



AUSTIN
Independent School District



**PRELIMINARY BUDGET
FY2021**



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Dear AISD Community,

I am pleased to present this fiscally responsible preliminary budget for the FY2020–21 school year. The budget solidifies our priorities as we continue to reinvent the urban education experience in Austin.

The academic, social and emotional success of AISD students is our top priority, and we are preparing students for college, career and life every day. Graduation rates continue to be above 90% and outpace the state and national averages. AISD continues to be the largest No Place for Hate district in the nation, providing respect for all students, families and staff. We are a social and emotional learning-focused district, developing in our students the 6 Cs - Collaboration, Communication, Creativity, Cultural Proficiency, Connections and Critical Thinking.

We believe that all AISD students will thrive in exemplary schools. That is why we are investing in a coherent, comprehensive and sustainable school improvement model to ensure that all schools exceed state standards.

Having all students reading on grade level by third grade is essential. That's why we are committed to investing in Certified Academic Language Therapists for our campuses and professional development for all K-2 teachers to support our evidence-based literacy design.

Students excel with exceptional teachers. That is why we are investing in competitive compensation (salary and benefits) to select, develop and retain engaged, passionate and effective teachers for our campuses.

With priorities focused on equity, through the continued reinvention of the urban school experience, we know that we can make the Austin that we love today even better for the future. Focusing on our district priorities is important, and I am #AISDProud to say that this budget reflects those priorities.

Paul Cruz, Ph.D.

Superintendent

Introduction to Austin ISD's Budget

The Austin Independent School District is the heart of public education in Austin, Texas—a city of ideas and innovation that tops the nation's rankings of the best communities in which to work and live. Austin is consistently ranked among the best places to live in the United States.

AISD educates more than 80,100 students and embraces 129 diverse school communities in one of the fastest-growing metroplexes in the country.

We collaborate with world-class universities, as well as innovative and engaged business and community leaders to reinvent the urban school experience—and prepare our students for college, career and life.

AISD is among the largest employers in the region with more than 12,000 team members. The district is a diverse and complex educational enterprise with a nearly \$3 billion budget and capital program. From thousands of classrooms and educational spaces throughout Austin to our central leadership and administration of a wide range of services and operations, we remain focused on our bottom line: the success of every student.

AISD Proud Programs

This is an exciting time for the district. We are proud to offer a rich portfolio of opportunities and choices for families, including early childhood education, fine arts and creative learning, STEM and dual-language programs.

U.S. News and World Report ranks seven AISD high schools among the best in the nation. We are proud to have early college high schools, where students can graduate with a diploma in one hand and an associate degree in the other—for free.

AISD's most important measure of success is the performance of our students. AISD's graduation rates have reached all-time highs—remaining above 90 percent, currently at 92.3 percent. For the first time, the graduation rate for African American and Hispanic students has exceeded 90 percent.

Budget Realities and Challenges

Every year, AISD faces budget realities and challenges such as:

Austin Tax Payment to State

- Although local property values are increasing, the increases in taxpayers' annual property tax bills do not necessarily translate into more revenue for the district.
- AISD is the single largest payer into the state's recapture system, also known as Robin Hood. For fiscal year 2020-21, the district projects that almost 47 percent of the local tax revenue it collects will be sent to the state's general fund for recapture.

Inflation Increases

- Inflation affects the district's costs for important expenditures such as healthcare, electricity, water and fuel.

Enrollment Declines

- As enrollment declines, so does the district's revenue. In Austin, enrollment is declining due to:
 - lack of affordable housing
 - declining birthrates and increased competition from charter and private schools.

Our students' SAT and ACT scores exceed state and national averages. Under state accountability ratings, AISD scored an 89 for overall performance, earning a "B" or "Recognized Performance." It is impressive to note that 51 schools earned 123 distinction designations. We are particularly proud that all comprehensive high schools earned an "A" or "B," making 2019 the fifth consecutive year that all high schools met state standards.

We are proud to support students and school communities—both in and out of the classroom. The Anti-Defamation League recognizes AISD as the largest No Place for Hate school district in the nation. Moreover, we continue to have more National Board-certified teachers than any school district in the state.

Student mental health is supported through School Mental Health Centers that bring resources directly to AISD families at 43 campuses in partnership with Vida Clinic.

Social and Emotional Learning has been a key focus for nearly a decade. Building a foundation in SEL helps students and adults develop skills to recognize and manage emotions, develop positive relationships and handle challenging situations constructively.

In order to maintain this support and continue to improve this performance, we need to remain focused on making strategic budget investments. We must use every one of our limited dollars in a way that will produce the most positive outcomes for our students.

Lagging Teacher Salaries and Benefits

- AISD ranks six out of 10 when compared to local peers and nine out of nine when compared to urban peers.

Social Security Payments

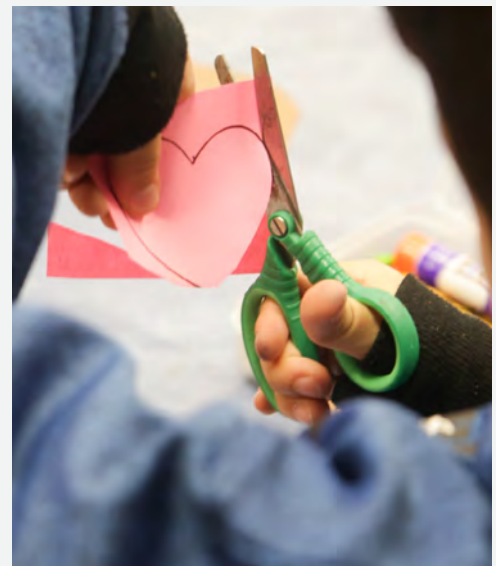
- AISD is one of less than 20 school districts in Texas that participates in social security for nearly all employees. This will cost the district \$30 million for 2020-21.

Unfunded Mandates

- The district must find a way to finance unfunded mandates from the state. A list of these unfunded mandates can be viewed at: <https://tasanet.org/wp-content/uploads/2019/04/2018-Report-on-School-District-Mandates.pdf>

No Transportation Funding

- As a recapture district, the state does not provide AISD with funding for transportation. It costs the district \$31 million per year to transport 22,000 students on more than 380 routes. AISD must pay tolls on roads—unlike many other public transit entities that are exempt from tolls.



AISD's Strategic Plan and Budget Process: Strategic, Engaging and Transparent

A budget is considered balanced when the reserves and other resources that are generated to finance the budget equal its estimated expenditures and other uses. Much of AISD's budget comes in the form of local property tax dollars. This revenue source is estimated at \$1.4 billion for the 2020-21 fiscal year.

Although this amount is sizeable, AISD is considered a property rich district and is required to give nearly half of its local tax revenue back to the state under Chapter 49 guidelines. The remaining balance is then used for the success of AISD's Strategic Plan.

Strategic Plan Framework

Vision

AISD will reinvent the urban school experience.

Mission

AISD exists to fulfill the mission put forth by the State of Texas, which is to "ensure that all Texas children have access to a quality education that enables them to achieve their potential and fully participate now and in the future in the social, economic, and educational opportunities of our state and nation." [Texas Education Code §4.001(a)]

Core Belief One

All students will graduate college-, career-, and life-ready. As part of this, we commit ourselves to:

1. Achieve excellence by delivering a high-quality education to every student.
2. Implement the transformative use of technology.
3. Ensure all students perform at or above grade level in math and reading.
4. Prepare all students to graduate on time.
5. Develop civically engaged students.





Core Belief Two

We will create an effective, agile, and responsive organization. As part of this, we commit ourselves to:

6. Create a positive organizational culture that values customer service and every employee.
7. Develop effective organizational structures.
8. Generate, leverage, and utilize strategically all resources.

Core Belief Three

We will create vibrant relationships critical for successful students and schools. As part of this, we commit ourselves to:

9. Engage authentically with students, parents/guardians, teachers, and community.
10. Build ownership in AISD among internal and external stakeholders.
11. Develop and maintain community partnerships.

Values

- Whole Child, Every Child
- Physical, social, and emotional health and safety
- Equity, diversity, and inclusion
- High expectations for all students, employees, parents/guardians, and community members
- Creativity, collaboration, and innovation
- Community schools
- Life-long learning

The AISD Strategic Plan Guides the District's Budget, Plans, Programs, and Initiatives

The AISD Strategic Plan 2015–2020 is the result of months of work by our community and educators, district administration, and the Board of Trustees. The strategic plan is all about mutual commitments and expectations for all stakeholders.

Strategic planning is a recognized best practice in accelerating an organization and keeping it on an upward trajectory. The strategic plan will provide us with focus and direction and position us to make continued progress into the future. This will be critical given our decreasing resources in the face of increasing academic standards.

When we all work together to implement the components of the Strategic Plan – which are innovative, aggressive, and bold – we can close achievement gaps and graduate all of our students on time and prepare them for college, career, and life in a highly changing and competitive world.

