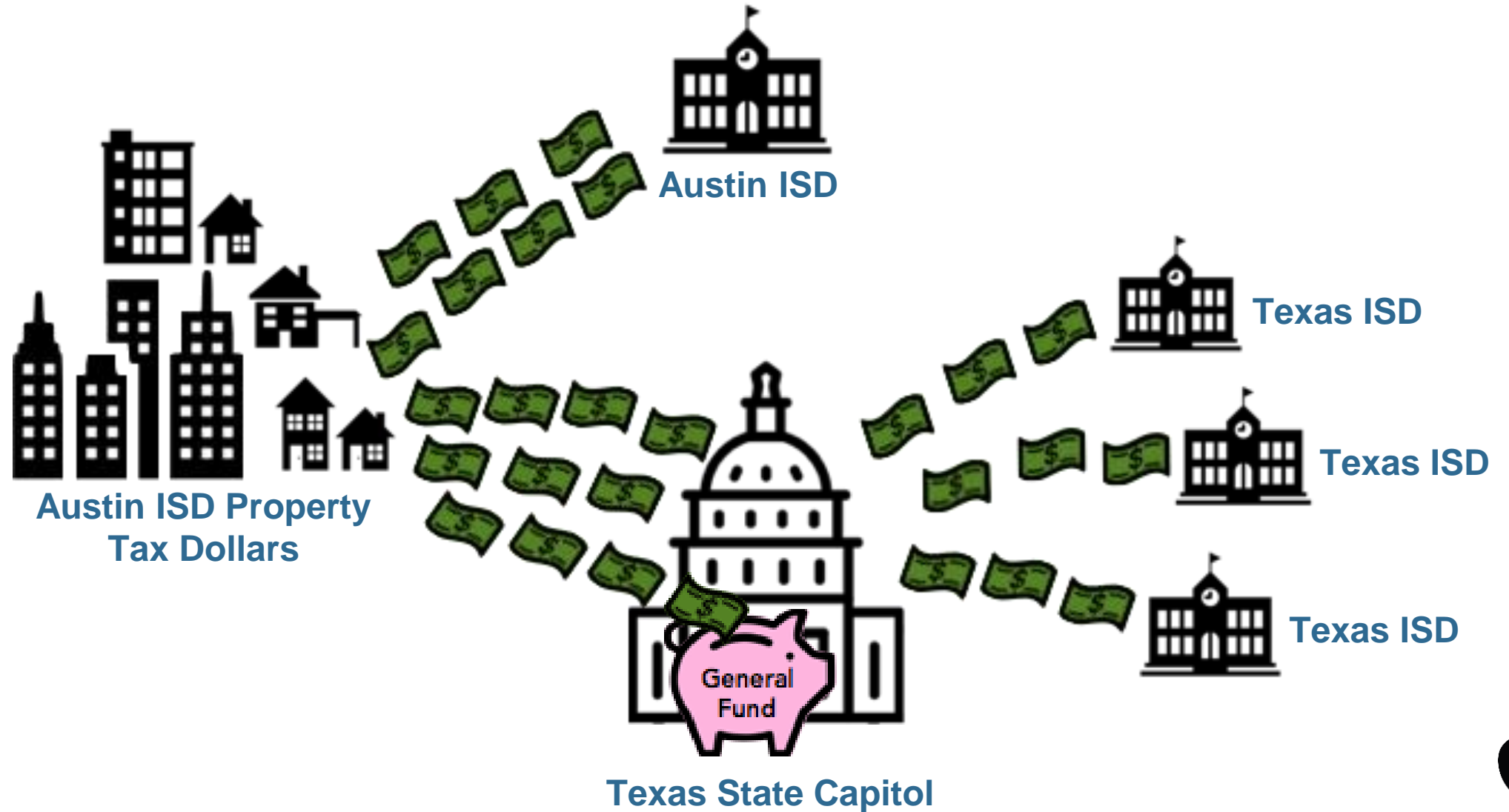
EVERY INCOMING \$1



50¢



Understanding Recapture



The Recapture Burden



- Austin ISD is the single largest payer of recapture among over 2,000 school districts in Texas.
- AISD's payment alone equals 25 percent of all state collections.
- Between 2017 and 2021, AISD is projected to pay almost \$3.1 billion in recapture.
- In 2019, more than ½ of every M&O tax dollar collected by AISD will go to the state.





School Finance Committee Update





AUSTIN ISD

BUDGET



Fiscal Forecast

Why Multi-Year Planning is Important



- Identify how intermediate and longer-term challenges may shape our finances, before trends overtake us
 - Revenue expectations
 - Healthcare costs
 - Enrollment projections
 - Property Tax Values
- Strengthen the case for options with longer lead time to generate fiscal impact
 - Facility closures/investments
 - Benefit reforms
- Determine whether proposed actions are affordable and sustainable before commitments are made
 - Compensation
 - Expanded programs
- Support the case for increased funding before reserves are exhausted and the system is in crisis
- Positive credit rating factor and recognized best practice

"Multi-year planning is a critical exercise. These plans will often have out-year gaps projected which allow governments to work out, in advance, the optimal way to restore fiscal balance"

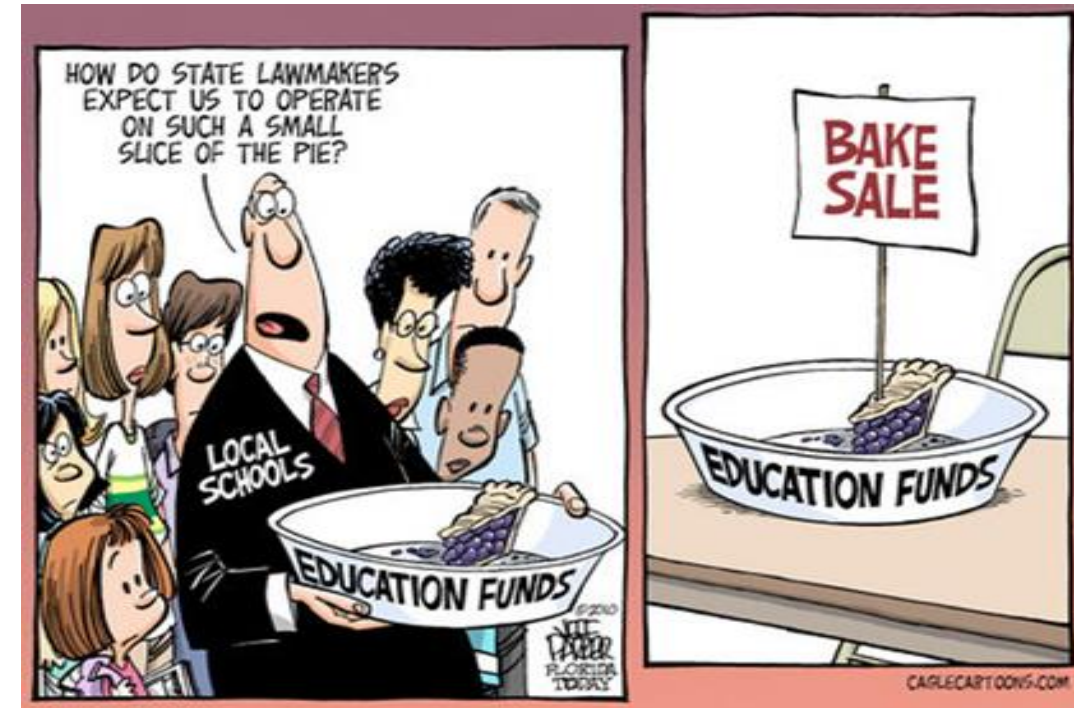
-Standard & Poors



Fiscal Forecast Considerations



- Fiscal forecasts are an important financial road map. They can help point the entity in the right direction
- Forecasts are going to be updated and amounts are going to change as decisions are made that impact the budget
- Administration and ultimately, School Board of Trustees decisions will have the largest impact on the direction of the expenditures in the operating budget
- Legislative decisions on the state funding formula will be the largest driver on future revenues and recapture payments