Strategic Plan Development

Work on the AISD Strategic Plan 2015–2020 began in fall 2014 with three community meetings and an online community survey to gather input on strategic plan priorities. This input helped inform a strategic planning team comprising 30 stakeholders, including parents, students, community and business members, teachers, principals, counselors, librarians, and central administrators. During the course of three full days in early January 2015, the strategic planning team developed a preliminary draft strategic plan.

As a next step in the planning process, seven Action Teams totaling over 150 diverse stakeholders developed detailed action plans related to strategies in the preliminary draft plan. The strategic planning team then reconvened to review the action plans and made final recommendations to the superintendent in late April 2015.

On a parallel course, the Board of Trustees worked through the spring of 2015 to develop a Strategic

Plan Framework, including statements of the district's Vision, Core Beliefs and Commitments, and Values. The Board approved the Strategic Plan Framework in June 2015. The Board also worked to develop a Strategic Plan Scorecard, with performance indicators and targets related to each of the Core Beliefs in the Strategic Plan Framework. The Board approved the Strategic Plan Scorecard in September 2015.

The superintendent led the process to combine the work of the Board and the input of district stakeholders to form a cohesive strategic plan. Under each of the Commitments in the Board's Strategic Plan Framework, the Five-Year Implementation Plan provides Strategies and Key Action Steps that will serve as the detailed work of the superintendent and administration. As part of mutual commitments and expectations, the Five-Year Implementation Plan identifies district offices responsible for accomplishing each key action step and providing annual status reports.

Strategic Plan Implementation

Implementation of the strategic plan begins with its communication to all stakeholders. This also is a first step in mutual commitments and expectations, which are necessary to ensure successful implementation of the strategic plan. The strategic plan and related information are available on the AISD website at <https://www.austinisd.org/strategic-plan>.

All employees of the district are expected to become familiar with the plan and to identify how it will affect their work. In addition, information on the strategic plan will be included in new employee orientation and in the Employee Handbook, and will be incorporated in the superintendent's annual convocation of all district staff at the beginning of the school year. Strategic plan alignments will be incorporated into employee performance evaluations.

Agendas of the Board of Trustees and district advisory committees will show alignments with the strategic plan, and during reports to the Board on the district's work, the superintendent will make connections to the strategic plan.

Annual Campus Improvement Plans are developed by each campus and will include alignments to the

strategic plan. The CIPs provide campus-level commitments to implementing the strategic plan. The content and role of the strategic plan will be included in training provided to campus administrators and Campus Advisory Council members.

The Five-Year Implementation Plan provides administrative commitments to implementing the strategic plan at the district level. Periodically, offices assigned responsibility for each Key Action Step in the strategic plan will provide status reports.

Annually, the superintendent will lead a review of the strategic plan, to ensure that it remains current and strongly focused on the needs of the district. The Board will either reaffirm the strategic plan framework and scorecard or make revisions as needed and the superintendent and senior cabinet will do likewise with the five-year implementation plan. Periodic status reports on the scorecard and the five-year implementation plan will be generated.

Another important strategic plan alignment is with the annual district budget. Investments in the preliminary budget and recommended budget will show alignments with the strategic plan.

Collectively, these strategic plan implementation and alignment processes will ensure compliance with statutory requirements [Texas Education Code §11.252] to provide an annual “District Improvement Plan.”

Opening the Windows on the Budget Process: Transparency and Engagement

Recognizing the importance of providing sufficient time during the budget process for community members to discuss and debate challenging issues, the public is able to review and scrutinize the preliminary budget before the district’s Board of Trustees adopts a final budget. The budget process kicks off in October with department budget workshops followed by campus workshops in January.

The preliminary budget provides a first glance of the investment plan for FY2019–20 school year. It will evolve as the budget process advances and presents opportunities for input from parents, students, community members, staff members and other key stakeholders. Three geographically diverse community meetings were held the week of February 18th to give the public the opportunity to offer input on the preliminary budget. This information will be incorporated into the final recommended budget, which will be presented for action to the Board of Trustees in June 2019.



During the past decade, the district's Budget and Finance Advisory Committee has provided guidance and counsel on budget and finance matters. BFAC has met regularly, working with staff members and others to develop tools and methodologies on how to best improve the district's budgeting process. The administration has been responsive to BFAC's recommendations for greater cohesion and clarity. The district's budget development has become an integrated process that aligns resource allocation with goals and priorities established through the development of a well-defined curriculum—and a well-conceived and executed strategic planning process.

For the 2019-20 budget, the district's Budget Stabilization Task Force completed a months-long process to identify creative strategies to close the budget deficit.

Moving forward, the district is piloting a student-based funding approach, which will allocate funding to schools based on the needs of individual learners. By using this model, AISD plans to allocate a dollar amount to a school based on the number of its students, as well as objective and measurable characteristics for weights in the funding formula. This includes grade levels and whether students are living in poverty, are learning English or have a disability.

Working with a consultant, AISD will pilot the student-based funding approach through the district's eight Transformation Zone schools: Barrington, Davis, Pickle, Sunset Valley and Winn elementary schools; Dobie and Small middle schools; and the Gus Garcia Young Men's Leadership Academy. The task force for student-based budgeting will meet through 2020. This will allow our community advisers' work to inform the budget development process for the 2021-22 fiscal year.

Legislature and House Bill 3

The 86th legislative session, which adjourned May 27, 2019, was one of the most education-centered sessions in decades. Nicole Conley, chief business and operations officer, was appointed by the Speaker of the House to serve on the Texas Commission on Public School Finance, whose work culminated in an historic \$11.6 billion investment into public education and property tax relief for the biennium.





For more information, please visit: <https://www.austinisd.org/legislature>

COVID-19 Updates

Real-time investments in response to COVID-19 include:

- Food service and transportation staff have provided 425,000 meals in our community since March 13
- Technology team has provided 37,000 Chromebooks to students for continuous learning and prioritized special needs and economically disadvantaged students;
- Over 5,700 hotspots have been provided to our families most in need; and
- 100+ Wi-Fi buses have been sent out into our community in areas where students are in greatest need of access.

Proposed investments for 2020-21 school year include:

- Technology investment for Blended Learning: \$22 million
- Additional Special Education teachers and staff: \$7.3 million
- Certified Academic Language Therapists: \$1.68 million
- Pre-K Teaching assistants to lower class ratio
- Additional staffing through School Changes: \$943,000
- Special Education teacher stipends
- Bilingual teacher stipend to support our language programs

Life has changed, and these investments support the future of teaching and learning in Austin ISD. We will return to our campuses with increased staff support and ideas of how digital tools can complement our face-to-face instruction.



Evaluating for Effectiveness and Efficiency to Drive Budgetary Decisions

The Department of Research and Evaluation regularly evaluates major district initiatives. Cost and effectiveness information gleaned from these evaluations are included annually in a matrix of findings used in the budget development process to provide stakeholders with performance data before budgetary decisions are made.

The AISD Budget Department has won numerous awards over the years. The Government Finance Officers Association (GFOA), 14 years in a row, presents one of the longest running awards. This Association has ended the Distinguished Budget Presentation Award and moved to a different type of award called Best Practices in School Budgeting. This award takes more than a budget book submission, but also looks more at goals, plans, outcomes, and other practices. This award assists school districts in taking different approaches to budget objectives/items (i.e. Academic Return on Investment-ROI).

The AISD Budget Department along with the Research and Evaluation Department have teamed up with the District Management Group (DMG) to help evaluate budget practices and make sure we continue to be in sync with Government Finance Officers Association (GFOA) and the Association of School Business Officials International (ASBO).



Investing in the Vision of Reinventing the Urban Education Experience

Social and Emotional Learning

AISD has continued to maintain its contributions as a national leader of Social and Emotional Learning (SEL), committed to integrating SEL into the school experience of all its students. In 2011, AISD was among the first districts in the nation to embrace the emerging brain science and the principles of SEL, charting a course for incrementally infusing explicit SEL instruction into the practice of all 129 of its campuses. AISD has come to recognize that vibrant relationships, processes that foster social and emotional learning, and equity in all aspects of the educational experience are as critical to successful students and schools as excellent content and instruction; and, the research bears this out.

In the last decade, an increasing volume of educational research has shown that success in higher education, the labor force, and other aspects of life depends not only on what young people know but also on their abilities to identify and regulate their emotions, to establish relationships that enable them to engage effectively with others, and to plan and prioritize in ways that support the completion of complex projects and tasks. AISD's SEL researchers have captured evidence of the positive correlation between high-quality SEL implementation, improved school culture, and increased academic proficiency. Schools have a key role to play in cultivating students' non-academic skills and mindsets ultimately optimizing their learning and life experience.