Fiscal Forecast Assumptions/Revenue



The Fiscal Forecast presents a “same services” budget scenario using assumptions for projected revenue and expenditures as follows:

State Funding:

- No changes to school finance laws
- Projects the State funding formula per capita rate will increase from \$207 per WADA in FY2018 to \$375 per WADA in FY2019.
- The per capita rate is projected to be \$200 per WADA in FY2020



Fiscal Forecast Assumptions/Revenue



Local Tax Revenue:

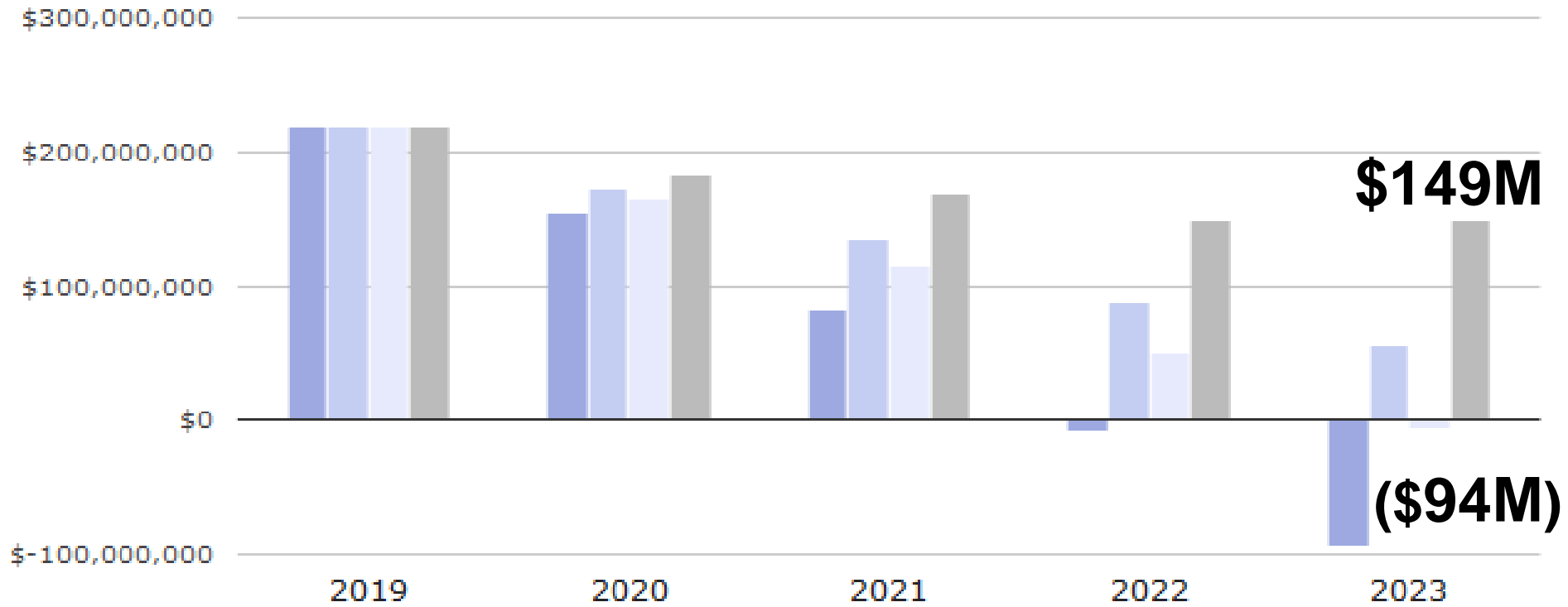
- No Change to M&O Tax Rate (\$1.079 per \$100 of taxable value)
- The forecast projects taxable property value growth at 10%, 8%, and 6% in 2018/19, 2019/20, and 2020/21, respectively
- Travis Central Appraisal District (TCAD) will released preliminary certified values in April 2018
certified values in July 2018

Enrollment:

- Enrollment is estimated to decline by 1,400+ students in FY2018-19 according to cohort data, with continuing declines in the outyears
- Adjustments for projected WADA based on trends, i.e. eco dis, bilingual, etc.



Comparing 4 Fund Balance Scenarios



- Declining enrollment/ Slower property value growth
- Flat enrollment/ Slower property value growth

- Declining enrollment/ 10% constant property value growth
- Flat enrollment/ 10% constant property value growth





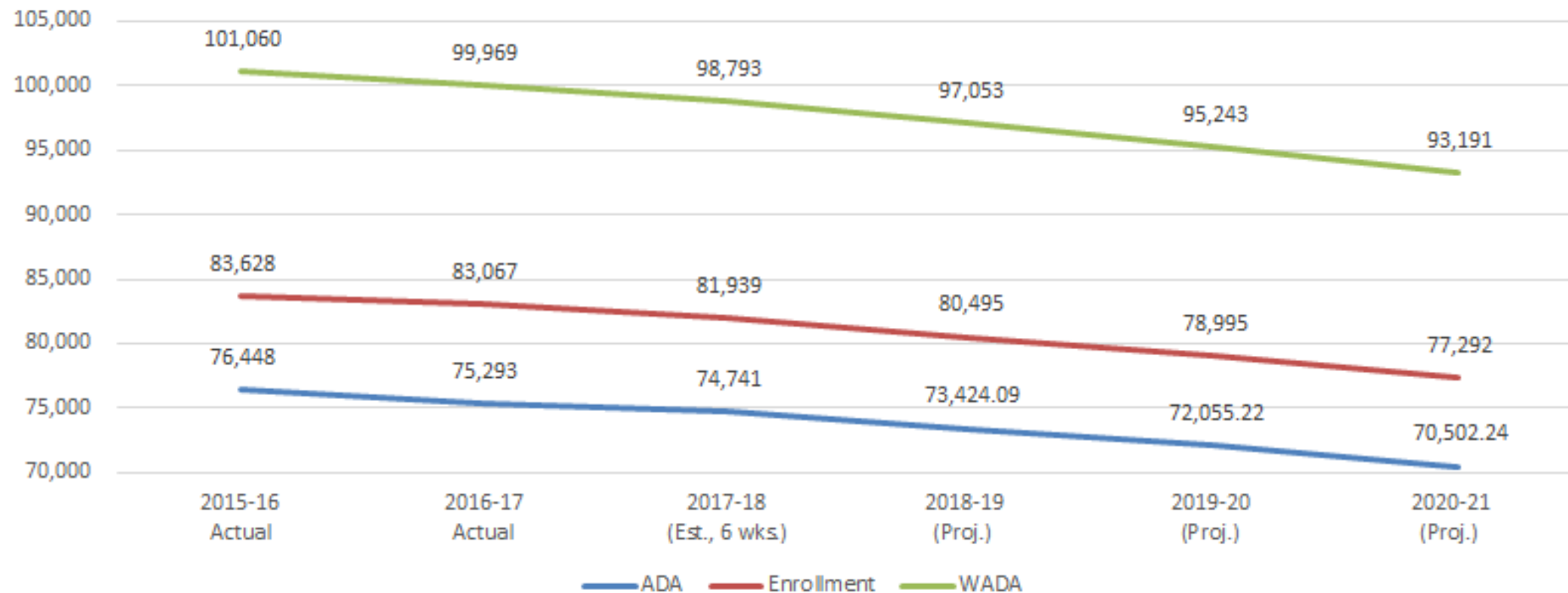
Enrollment Projections



AUSTIN ISD BUDGET

A committee comprised of Facilities, Student Services, Human Capital and Financial Services developed projected enrollment for FY2018-19.