No Place for Hate

AISD's Whole Child/Every Child is a focus, which includes a plan for integrating the Anti-Defamation League's No Place for Hate campaign. The campaign highlights student coalitions that plan and implement projects and activities, resulting in students owning the projects and being responsible for enacting the campaign's main beliefs. No Place for Hate was developed to organize schools to work together and develop projects that enhance the appreciation of the lived experiences of all and foster harmony among different groups of people. The campaign empowers schools to promote respect for individual and group differences while challenging prejudice and bigotry. Austin ISD has maintained the designation as the largest No Place for Hate school district in the nation for six years. More information about No Place for Hate can be found at: <https://austin.adl.org/no-place-for-hate/>

Career Launch and P-Tech Programs

Early College High Schools with Career Launch Programs and P-Tech Programs are designed to help students successfully transition from high school to college and begin challenging 21st century careers. This unique model includes grades 9-14, delivering a six-year career focused program aligned with the Common Core Standards and providing students with real-world work experience through internships in fields connected to their classroom studies. These schools are designed to prepare students for college and careers in the Health Sciences and the Technology disciplines. Graduates are prepared to enter their chosen field or continue their education in pursuit of a bachelor's degree. Each Early College High School with Career Launch program is grounded in a three-way partnership between Austin Independent School District high school, Austin Community College and an industry partner. Together they provide an Integrated support system that helps students achieve their academic and

career goals. Students who successfully complete a six-year course of study graduate with a high school diploma, an associate degree, a Career and Technical endorsement, relevant industry certifications, workplace experience, and the specific skills needed by employers in high growth industries. There are currently six Early College High Schools:

- Crockett
- Eastside
- Juan P. Navarro
- LBJ
- Northeast
- Travis
- Akins

Pathways in Technology Early College High Schools (P-TECH) is an open-enrollment program that provides students with work-based education. P-TECH programs provide students grade 9 through 14 the opportunity to complete a course of study that combines high school and post-secondary courses and field experience with an industry partner. There is no cost to the student or their family for college courses as long as the student is enrolled at the Early College High School. The cost of college courses, textbooks, and course materials over the six-year period are covered by funding from state grants and AISD.

Current programs:

Career Launch: Northeast ECHS/ Dell/ ACC, LBJ ECHS/ Ascension Seton Family Healthcare/ ACC Juan P. Navarro ECHS/ IBM/ACC, Crockett/Professional Construction Trades/ACC, Akins ECHS Austin Board of Realtors/ACC, Akins ECHS Austin ISD/ACC/ Texas Tech University.

Safety and Security

AISD is dedicated to ensuring the safety and security of every student and staff member in the district. Families and team members should feel secure in knowing that safety is our number one priority. Please review the resources that help keep our school community safe, well-informed, and thriving in the classroom.

Here are some resources available to staff and students:

AISD Police

The AISD Police Department was established in 1986 to assist the school district with the safety and security of students, staff, and community stakeholders. In 2008, AISD Police became a recognized police department in best practices by the Texas Police Chiefs Association and has since maintained recognized status of its 166 best practices in policies and procedures.

Currently AISD Police consists of 89 uniformed officers and 29 civilian employees that support the Districts' educational goals by providing law enforcement services. The Department's duties and responsibilities are immeasurable and contribute to the District's overall success 24/7, 365 days a year. Some of the departments roles and responsibilities are listed below:

- **Assigned School Resource Officers** to provide school based uniformed police services at secondary schools (middle and high school). Purpose is to maintain the safety and security of the campuses. This is accomplished by working closely with school administrators in order to mitigate, school violence, property damage, and dangerous adolescent behaviors such as tobacco and drug use. Day to day school violence is prevented by Officer presence and working with students in various roles such as mentorships in order to build positive relationships. Officers are also trained in stopping an active shooter which has become problematic at schools across the country. Work close with the Austin Police Department in addressing real time crime that effects our schools by initiating school safety procedures such as lockdowns, keeping active threats away from the schools.
- **Daytime Uniformed Patrol Division** to support elementary schools with various issues associated with these schools. Officers maintain strong working relationships with school administrators in order to address legal issues of child custody, family violence, or child abuse that

is reported or observed at the school. Officers also maintain daily patrols to prevent trespassers such as estranged parents or unknown strangers. Work close with the Austin Police Department in addressing real time crime that effects our schools by initiating school safety procedures such as lockdowns, keeping active threats away from the schools.

- **Overnight Uniformed patrol** to respond and assist after hours to any police related incidents reported from a residence or campus. Overnight patrol protects the District's 100 plus properties during the overnight hours by providing law enforcement patrols to ensure all schools are free of any interruptions for next day class readiness.
- **Mental Health Unit** in support of the growing number of students experiencing daily stressors. Officers provide training to various departments in the District as well as maintain city partnerships in an effort to better serve students struggling with mental health. Provide support with Go Guardian platform by assisting with welfare concerns on students in mental health crisis on or off campus.

- **Criminal Investigation Unit** to investigate major crimes as well as assist Uniformed Officers on any investigation. Work in cooperation with other law enforcement partners such as the Austin Police Department Investigators and various prosecuting court attorneys.
- **Juvenile Gang Intervention Unit** in order to mitigate adolescent behaviors that manifest in students participating in gang activity. Detectives work in cooperation with schools and juvenile courts in an effort to curtail and prevent gang activity.
- **Provide educational classes** from K-12 to promote positive character building in an effort to mitigate behavioral issues that may manifest into criminal behavior.
- **K9 Unit to assist in random searches of illegal substances.** These searches prevent students from further hurting themselves and address any necessary support issues needed by a student
- **Training Unit** to ensure Officers have the most current practices in school based law enforcement protocols and monitor state mandates of all Officers.



Police Communications

- AISD Police Communications Center to receive and dispatch police services 24/7 to our many District properties in order to prevent the loss of life and property.
- Maintain city, county, and state wide communications with other First Responder partners such as Fire, EMS, or other law enforcement agencies. Some communications are to request assistance from neighboring agencies in welfare concerns of our employees or families.

Life Safety

- Certified technicians to install and maintain school safety systems such as video cameras and fire systems to prevent the loss of life and property.

Emergency Notifications

- School Messenger is one of AISD's most reliable tools for communicating real time information to families and staff members in the event of an emergency. The system allows the district and AISD schools to send important phone, e-mail or text notifications informing all of a campus emergency.

Emergency Operations

- Emergency Management Bureau is responsible for the mitigation, preparedness, response and recovery programs in the district, and continuously monitors the district's safety procedures to ensure they are efficient, effective, and consistent with best practices in school emergency preparedness.
- Staff members at every campus and district facility undergo training using the Standard Response Protocol Tool Kit to handle emergency situations safely (lockdown, fire, lockout drills). Each campus is responsible for practicing those emergency protocols with students on a regular basis. As a result, students and staff are well versed in how to handle an emergency.
- Conduct stranger awareness audits to ensure schools are utilizing safety measures such as Raptor System so all persons on campus are accounted for.
- Plays an active role in the county Emergency Operations Center when activated for emergencies such as Hurricane Shelters. Member serves as a liaison for the District by informing decision makers of daily changes and needs.





Bus Safety

This fall, the district participated in National School Bus Safety Week Oct. 19-23. AISD's transportation team joined school districts and transportation agencies throughout Texas and the nation in celebrating the importance of school bus safety. The transportation department provided staff members and families with tips to keep students safe.

Full Day Pre-K

Pre-kindergarten is a special program for eligible 3- and 4-year-old students. The Pre-K program is designed to meet the needs of a child's early years, which are a period of rapid growth. It is during this period that key concepts are developed that directly correlate to a student's future academic success. Pre-K is an exciting time for students and for parents. For many families, prekindergarten is the introduction into the public school system. AISD provides a full-day prekindergarten program for all children who turn 4 on or before September 1 of the current school year. AISD provides a half-day prekindergarten program for all children who turn 3 on or before September 1 of the current school year. Students must also qualify by being either:

- English Language Learners; or
- Economically disadvantaged; or
- Child of active military parent; or
- Child of a member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who was injured or killed while serving on active duty
- Child of Star of Texas Award Recipient; or
- Is homeless; or
- is or ever has been in the conservatorship of the Department of Family and Protective Services (foster care)

In order to increase access to high quality prekindergarten for three and four year olds, AISD provides a Tuition-based PreK program. The program is designed to meet the needs of families who want their children to attend PreK in AISD but do not meet eligibility requirements for an AISD District-supported PreK program. Children who are 3 years old for PK3, or 4 years old for PK4, on or before Sept. 1 of the current school year and who do not qualify for either the Early Childhood Special Education program or the District-supported PreK may enroll in the Tuition-based Pre-K program. AISD Tuition-based programs

offer families certified teachers in every classroom who are specifically trained to work with young children. The program provides child-centered, hands-on learning opportunities for the purpose of developing young children academically, physically and socially. Families pay tuition annually, by semester or monthly. The Pre-K4 tuition is \$4,950 annually or \$550 monthly. The Pre-K3 tuition is \$2,475 annually or \$275 monthly.

Multilingual Education

The mission of Austin ISD Multilingual Education is to promote academic excellence by addressing the linguistic, cognitive and affective needs of multilingual learners. The district serves over 23,000 students currently identified as Emergent Bilingual students and nearly 17,000 students who are learning languages other than English.

Key Functions

1. Administering research-based bilingual/ESL programs to support English Language Learners in compliance with Chapter 89 of the Texas Administrative Code.
2. Providing two-way dual language opportunities at the elementary, middle and high school levels.
3. Supporting World Languages programs, including secondary LOTE classes and elementary immersion programs
4. Assisting families recently arrived in the United States through the International Welcome Center, Refugee Family Support Office and campus-based support.
5. Collaborating with other AISD departments to empower ELL students, their families and bilingual/ESL educators.



AISD CARES

Austin ISD seeks to reinvent the urban school experience by preparing all students to graduate ready for college, career and life. As we continue to work toward an organizational culture that values each employee and provides exceptional customer

experiences for our students and families, the District has developed guiding principles to lead this charge -**AISD CARES**.

These five principles—Customer-Focused, Action-Oriented, Responsive, Empathetic and Service-Driven—were developed to ensure a culture of positive relationships and exceptional customer



2017 Bond

On November 7, 2017, Austin voters passed Austin ISD's bond proposition for \$1,050,984,000 to create 21st-century learning spaces for all students and make critical improvements to aging facilities. In addition to creating learning spaces that meet the needs of current and future generations of learners, bond projects also support equitable programming so students across the district can thrive. More than two years of intensive analysis, planning, and community engagement informed the 2017 Bond. Working with schools, the community, and industry experts, AISD outlined campus needs in its Facility Master Plan, a long-term, strategic plan. To implement the first phase of the 25-year roadmap, the district identified projects for the 2017 Bond Program—taking into consideration approximately 5,000 unique pieces of community feedback from more than 500 engagement opportunities. Since Austin voters approved the bond over two years ago,

the district has kicked off all modernization projects in the program. Ten of the 17 modernized campuses are under construction, with three already open. Targeted projects to address issues, such as leaking roofs and deficient air conditioning systems, have been undertaken and continue throughout the district.

Facilities and Bond Planning Advisory Committee (FABPAC)

Austin ISD is planning for the modernization of its school facilities, through the recommendations in the 2017 Facility Master Plan (FMP), which provided the vision for the 2017 Bond Program. The 2019 FMP and subsequent updates will continue to provide the path forward for future bond elections. The district, in conjunction with the community-based FABPAC, is committed to conducting an inclusive and broad

engagement process when developing updates to the Facilities Master Plan (FMP) and recommended bond programs.

The Board of Trustees appoints community members to the FABPAC to evaluate capital improvement needs of the district and to provide recommendations to the Board of Trustees on long-range facilities planning; amendments to the Facility Master Plan; and the scope of work and timing of future bond programs.

In developing its recommendations, the Committee shall consider all information provided by the district administration. In its deliberations, the Committee considers the comprehensive needs of the district including, but not limited to:

- **Facility Equity** – A global assessment of the equity of facilities among district campuses.
- **Student population projections** – Annual projections by the district’s demographer of the number of students living in each school’s attendance area.
- **Impact to maintenance and operations costs** – How changes in current instructional programming or facilities would impact the local maintenance and operations budget.
- **Strategic priorities** – Priorities that are articulated in the district’s Strategic Plan.
- **Student transportation** – A needs assessment of the district’s transportation fleet that considers the age and condition of the fleet.
- **Technology** – Technology for instructional and administrative uses is funded through bond programs. The Technology Officer for Learning and Systems will be responsible for developing recommendations for the committee’s consideration.
- **Current and Planned Academic Programming** – An assessment of necessary facility changes based on current and planned academic programming to support the District’s long-term goals, including the AISD Strategic Plan, as well as annual Board Priorities. The district’s real estate portfolio– A description of the property and land

owned by the district. A real estate assets plan is in development and feedback by the committee will be part of its work.

- **Educational Suitability Assessment** – An assessment of a facility to evaluate how well the campus is physically equipped to deliver the instructional program. District staff and consultants will engage with the FABPAC, school leadership, and Campus Advisory Councils (CACs) as part of the assessment process to review and identify any additional facility needs for possible inclusion in a future bond program.
- **Facility Condition Index (FCI)** – An indicator of a facility’s condition obtained by dividing the repair costs by the replacement cost of the same building.
- **Facility Condition Assessment** – An evaluation of a school facility that identifies current site and building system deficiencies. District staff and consultants will engage with the FABPAC, school leadership, and Campus Advisory Councils (CACs) as part of the assessment process to review and identify any additional facility needs for possible inclusion in a future bond program.
- **Educational Specifications** – A document that describes the current standards for program areas, equipment needs, technology needs, square footage, and other considerations for a new or modernized school. Used to compare existing school facilities and identify areas that vary from current standards to identify potential future projects.
- **Target Utilization Plans (TUPs)** – A document developed by campus leadership and approved by district administration that identifies strategies to improve facility utilization at under-enrolled schools by **1)** increasing enrollment mostly with students not enrolled in AISD and/or **2)** optimizing building use through partnerships by generating revenue to mitigate costs.

For more information on the Facilities and Bond Planning Advisory Committee, please visit our website at <https://www.austinisd.org/advisory-bodies/fabpac>

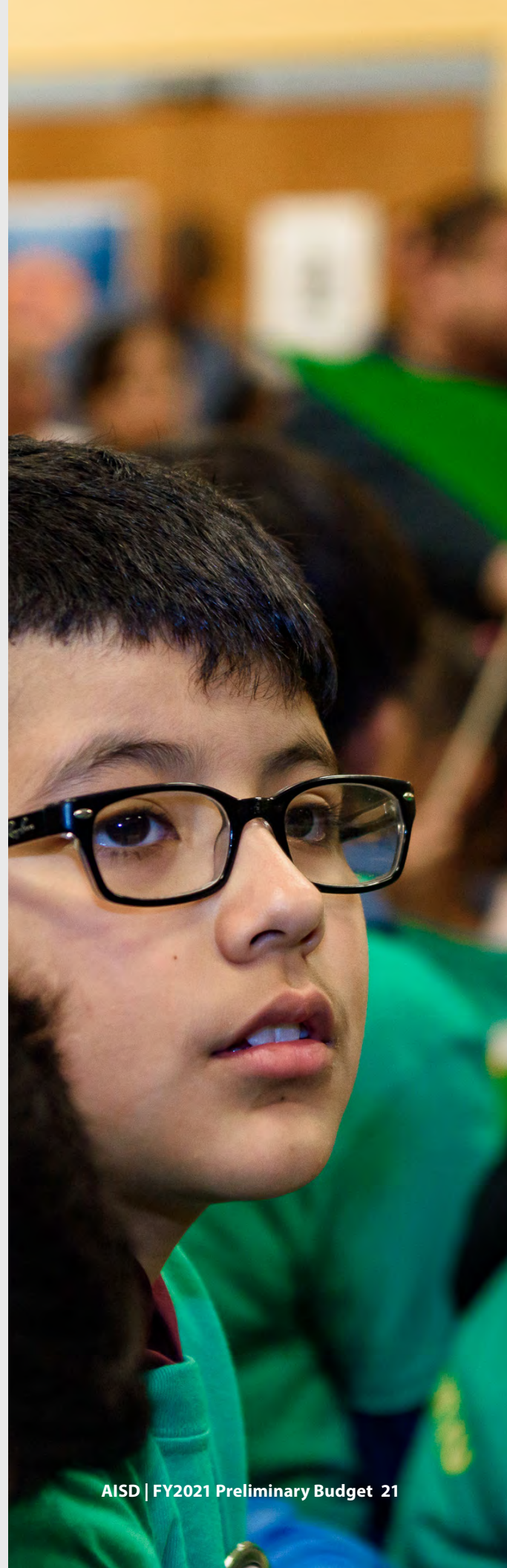
Facilities Needs

It is critical for a school district to have safe, environmentally friendly facilities that have sufficient capacity to support student achievement and success. The state does not fund school facilities. School districts rely on bond funding to serve shifting enrollments, changes in teaching methods and to meet other facilities' needs.

The Facility Master Plan provides a path forward for addressing AISD's facility needs, and ensures that decisions regarding facilities are aligned with district priorities and reflect an efficient and effective application of resources. The Facility Master Plan is a result of the analysis and synthesizing of: data, such as existing facility conditions and student population and enrollment projections; community views on how the district should address facility issues; external and internal drivers, such as the state's school funding, changing high school graduation requirements and emerging academic programming needs; Board Priorities and AISD Strategic Plan; and policies such as CT (LOCAL) Facilities Planning.