Factors utilized to establish budget projections took into account feedback from campuses, student services, demographer projections, ratio, trend and cohort data





Enrollment History



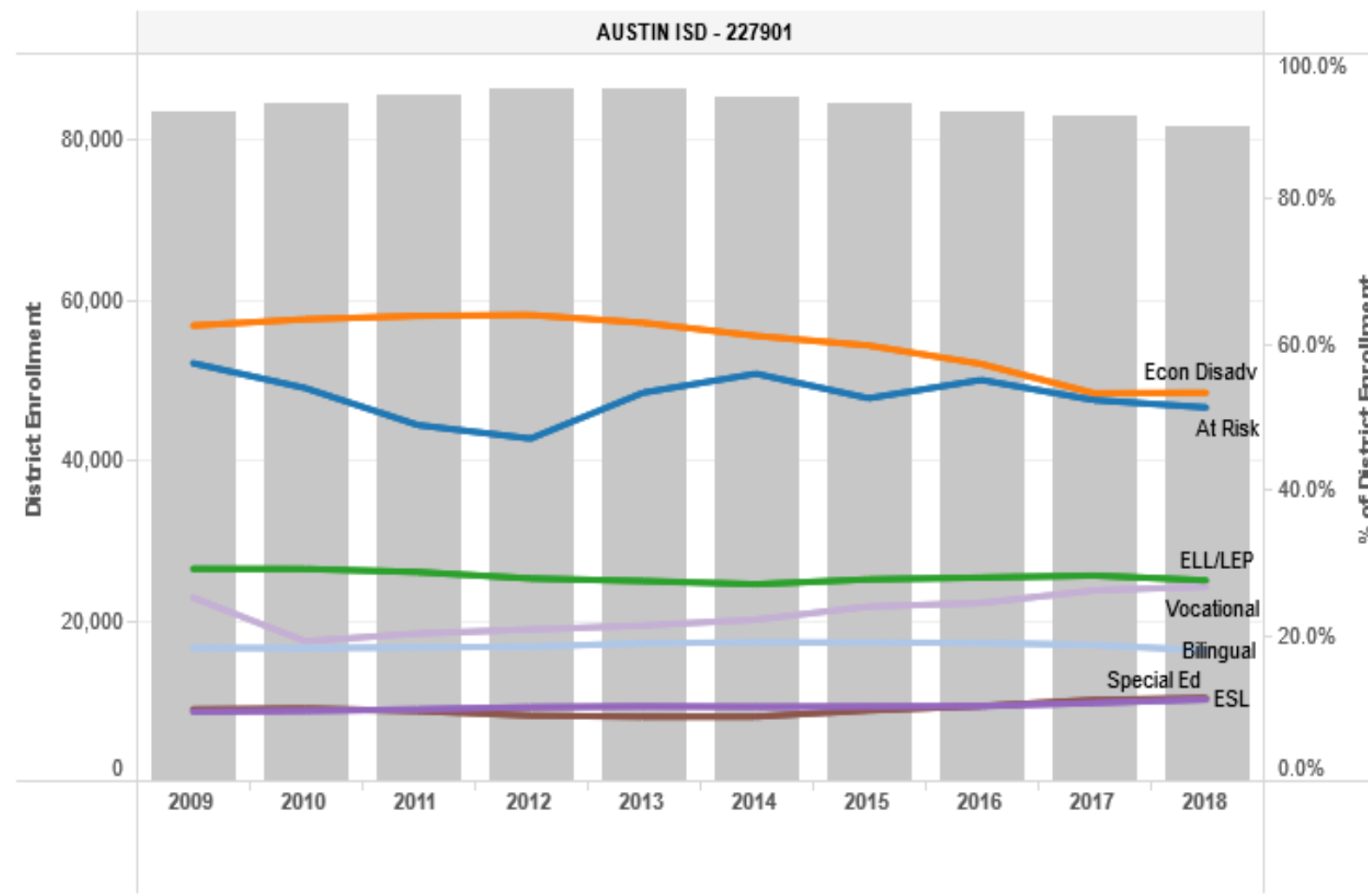
AUSTIN ISD BUDGET

Enrollment Breakdown (District Level)

Note: Economic Status indicates combined free and reduced lunch %

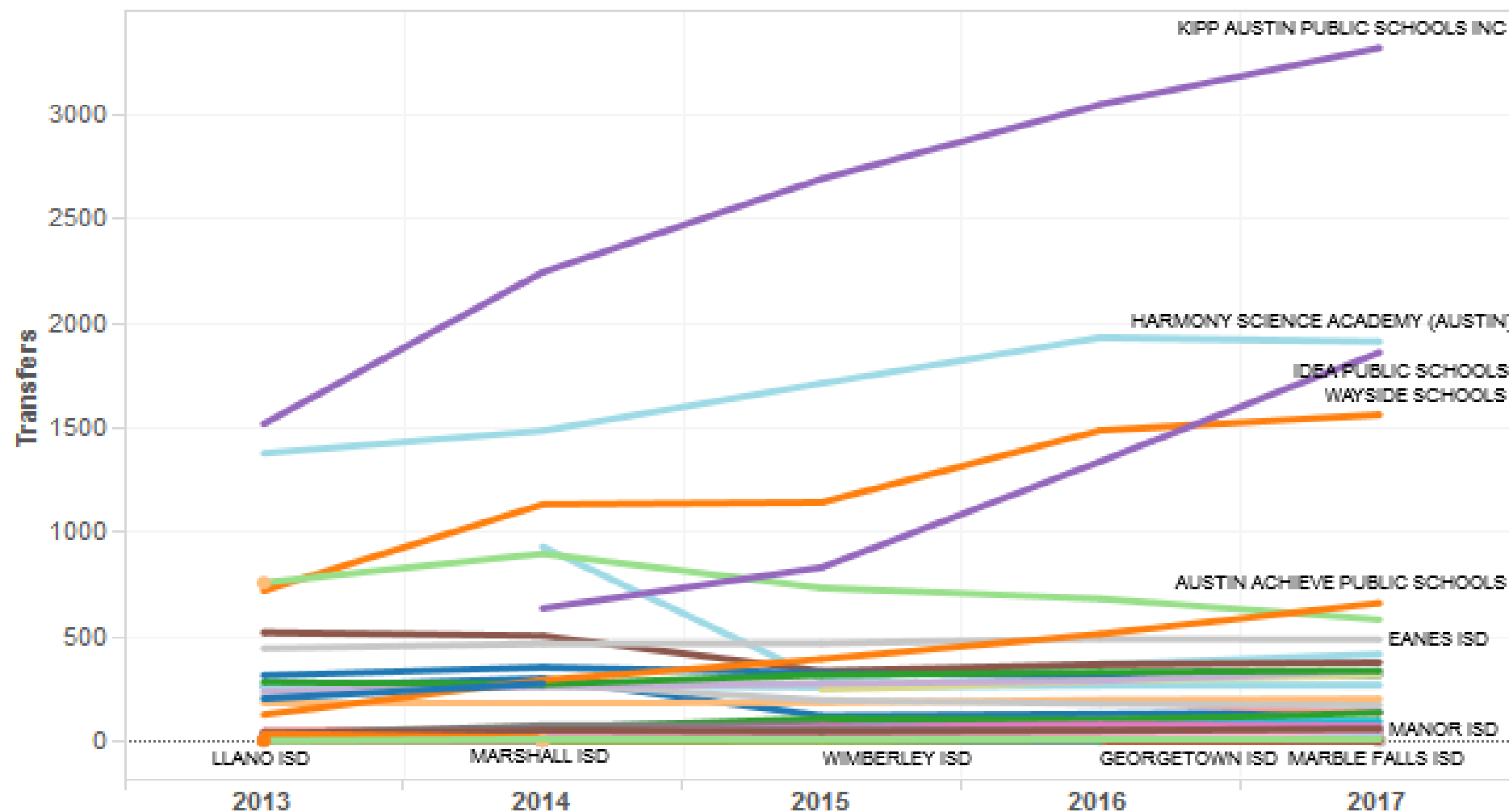
Source: PEIMS Enrollment

Since the peak in 2011-12, enrollment has declined by 4%, and the percentage decline in the population of Econ. Dis. has declined more than twice as much from 63.9% to 53.2%.