With AISD's schools averaging over 45 years in age, the district has developed a facility condition index that quantifies and tracks the physical condition of each facility, and helps guide the repair, restoration, or replacement of buildings. The district uses independently developed student population and enrollment projections, which indicate that despite Austin's continued growth, overall student enrollment is projected to continue to decline over the next 10 years. However, there are schools that are currently experiencing overcrowding and are projected to continue to grow. The district analyzes the permanent capacity of schools and compares it to actual enrollments to determine utilization rates.

On October 28, 2013, the Board of Trustees appointed volunteer citizens to the Community Bond Oversight Committee (CBOC) to ensure that the projects remain faithful to the voter-approved bond program's scope of work and to monitor and ensure the bond projects are completed on time, with quality and within budget.



Technology Initiative

As AISD addresses issues of equity and educates students for jobs that have not yet been created, the district is intentional in ensuring that technology is an integral element to teaching, student learning, and all district operations. Technology can give access to students and families in new and exciting forms, allowing for connection, collaboration, communication, critical thinking, creativity, and cultural proficiency. These are the power skills of today—and tomorrow.

This approach requires planning and support for teachers and staff to design flexible, technology-infused learning environments, which engage students and allow them to research, visualize, create, iterate, and demonstrate mastery in ways we are just beginning to understand.

Key initiatives underway include:

- Year 2 of Everyone: 1 Chromebook for all high school to use at school and home use
- Year 2 of Sprint \$1 million grant providing home Internet access to hundreds of high school students who would not otherwise have it
- New mobile computers were delivered to all teachers before the start of the 2018-19 school year
- Presentation systems installation 50% complete this summer with all classrooms now having a prior or new presentation system in place.
- Launched new Help Desk work order system (ServiceNow) to streamline operations and improve service.
- Learning Positioning System (BLEND) underway with full access at all campuses and to all parents
- Expanded Principal Dashboards created to inform campus leaders of key student indicators
- Leading transformation of workplace activities during the migration to the district's New HQ to be more collaborative and customer service oriented while remaining highly cost-effective.
- A digital shift is underway to reduce the need for printed materials as we move to the Southfield building with the intent of storing current documentation in our Document Management System and designing forms with electronic signatures to significantly reduce the need for printing
- Reduced expenses for the entire Technology team by >1m for the 2019-20 school year.
- Awarded Verizon Innovative Learning Schools grant valued at more





than \$9m to provide 1:1 access with home Internet access at 5 Title I middle schools.

Technology is often a driver, a catalyst, or an enhancer of innovation. Because of this, we are constantly looking to future trends, signals, and opportunities to best support the district's effort to reinvent the urban education experience. Horizon technologies, such as Internet of Things (IoT), virtual reality, augmented reality, and makerspace tools such as 3D printers are being demonstrated, tested, and integrated as appropriate. We continue to seek and obtain community partnerships and grant opportunities, while closely monitoring policy and direction changes to key programs.

Resource Development and Partnership Support

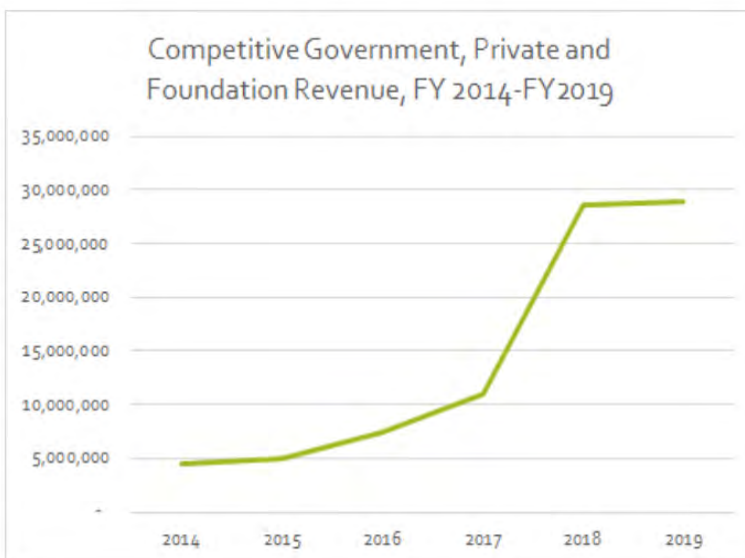
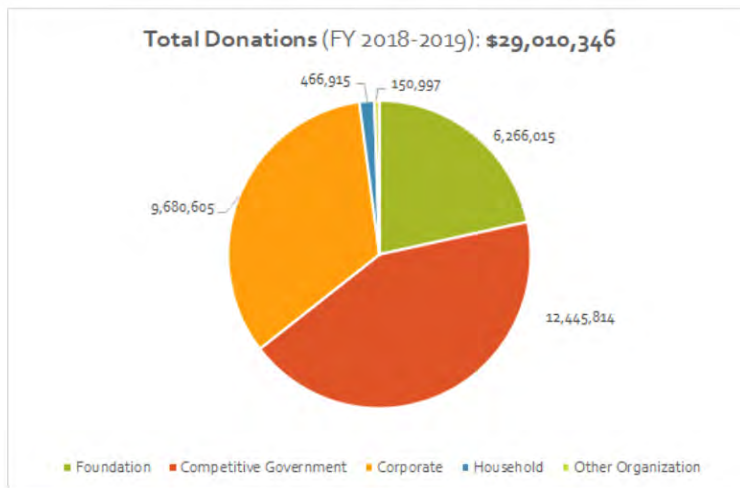
The Office of Innovation and Development (OID) supports innovation and excellence in Austin ISD by helping to align resources to support innovative campus and district programs and facilitating the growth and development of the Austin Ed Fund, Austin ISD's public education foundation. OID services include:

- Facilitating the development of innovative concepts, strategic proposals, and resource development strategies;
- Developing and sharing innovative programs with external partners;
- Building relationships with valued community and philanthropic partners;
- Facilitating, developing, and writing strategic funding proposals;
- Identifying and disseminating funding opportunities to support district priorities and campus needs;
- Leading donor relations and stewardship services to encourage philanthropic giving;
- Providing technical assistance and support for grant writing and grants management;
- Linking community-based service providers and partners with campuses; and
- Assisting with the process and procedures necessary to provide support services to students.

External Resource Development

Financial support from generous individuals, businesses, and philanthropic partners is critical to innovation and excellence in our public schools. Austin ISD appreciates our partners who have invested and welcomes others to join Austin ISD to create an exceptional educational experience for the over 80,100 students we serve.

In FY19 (July 1, 2018 – June 30, 2019), OID was responsible for leading and supporting the generation of more than \$29 million in philanthropic and competitive grant support made to Austin ISD and the Austin Ed Fund, Austin ISD's 501(c)3 education foundation. Contributions and grants from these sources are not subject to recapture. Additionally, OID supports the over 140 partner organizations that have provided over \$52 million in services to Austin ISD students.



Austin Ed Fund

The Austin Ed Fund is a recognized champion of Austin ISD. We believe every teacher should be supported, every student should be inspired and strong public schools strengthen our community. The Austin Ed Fund develops and stewards meaningful public-private partnerships that promote innovation and support opportunities that prepare Austin ISD students for college, career and life. Beginning in 2015, the Austin Ed Fund has awarded more than \$630,000 to over 150 teacher-driven projects that support innovative classroom practices (Innovation Grants) and educational opportunities for economically disadvantaged students (Student Opportunity Fund).

Since 2001, the Austin Ed Fund has facilitated over \$20 million to support Austin ISD strategic priorities and initiatives through partnerships with individual donors and private and corporate foundations.

Support of Campus Needs

In addition to the support offered to campuses via the Austin Ed Fund Innovation Grants and Student Opportunity Fund programs, OID helps campus staff find and secure the funding necessary to meet campus needs and goals via our online grants database (<https://www.austinisd.org/oid/grants-fundraising/grant-database>). OID works with campus staff to develop and submit proposals, brainstorm workable ideas and project development, navigate possible collaborations with other grantees, and follow up with acknowledgments for the funding partner. For assistance, please call 512.414.4851.

Living Tree (formerly Edbacker) Campus-Based Crowdfunding Platform

Edbacker is a district-wide platform for online-giving and crowdfunding through which all Austin ISD schools can receive tax-deductible charitable contributions. Through LivingTree, campuses and PTAs raised over \$130,000 in support of unique crowdfunding campaigns for specific projects in FY 2019. District campaigns are also eligible to receive contributions. To make a gift today, visit <https://give.livingtree.com/p/austinisd>

Partnership Support

Through partnerships, schools leverage the strengths of service providers and businesses to better address the whole child needs during and outside of the school day. In the face of budget constraints, partners add indispensable value to our students by augmenting the services Austin ISD can offer to students and families.