Growth of Outbound Transfers



Revenue Loss From Charter Expansion



Austin ISD and Charter School Competition

- ❑ The 13,226 students that were enrolled in charter schools during year 2016/17 represents \$87,291,600 of potential estimated annual revenue for Austin ISD student programs and services.



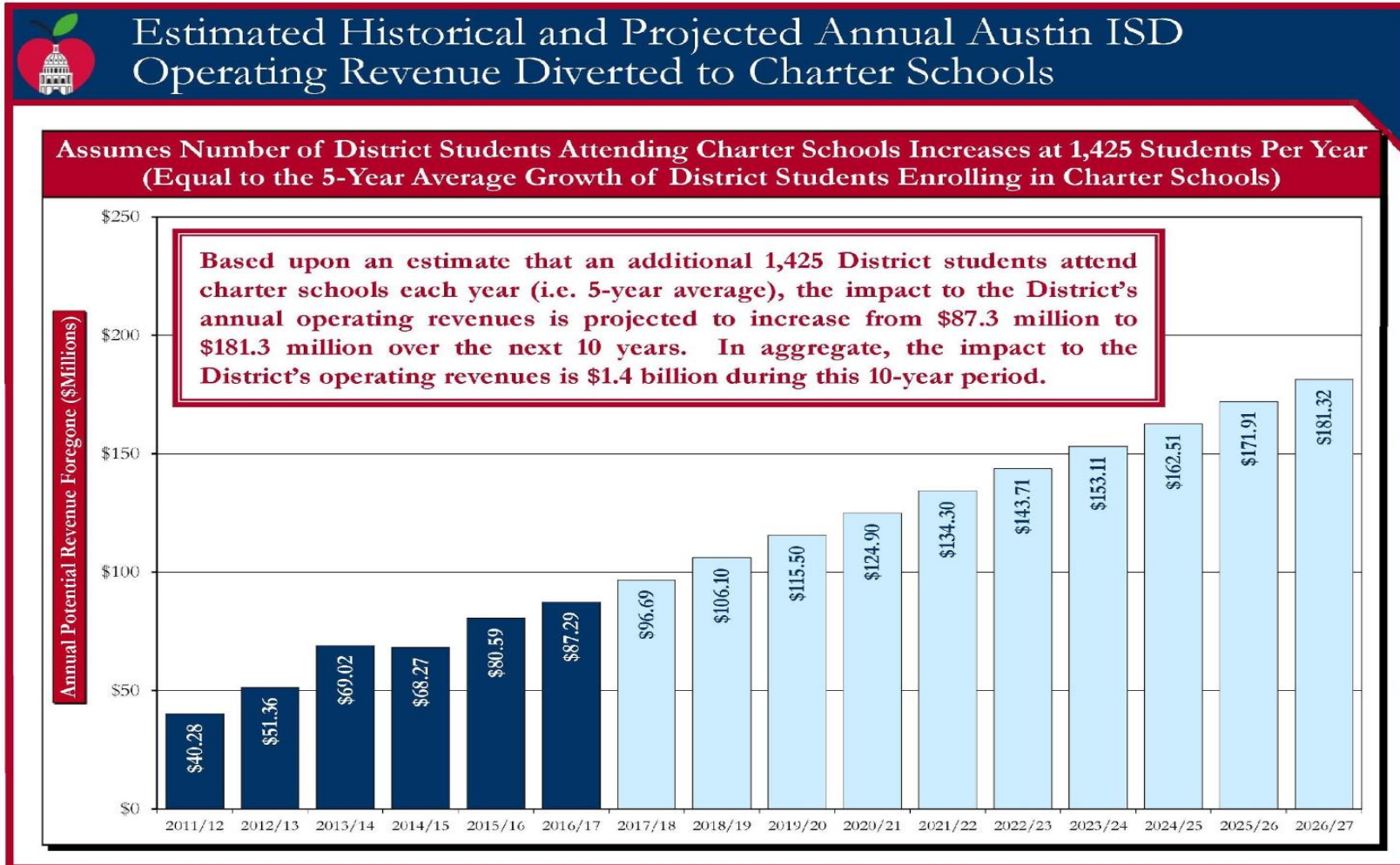
BOK FINANCIAL SECURITIES

Summary of Students Within Austin ISD Attending Charter Schools – Year 2016/17

Charter School	Enrollment Within District	Potential Estimated Annual Revenue
KIPP Austin Public Schools	3,316	\$ 21,885,600
Harmony Public Schools	1,910	12,606,000
IDEA Public Schools	1,858	12,262,800
Wayside Schools	1,560	10,296,000
Austin Achieve Public Schools	658	4,342,800
East Austin College Prep	580	3,828,000
Responsive Education Solutions	543	3,583,800
Texans Can Academies	413	2,725,800
University of Texas Charter School System	403	2,659,800
Austin Discovery School	334	2,204,400
Cedars International Academy	334	2,204,400
Montessori For All	314	2,072,400
NYOS Charter School	314	2,072,400
The Excel Center	223	1,471,800
Texas Empowerment Academy	199	1,313,400
Texas Preparatory School	132	871,200
Jubilee Academic Center	71	468,600
Chaparral Star Academy	55	363,000
John H. Wood Jr. Public Charter District	9	59,400
Total (Year 2016/17)	13,226	\$ 87,291,600
Total (Year 2015/16)	12,210	
Total (Year 2014/15)	10,344	
Total (Year 2013/14)	10,458	
Total (Year 2012/13)	7,782	
Total (Year 2011/12)	6,103	



Lost Revenue Climbs to \$135 Million in 5 Years





Key District Statistics

AUSTIN ISD

SOURCE: TEA Salary Data PIR

District		2011	2012	2013	2014	2015	2016	2017	2018
AUSTIN ISD	Avg. Enrollment (District)	85,697	86,528	86,516	85,366	84,557	83,642	83,064	81,647
	FTE	11,739.95	11,169.10	11,466.48	11,539.16	11,481.19	11,569.58	11,448.31	11,381.46
	Average Salary	\$42,148	\$41,776	\$43,436	\$42,461	\$43,127	\$44,033	\$45,543	\$48,386
	Student per FTE (District)	7.3	7.7	7.5	7.4	7.4	7.2	7.3	7.2
	Avg. Exp. - District	9.1	9.5	9.8	10.0	9.8	10.0	9.9	9.9
	Teacher FTEs	6,090.8	5,757.1	5,891.5	5,899.3	5,822.5	5,820.5	5,792.3	5,700.3
	Student to Teacher Ratio (District)	14.1	15.0	14.7	14.5	14.5	14.4	14.3	14.3
	Average Teacher Salary	\$46,605	\$46,434	\$48,471	\$46,924	\$47,483	\$48,625	\$50,141	\$52,417





Key Demographics

Student Enrollment¹

Hispanic	46,124	(56.7%)
African American	5,968	(7.3%)
White	23,175	(28.5%)
Other	6,124	(7.5%)
Total	81,391	
English Language Learner (ELL)	22,427	(27.6%)
Economically Disadvantaged (EcD)	43,314	(53.2%)
Special Education (SpEd)	8,859	(10.9%)

Employees²

Teachers	5,712	(48.3%)
Other Professionals	2,809	(23.8%)
Auxiliary	3,293	(27.9%)
Total	11,814	





Urban Peer Groups: 2017 Profile

District Name	District Enrollment	ELL %	Low Income Enrollment	Low Income %	District Operating Funds Expense	District Total Actual Expense	Fund Balance % of Operating Expenses	EAV	Assessed Value per Student
AUSTIN ISD	83,064	28.10%	44,176	53.20%	\$848,571,597	\$1,067,406,567	74.70%	99,261,337,738.00	\$1,194,998
CORPUS CHRISTI ISD	38,327	6.10%	25,363	66.20%	\$383,718,023	\$457,086,704	68.40%	15,434,108,451.00	\$402,695
DALLAS ISD	157,886	43.90%	138,597	87.80%	\$1,614,450,522	\$2,081,801,083	72.50%	100,935,505,829.00	\$639,294
EL PASO ISD	59,418	27.90%	41,257	69.40%	\$578,192,473	\$630,492,056	64.40%	15,839,247,975.00	\$266,573
FORT WORTH ISD	87,426	30.80%	66,970	76.60%	\$863,849,798	\$1,082,214,978	50.50%	31,815,557,572.00	\$363,914
HOUSTON ISD	216,105	31.80%	166,369	77.00%	\$1,904,357,843	\$3,510,360,479	96.70%	165,861,644,665.00	\$767,505
SAN ANTONIO ISD	52,508	19.10%	47,635	90.70%	\$572,540,411	\$667,351,749	36.80%	16,592,753,459.00	\$316,004
YSLETA ISD	41,534	25.50%	32,749	78.80%	\$423,237,123	\$516,527,170	109.60%	6,431,324,778.00	\$154,845



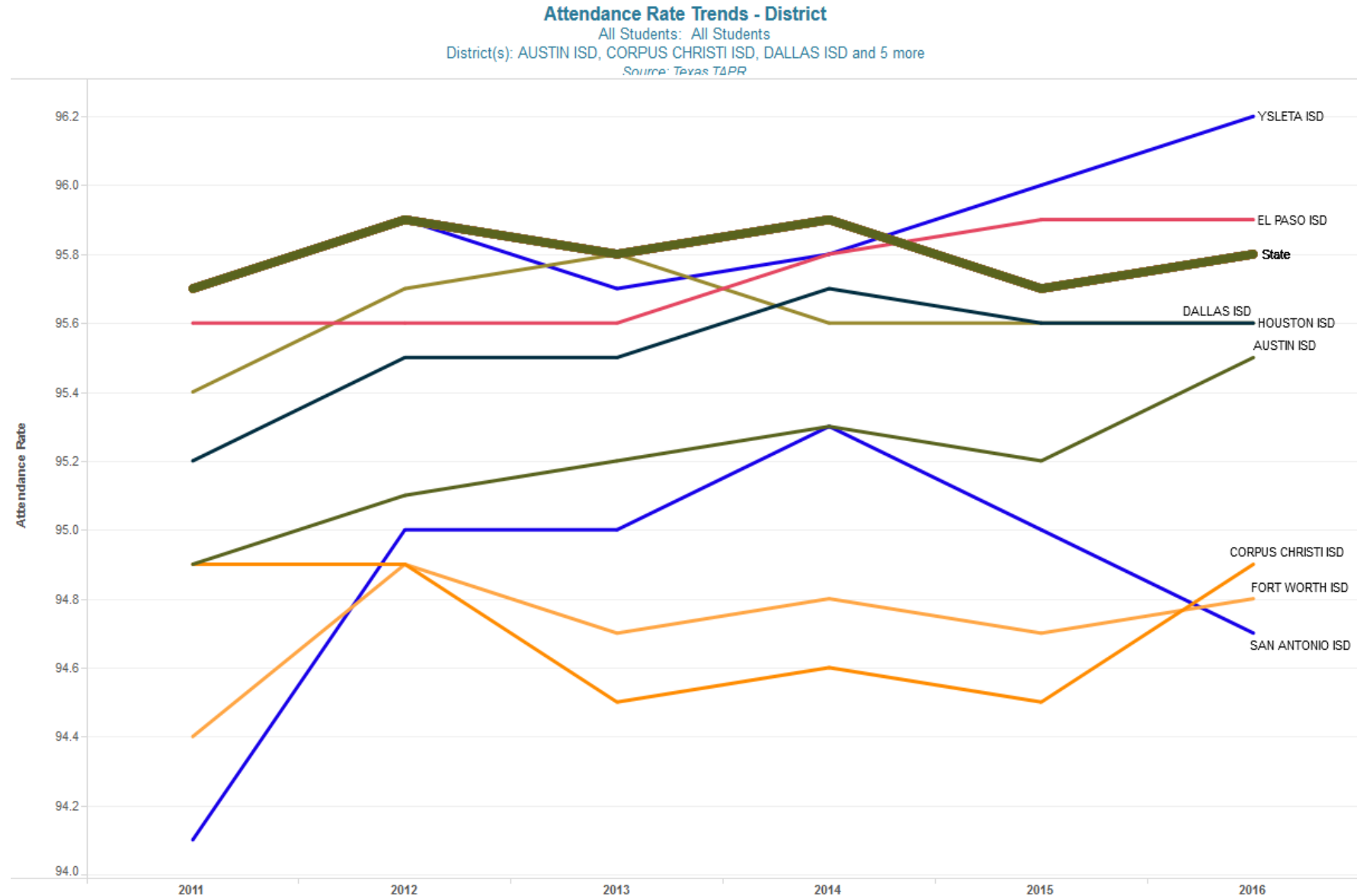


Local Peer Groups: 2017 Profile

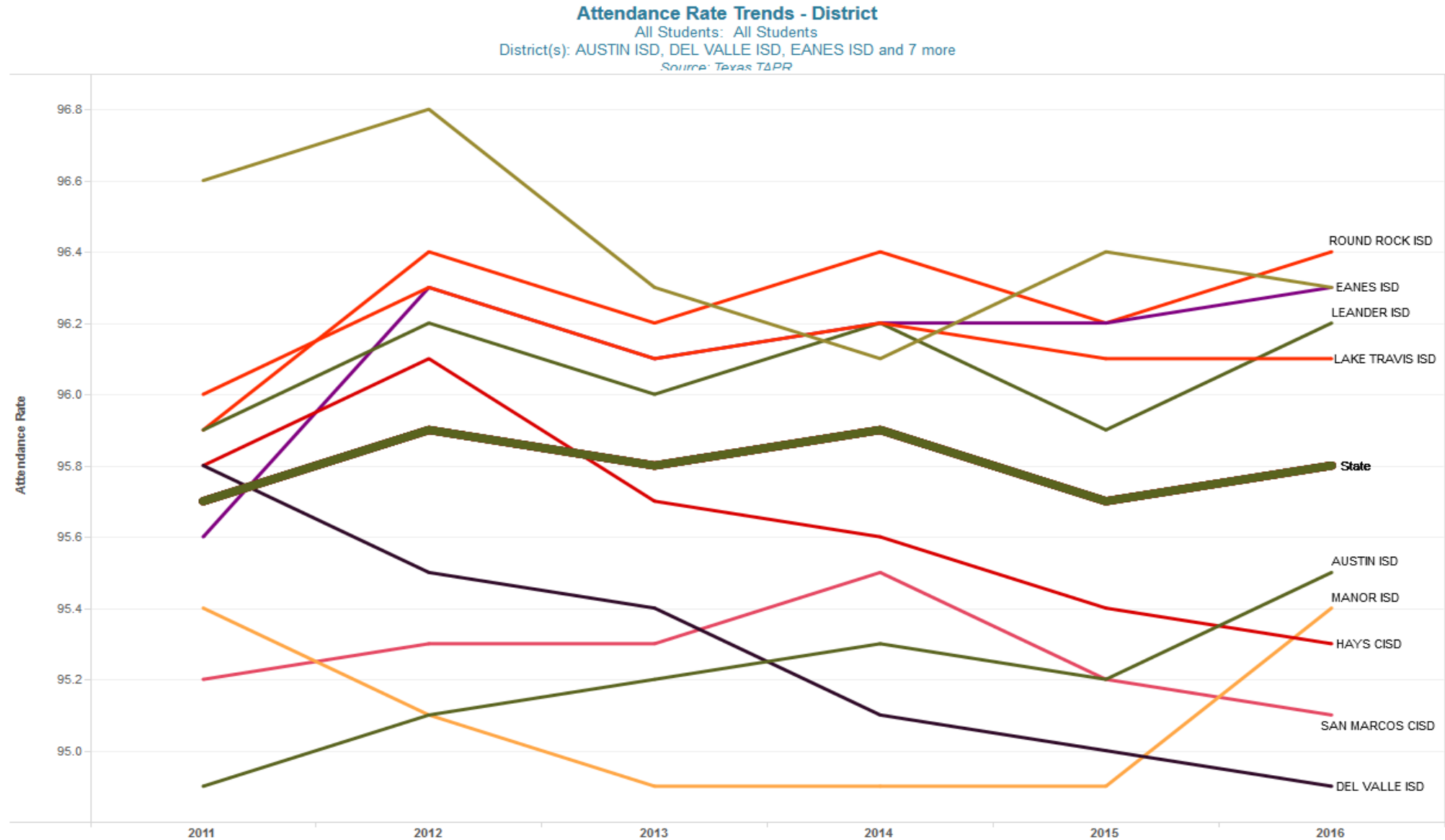
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DEL VALLE ISD	11,278	37.50%	9,792	86.80%	\$118,662,479	\$ 177,738,515.00	104%	\$4,381,731,260	\$ 388,520
EANES ISD	8,134	2.20%	190	2.30%	\$81,174,296	\$ 125,963,747.00	88%	\$12,347,242,347	\$ 1,517,979
HAYS CISD	19,211	15.90%	9,130	47.50%	\$171,495,433	\$ 229,783,137.00	122%	\$5,987,582,233	\$ 311,675
LAKE TRAVIS ISD	9,825	6.00%	1,132	11.50%	\$80,440,297	\$ 126,942,881.00	42%	\$9,984,903,074	\$ 1,016,275
LEANDER ISD	38,226	5.40%	7,228	18.90%	\$315,338,348	\$ 475,675,291.00	72%	\$20,212,390,171	\$ 528,760
MANOR ISD	8,870	38.20%	6,790	76.60%	\$85,432,252	\$ 192,024,657.00	124%	\$4,670,138,746	\$ 526,509
PFLUGERVILLE ISD	24,587	21.80%	11,891	48.40%	\$244,165,083	\$ 391,287,184.00	38%	\$10,913,640,260	\$ 443,878
ROUND ROCK ISD	48,321	9.30%	12,482	25.80%	\$427,722,096	\$ 639,498,770.00	106%	\$30,813,452,028	\$ 637,682
SAN MARCOS CISD	8,086	9.90%	5,704	70.50%	\$75,435,028	\$ 94,820,947.00	120%	\$4,578,658,157	\$ 566,245