To date, over 140 partners have provided over \$52 million in services to Austin ISD students across the district's 129 campuses. Services range from mental health supports to after school enrichment. Campus leaders and community organizations can learn more about the services available on campuses at <https://www.ysm-austin.org/>

Service providers, community organizations or businesses interested in partnering with Austin ISD or needing partnership logistics can access a menu of contact points and information on the OID web site <http://www.austinisd.org/oid/partners>. The department also hosts widely publicized semi-annual partner meetings open to all service providers in order to provide updates and gain feedback from partners.

Donor and Foundation Support

There are multiple ways you can support Austin ISD or one of our schools. Please visit www.austinisd.org/oid/support-schools for more information or contact us directly at 512.414.4851.

OID and the Austin Ed Fund host Funder Roundtables for area foundations, philanthropists, and corporate funding partners where partners receive updates on funding initiatives and an overview of Austin ISD's priorities. Many of the events are co-hosted by the Central Texas Education Funders, Austin Corporate Impact Network, High Tech Community Partners, Austin Community Foundation, and the Austin Ed Fund.

Commitment to Students and Taxpayers

Texas provides annual academic accountability ratings to its public school districts, charters and schools. The ratings are based largely on performance on state standardized tests and graduation rates. In 2019, ratings of A-F were assigned to each campus and district as an overall grade and for performance in each of three domains: **Student Achievement**, **School Progress**, and **Closing the Gaps**. A grade of **A** indicates Exemplary Performance, **B** indicates Recognized Performance, **C** indicates Acceptable Performance, **D** indicates In Need of Improvement, and **F** indicates Unacceptable Performance.

The Austin Independent School District received an overall rating of B for 2019, earning 89 out of 100 possible points. The overall rating is based on performance on three accountability domains. Austin ISD earned a B (88) on Student Achievement, a B (89) on School Progress, and a B (88) on Closing the Gaps.

In 2019, 58% of Austin ISD campuses were awarded overall grades of A or B, 25% received an overall grade of C, 4% received an overall grade of D, 6% received an overall grade of F, and 10 campuses were not rated.

In addition to A-F accountability ratings, the Texas Education Agency awards distinction designations for high achievement in several areas: Postsecondary Readiness, Top 25% Academic Growth, Top 25% Closing Performance Gaps, and Academic Achievement in Reading/ELA, Mathematics, Science, and Social Studies. Distinction designations are based on performance relative to a group of schools of similar type, size, grade span, and student demographics. In 2019, 51 Austin ISD campuses earned a total of 123 distinction designations.

Accountability ratings and distinction designations are intended to show how well schools are doing at helping students reach grade level and preparing them for success after high school. Much like the grades given to students, accountability ratings are

used to identify ways to help schools improve over time.

The **Student Achievement** domain shows how much students know by the end of the school year in STAAR tested subjects. For high schools and districts, grades in this domain are also based on how many graduates are ready for college, a career, or the military. The STAAR component is based on how many students are approaching, meeting, and mastering grade level expectations. Students who meet grade level expectations on the STAAR are well prepared for eventual success in college and career programs.

The **School Progress** domain is composed of two parts. **Part A–Student Growth** measures how many students show a full year of academic growth in reading and math on STAAR. The expectation is for every student to gain a year’s worth of academic knowledge in reading and math each year they are in school. **Part B–Relative Performance** is based on a comparison of how well students are doing compared to students at similar schools.

Even in schools where many students perform well, performance gaps can exist among different groups of students. The **Closing the Gaps** domain ensures that attention is given to each and every student in our schools. While grades in the other domains are based on all students combined, this domain looks at groups of students separately. Groups include students of the same race, income level or special education status. Higher grades are awarded if all groups of students are doing well in terms of academic growth, student achievement, English language acquisition, and, at the high school level, college and career readiness.

Austin ISD Campuses
2019 State Accountability Ratings and Distinction Designations

	Campus	A-F Ratings				Distinction Designations						
		Overall	Student Achievements	School Progress	Closing the Gaps	Academic Achievement ELA/Reading	Academic Achievement Math	Academic Achievement Science	Academic Achievement Social Studies	Top 25% Academic growth	Top 25% Closing the Gaps	Postsecondary Readiness
High Schools	Akins HS	B	B	B	B						Yes	Yes
	Anderson HS	A	A	B	B	Yes	Yes	Yes	Yes			Yes
	Austin HS	A	A	B	B	Yes						Yes
	Bowie HS	A	A	A	B					Yes		Yes
	Crockett HS	B	B	B	B						Yes	Yes
	Eastside HS	B	B	B	C					Yes		
	Lanier HS	B	B	B	C	Yes	Yes		Yes		Yes	Yes
	LASA	A	A	A	A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	LBJ HS	B	C	B	C							Yes
	McCallum HS	A	A	B	A		Yes			Yes	Yes	
	Reagan HS	B	B	B	C	Yes			Yes		Yes	Yes
	Richards YWLA	A	A	A	A	Yes	Yes	Yes	Yes		Yes	Yes
	Travis HS	B	B	B	C					Yes	Yes	Yes
	Garza HS: AEA	A	A	NR	NR							
	GPA-Lanier: AEA	B	B	NR	NR							
	GPA-Travis: AEA	B	B	NR	NR							
	International HS: AEA	B	B	A	C							
Middle Schools	Bailey MS	B	B	C	C							
	Bedichek MS	D	D	C	F							
	Burnet MS	F	F	D	F							
	Covington MS	D	C	C	F							
	Dobie MS	F	F	C	F							
	Fulmore MS	B	B	B	C	Yes		Yes				Yes
	Garcia YMLA	C	D	C	D							
	Gorzycki MS	A	A	B	B			Yes				
	Kealing MS	B	A	A	B	Yes	Yes	Yes	Yes			Yes
	Lamar MS	B	A	B	C			Yes				
	Martin MS	F	F	D	F							
	Mendez MS	F	F	F	F							
	Murchison MS	B	B	D	C							
	O. Henry MS	B	B	C	C							
	Paredes MS	D	D	C	F							
	Sadler Means YWLA	F	F	D	F							
	Small MS	B	B	C	C							
	Webb MS	F	F	F	F							

Austin ISD Campuses
2019 State Accountability Ratings and Distinction Designations

	Campus	A-F Ratings			Distinction Designations							
		Overall	Student Achievements	School Progress	Closing the Gaps	Academic Achievement ELA/Reading	Academic Achievement Math	Academic Achievement Science	Academic Achievement Social Studies	Top 25% Academic growth	Top 25% Closing the Gaps	Postsecondary Readiness
Elementary Schools	Allison	C	C	C	C							
	Andrews	F	F	D	F							
	Baldwin	B	A	C	C							
	Baranoff	A	A	B	A							
	Barrington	F	F	F	F							
	Barton Hills	B	A	D	C							
	Becker	B	A	B	B							
	Blackshear	C	C	C	C	Yes						
	Blanton	C	C	B	C	Yes						Yes
	Blazier	A	B	A	A	Yes	Yes	Yes		Yes	Yes	Yes
	Boone	B	B	B	B							
	Brentwood	A	A	B	B	Yes	Yes	Yes		Yes		Yes
	Brooke	B	C	B	C		Yes	Yes				
	Brown	C	D	C	C							
	Bryker Woods	B	A	C	C							
	Campbell	C	C	C	C	Yes						Yes
	Casey	C	C	C	D			Yes				
	Casis	A	A	A	A	Yes					Yes	
	Clayton	A	A	B	A							
	Cook	B	C	B	C							Yes
	Cowan	B	A	B	C			Yes				
	Cunningham	C	C	C	D							
	Davis	C	B	C	C							
	Dawson	B	C	B	C							
	Doss	A	A	A	A	Yes					Yes	Yes
	Galindo	C	C	B	D							
	Govalle	C	F	C	C							
	Graham	A	A	A	B	Yes	Yes	Yes		Yes	Yes	Yes
	Guerrero-Thompson	B	C	B	B			Yes		Yes		Yes
	Gullett	B	A	C	B							
	Harris	C	F	C	C							
	Hart	B	C	B	B							
	Highland Park	B	A	C	B							
	Hill	A	A	B	A							
	Houston	C	F	C	C							
	Jordan	C	C	C	C					Yes		
	Joslin	C	C	C	D							
	Kiker	A	A	B	A						Yes	
	Kocurek	C	C	C	B						Yes	Yes
	Langford	C	D	C	C							
	Lee	B	A	B	B	Yes						
	Linder	C	C	B	C							
	Maplewood	B	B	C	C							
	Mathews	B	A	B	C							Yes