Attendance Rate Trends - Urban



Attendance Rate Trends - Local



What are we Comparing?



1. **General Fund**

- A. Main Operating account of the District

2. **Function Code**

- A. A function represents a general operational area in a school district and groups together related activities.
 - Instruction, Support Services, Administration Etc.

3. **Object Code**

- A. Identifies the nature and type of item being purchased
 - Salary, Professional and Contracted Services etc.



Functional Expenses

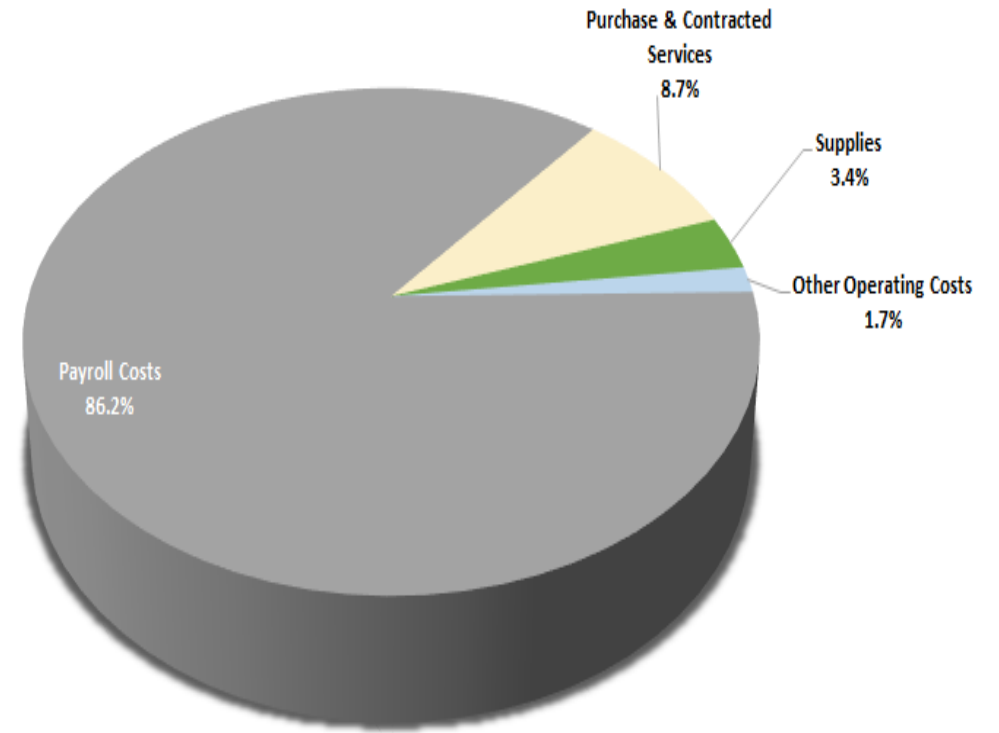
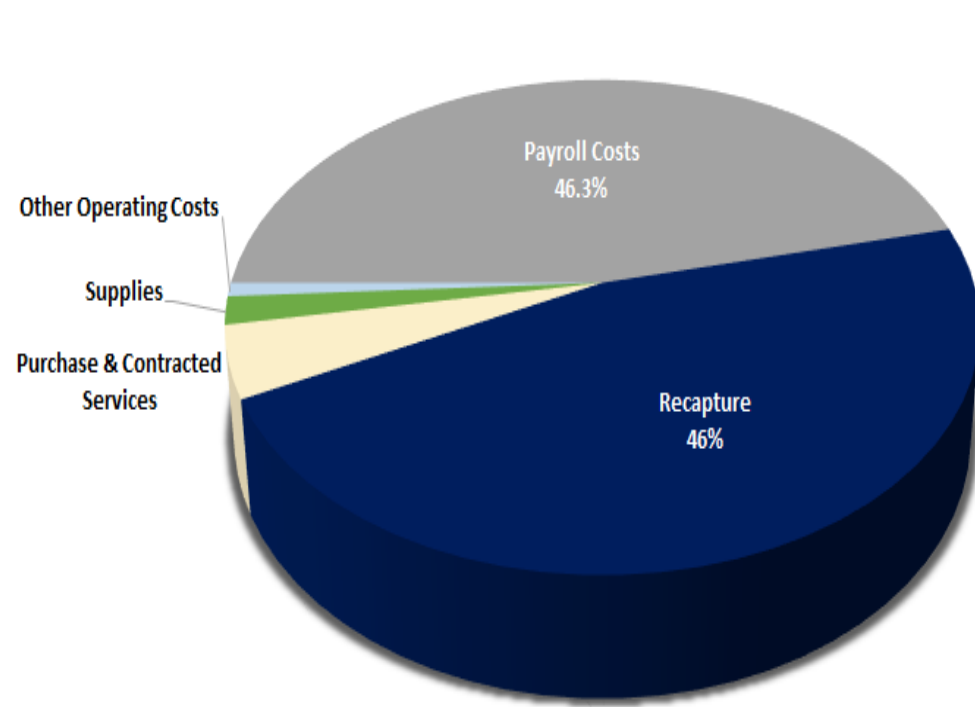