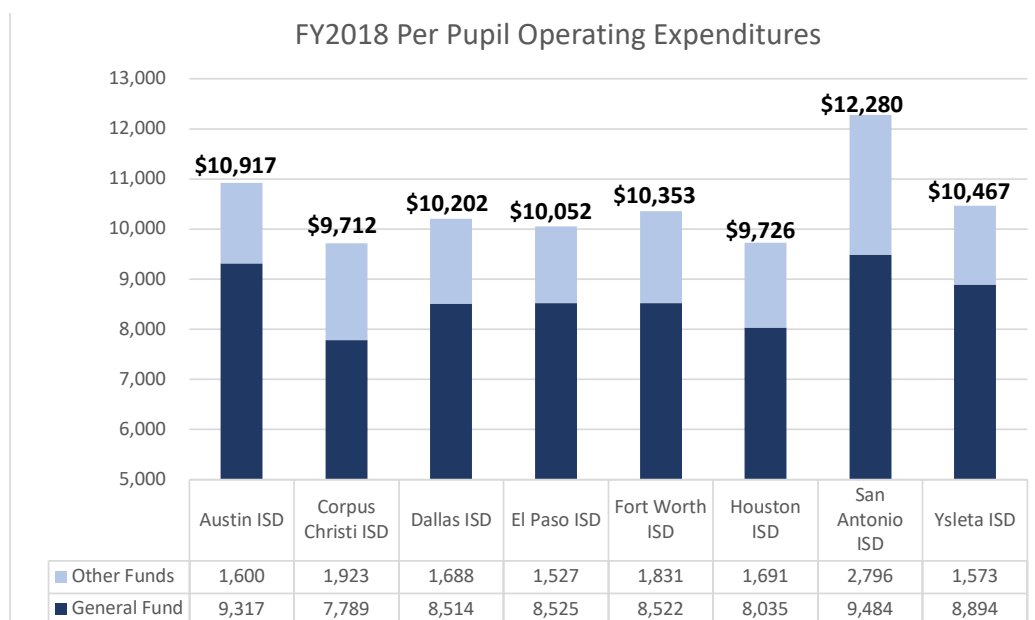
Mathews	B	A	B	C						Yes
McBee	B	C	B	B						
Menchaca	C	C	C	D						
Metz	B	D	B	C				Yes		
Mills	A	A	A	A		Yes			Yes	
Norman	B	C	B	C	Yes	Yes			Yes	Yes
Oak Hill	C	C	C	C						
Oak Springs	B	F	B	C				Yes		
Odom	C	D	C	D						
Ortega	C	C	B	D						
Overton	B	C	B	C					Yes	
Padron	B	C	B	C						
Palm	C	C	C	D						
Patton	B	B	C	B						
Pease	B	B	D	D						
Pecan Springs	D	D	C	F		Yes				
Perez	B	C	B	C						
Pickle	C	C	C	C						
Pillow	C	C	B	C						
Pleasant Hill	C	D	C	C						
Reilly	A	B	B	A	Yes			Yes	Yes	Yes
Ridgetop	B	B	C	C						
Rodriguez	C	D	C	D						
St. Elmo	C	C	B	C						
Sanchez	C	D	C	D						
Sims	B	D	B	C		Yes		Yes		
Summitt	B	B	B	B				Yes		
Sunset Valley	B	C	B	C				Yes		
Travis Heights	B	C	B	C	Yes	Yes		Yes		
Walnut Creek	D	F	D	D						
Webb Primary	C	F	C	D				Yes		
Widen	B	C	C	B					Yes	
Williams	C	C	C	C						
Winn	C	C	C	C						
Wooldridge	B	D	B	C				Yes		
Wooten	B	C	B	C						
Zavala	B	C	B	B				Yes	Yes	Yes
Zilker	A	A	A	A	Yes			Yes		

Austin ISD Campuses 2019 State Accountability Ratings and Distinction Designations										
	Campus	A-F Ratings			Distinction Designations					
		Overall	Student Achievements	School Progress	Closing the Gaps	Academic Achievement ELA/Reading	Academic Achievement Math	Academic Achievement Science	Academic Achievement Social Studies	Top 25% Academic growth
Paired Schools	AISD Child Dev. Center	B	P	P	P					
	Mainspring School	B	P	P	P					
	Uphaus Early Childhood	A	P	P	P					
	Dobie PreK Center	A	P	P	P					

Austin ISD Campuses 2019 State Accountability Ratings and Distinction Designations												
	Campus	A-F Ratings				Distinction Designations						
		Overall	Student Achievements	School Progress	Closing the Gaps	Academic Achievement ELA/Reading	Academic Achievement Math	Academic Achievement Science	Academic Achievement Social Studies	Top 25% Academic growth	Top 25% Closing the Gaps	Postsecondary Readiness
Not Rated	Dell Childrens' Med. Ctr.	NR	NR	NR	NR							
	Austin St. Hospital	NR	NR	NR	NR							
	Travis County Juvenile	NR	NR	NR	NR							
	Phoenix Academy	NR	NR	NR	NR							
	Leadership Academy	NR	NR	NR	NR							
	Travis County JJA	NR	NR	NR	NR							
	Travis County Day School	NR	NR	NR	NR							
	Alternative Learning Center	NR	NR	NR	NR							
	DAEP EL	NR	NR	NR	NR							
Rosedale School	NR	NR	NR	NR								

Our Student Investment Compared to Our Texas Urban Peers

In FY2017-18, the most recent year for which comparable data is available, Austin ISD spent \$10,917 per pupil, which ranks the second highest among urban school districts in Texas. San Antonio ISD had the highest spending at \$12,280 per pupil. As illustrated in the graph, eight out of eight urban districts spent more than \$9,500 per pupil in FY2018. Although AISD's operating expenditures per pupil are higher than most of its urban peers, the per-pupil spending level reflects the district's commitment to ensuring that its diverse student population and graduates are prepared to meet the competitive demands of a global economy.



Source: TEA PEIMS Financial Standard Reports

NAEP

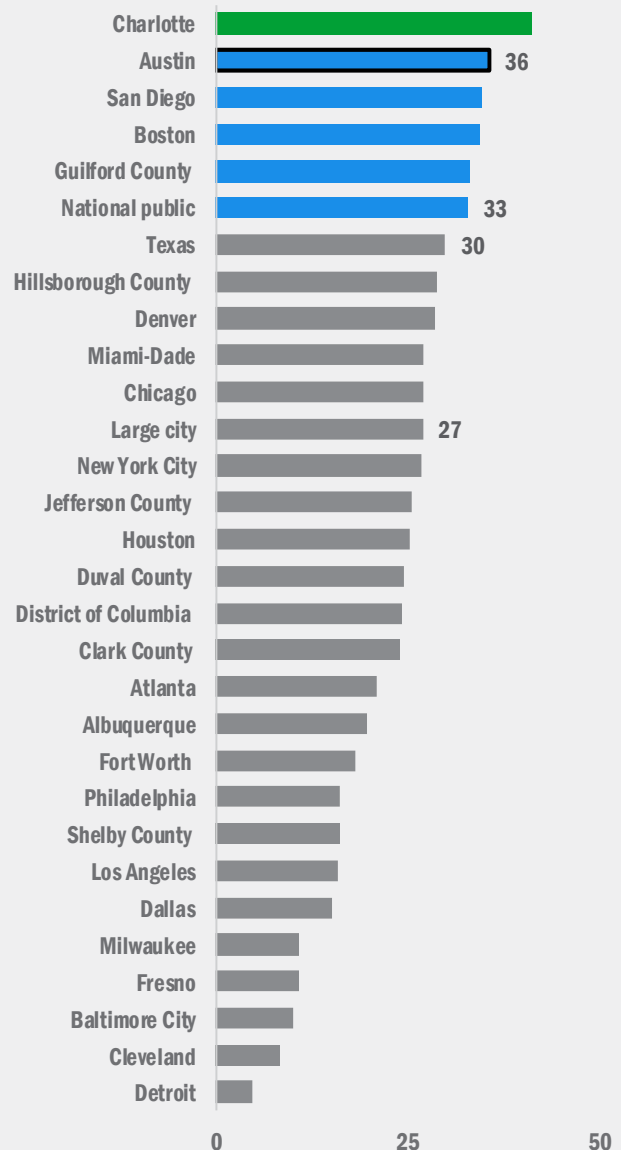
Since 2005, AISD has participated in NAEP's Trial Urban District Assessment (TUDA) administration. Results from NAEP, often referred to as the Nation's Report Card, reflect group-level data on student achievement in various subjects. Representative samples of students from a total of 27 school districts across the United States participated in the 2019 TUDA assessment of fourth- and eighth-grade students in reading and mathematics. The study provides an opportunity to benchmark progress over time as well as compare performance of AISD students to students in other participating urban districts, large U.S. cities, states, and the nation.

In 2019, AISD students continued to perform at or above the proficiency levels of students in other districts in Texas and national public schools. In both fourth-grade reading and fourth-grade math, proficiency levels for AISD students were significantly higher than proficiency levels in other Texas TUDA districts, including Houston, Dallas, and Ft. Worth. No TUDA districts significantly outperformed AISD in fourth-grade math or in fourth-grade reading.