General Fund Functional Area (in millions)	FY2019 Recommended Budget	% of Budget
Instruction	\$435.3	56.1%
Instructional Resources & Media Services	11.1	1.4%
Curriculum & Staff Development	13.3	1.7%
Instructional Administration	15.0	1.9%
School Administration	51.8	6.7%
Guidance & Counseling Services	25.3	3.3%
Attendance & Social Work Services	5.0	0.6%
Health Services	8.8	1.1%
Pupil Transportation	32.1	4.1%
Co-Curricular Activities	15.6	2.0%
Subtotal Instruction and Student Support	\$613.4	79.1%

General Fund Functional Area (in millions)	FY2019 Recommended Budget	% of Budget
General Administration	\$22.5	2.9%
Community Services	7.3	0.9%
Subtotal Central & Community Services	\$29.9	3.9%
Plant Maintenance	\$85.3	11.0%
Security & Monitoring Services	13.2	1.7%
Data Processing Services	21.5	2.8%
Debt Services	0.5	0.1%
Facilities Acquisition & Construction	0.1	0.0%
Payments-Shared Services Arrangements	4.1	0.5%
Other Intergovernmental Charges	7.4	0.9%
Subtotal Operations & Infrastructure	\$132.0	17.0%
Grand Total	\$775.2	100.0%



How does Austin spend its money?



Recapture Growth



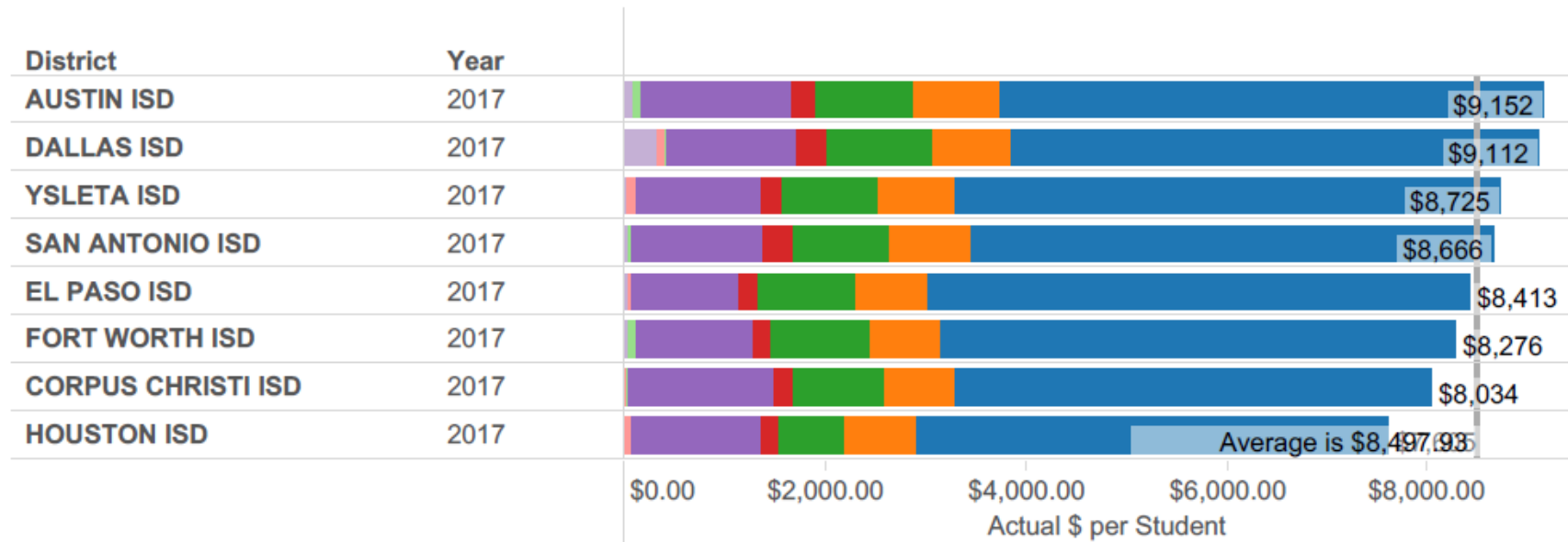
General Fund Function Comparison - Urban



Line Item Spending Comparison

"Total Operating Expense" includes all Funds and select Functions and Objects as defined by TEA

Source: Public Education Information Management System (PEIMS) budget and actual financial data from Texas Education Agency



Object or Function

- 10-19 Instruction and Instructional-Related Services
- 20-29 Instructional and School Leadership
- 30-39 Support Services - Student (Pupil)
- 40-49 Administrative Support Services
- 50-59 Support Services - Non-Student Based
- 60-69 Ancillary Services
- 70-79 Debt Service
- 80-89 Capital Outlay

Average \$8,497.93
Fiscal 2017



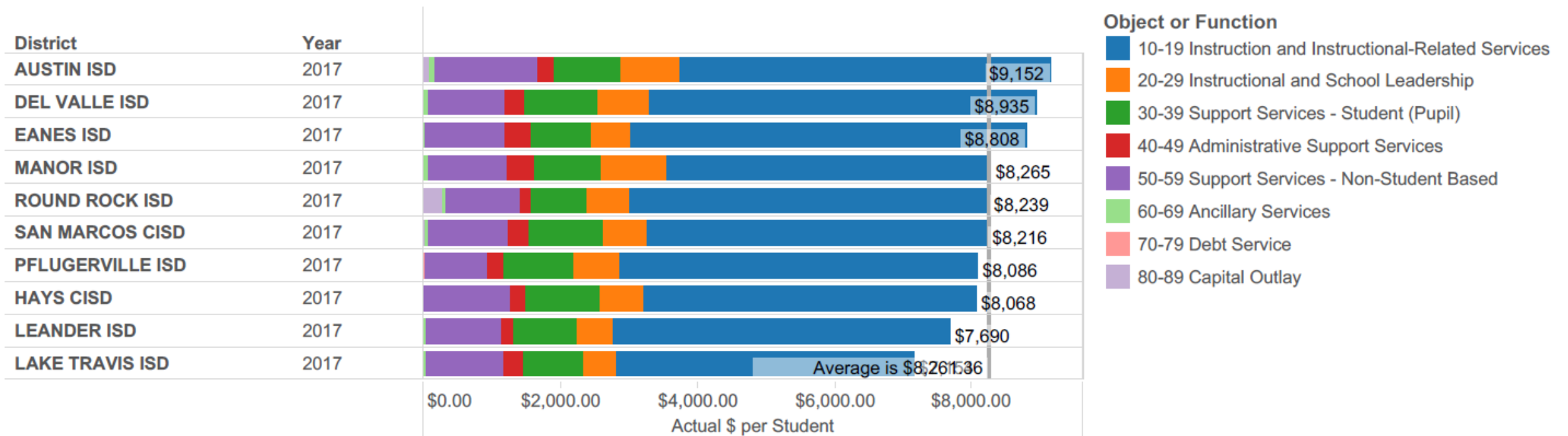
General Fund Function Comparison - Local



Line Item Spending Comparison

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Average \$8,261.36
Fiscal 2017



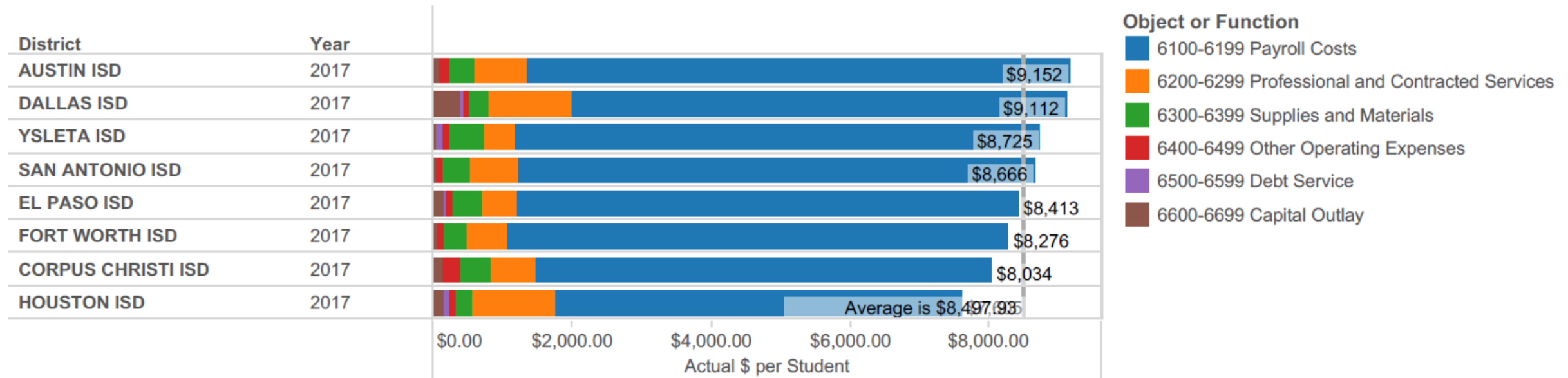
General Fund Object Comparison - Urban



Line Item Spending Comparison

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Fiscal 2017



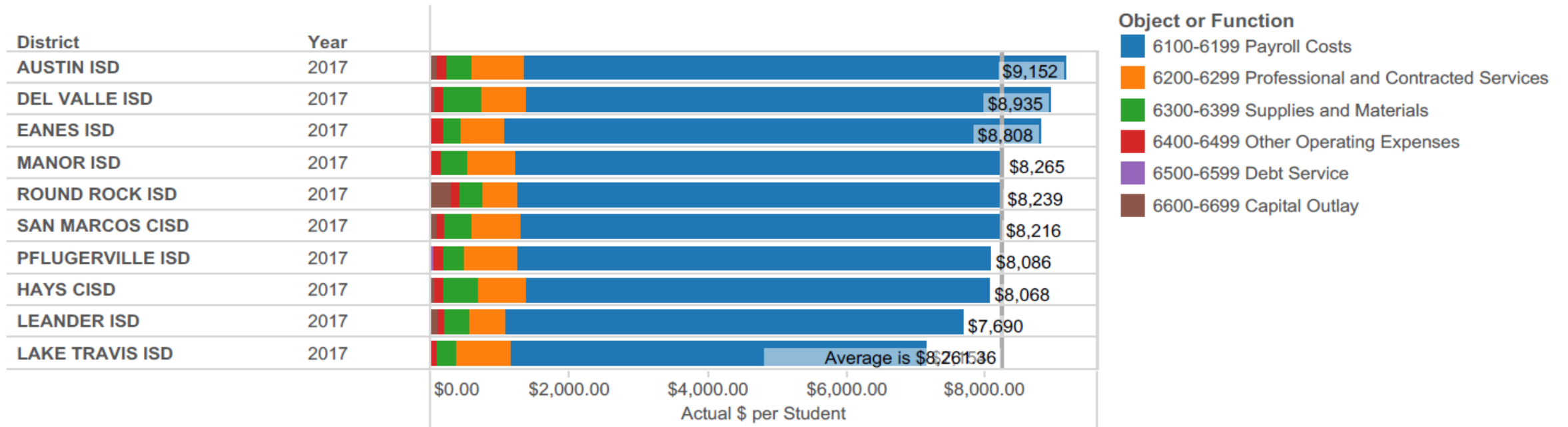
General Fund Object Comparison - Local



Line Item Spending Comparison

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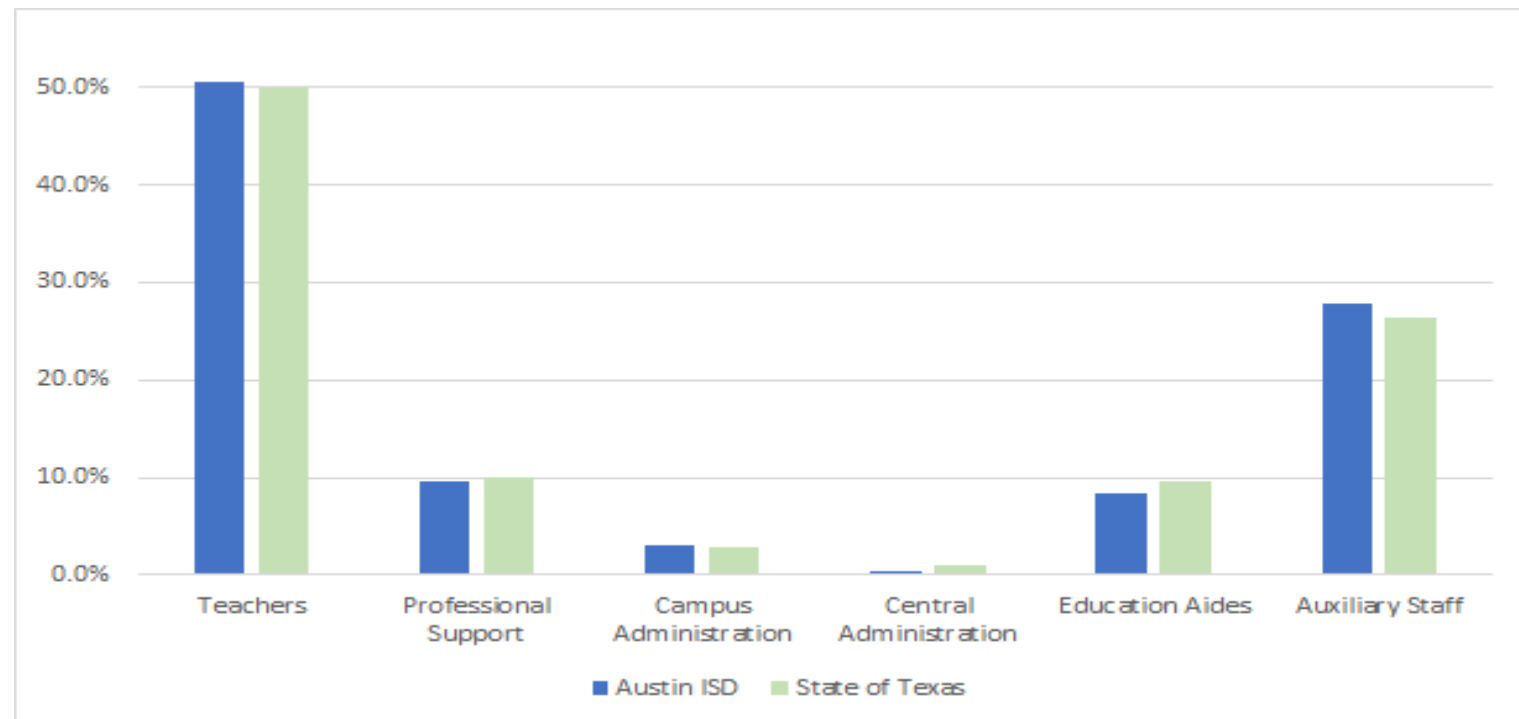
Average \$8,261.36
Fiscal 2017



Staffing Comparison



Positions by Type	Austin ISD	State of Texas
Teachers	50.6%	50.0%
Professional Support	9.7%	10.0%
Campus Administration	3.1%	2.9%
Central Administration	0.3%	1.1%
Education Aides	8.4%	9.6%
Auxiliary Staff	27.9%	26.4%



Source: TEA, Texas
Academic REport 2016-
17 District Profile



Suggested Data Format for Recommendations



- Area
- Strategy
- Fiscal Impact
- Impact on Student Achievement
- Political feasibility
- Administrative feasibility
- Reason to Not Recommend
- Short Term (within 1 year)
- Recommend Medium Term (2-3 years)
- Recommend Long term (3-5 years)
- Consensus Meter





Defining Terms: Equity Lens



Closure, Homework & Next Steps





Adjourn