AISD's eighth-grade students also outperformed most districts in 2019. In eighth-grade math, AISD ranked second among the 27 TUDA districts, and in 8th-grade reading, AISD ranked sixth. AISD proficiency levels in both math and reading were significantly higher than proficiency levels in other Texas TUDA districts.

A more detailed report of the 2019 NAEP results, including longitudinal trends, can be found on the district's Department of Research and Evaluation [website](#).

8th-grade Math
Percent Proficient or Advanced



Source: National Assessment for Educational Progress Data Explorer

Note: AISD's proficiency levels were significantly higher than in districts/jurisdictions shown in gray, significantly lower than in districts shown in green, and not significantly different than in districts/jurisdictions shown in blue.

Sound Budgets and Strong Fiscal Management

AISD uses sound fiscal management practices and prudently allocates its resources. Budgets have been developed and implemented with a focus on students and their needs. The district's fiscal responsibility has helped produce the following results:

- **The lowest overall property tax rates** in the Austin area for school districts in FY2018-19
- **Aaa debt rating from Moody's Investors Service, AA+ from Standard & Poor's, and AA+ from Fitch Ratings**, which are amongst the highest ratings a Texas public school can earn from these agencies. This has resulted in millions of dollars worth of savings due to lower interest rates for the district's bond program and Austin taxpayers.
- **2018 School FIRST (Financial Integrity Rating System of Texas) rating** of Superior Achievement, for the 16th consecutive year.
- **AISD maintains its Transparency in Traditional Finances** award from the Texas Comptroller of Public Accounts. Recipients provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data and other relevant information.
- **The Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for 13 years in a row** and the GFOA Certificate of Achievement for Excellence in Financial Reporting for eight years in a row. The GFOA Distinguished Budget Presentation Award has been replaced with the Best Practices in School Budgeting Awards Program to which AISD has applied, interviewed and is waiting for GFOA's response.
- **The Association of School Business Officials International (ASBO) Meritorious Budget Award** for excellence in the preparation and issuance of its school system budget for the ninth year in a row.
- **The ASBO Certificate of Excellence in Financial Reporting** for the eighth year in a row (pending ninth year certification) for its Comprehensive Annual Financial Report (CAFR).



Budget Overview

Although the Austin Independent School District is surrounded by a positive moving economy, it comes at a price. Revenue, the district's lifeblood, is projected to increase in FY2019-21, but comes at an actual cost. These costs come in the form of significant Recapture contributions and affordability.

As for affordability, Austin families are moving to surrounding areas to get reprieve from the increasing property taxes that they are responsible for. This is true from a homeownership side as well as renting, where facility owners are receiving higher tax bills and passing it on in the form of rent increases. AISD student enrollment is falling due to families moving out of the district to avoid these yearly increases.

Alongside decreased net revenue (tax collections after paying Recapture), inflationary expenses are increasing forcing the use of fund balance dollars. In order not to drop below fund balance requirements, the district will continue to evaluate cost saving initiatives and out year solutions.

AISD will continue to face challenging times due to increased expenses driven by increasing recapture payments due to declining student populations and increasing property values. With revenue not adequate to compensate the inflationary expense and recapture increases, AISD is being forced to apply strategies to help offset decreasing fund balances.

The Austin ISD has three budget priorities: Thrive, where all schools meet or exceed local and state performance measures, Read, has all students

reading at grade level by 3rd grade, and Excel, in which we invest in more competitive salaries and benefits for all teachers.

These priorities bring some expected expenditure increases. The investment in TUP (Target Utilization Plan) and a Comprehensive School Improvement Model are intended to all schools thrive. Investments in CALT Reading Specialists, Early Literacy staff, and curriculum redesign to ensure all students read by grade three. Finally, new funding in the PPft (Professional Pathways for Teachers Compensation and Professional Development Program) and funding for salary increases to help teachers excel. Overall, expenses are projected to increase by \$13.1 million.

Despite these increases, AISD is projecting budget savings of \$16.9 million consisting of central administration realignments, technology efficiencies, reductions to supplies and savings from the improved performance to the Employee Health Plan.

Enrollment Decline and Strategy

AISD is strategically investing in four priority areas: literacy, safety and security, customer service and the Target Utilization Plans for the 2020–21 fiscal year budget. The first three priorities are discussed in a previous section, Investing in the Vision of Reinventing the Urban Education Experience, while we discuss the Target Utilization Plan below as a strategy to address declining enrollment.

A Target Utilization Plan is recommended for school communities to address the pattern of declining enrollment below 75%. The purpose is to encourage

THRIVE



ALL SCHOOLS
meeting or exceeding
local and state
performance measures

READ



ALL STUDENTS
reading at grade level
by 3rd grade

EXCEL



ALL TEACHERS
knowing we are
investing in more
competitive salaries
and benefits

and support efficient use of school facilities so communities have more real-time information, involvement in and understanding of the status of their schools.

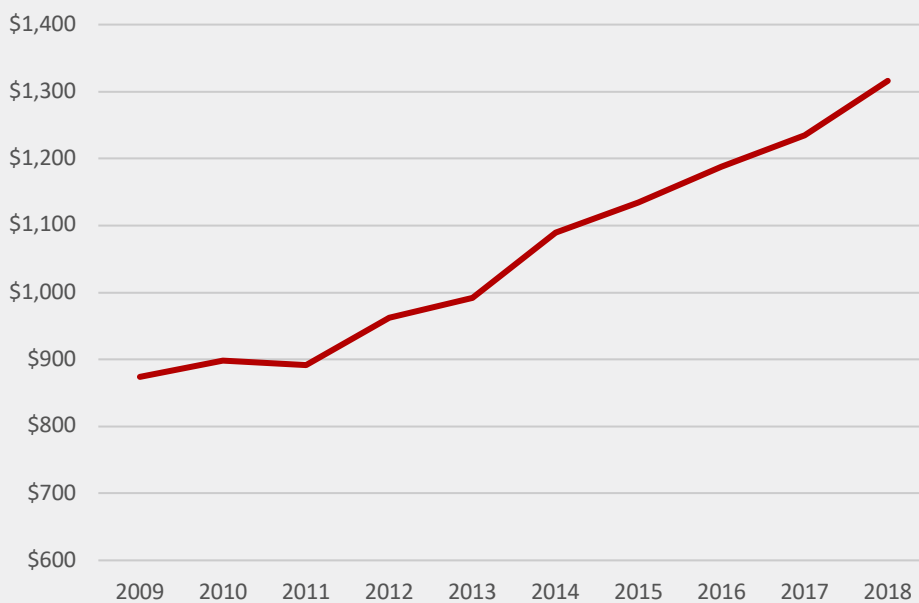
This also will allow time to address and assess under enrollment in a proactive manner. AISD is developing a structured process with milestones and data to support campus' efforts to grow enrollment. This process will be vetted with district and school leadership. Any campus that is placed on a TUP and that is under-enrolled shall receive priority in Standard Automatic Measures (SAMs) including but not limited to 1) priority in communication and

marketing and 2) resources and support (board of trustees' amendment). The Target Utilization Plan is a new concept developed during the 2016–17 FMP Update process. Additional schools may be identified for a Target Utilization Plan based on established district criteria.

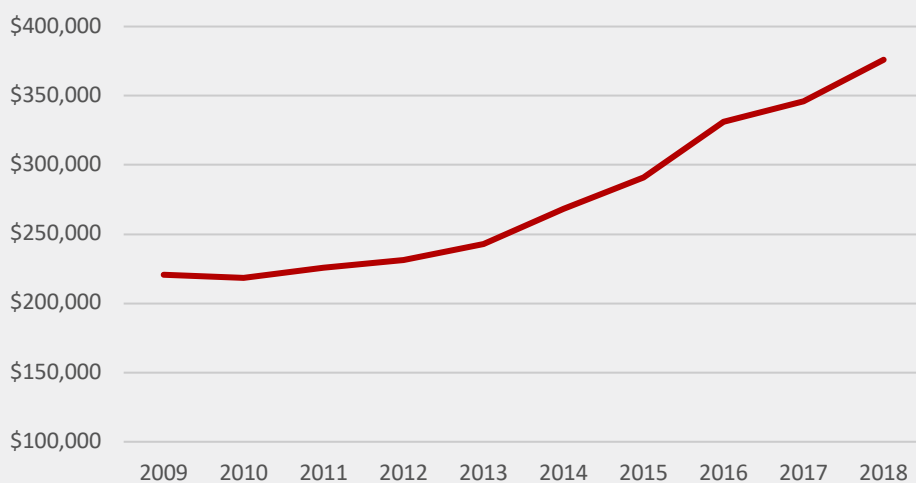
After decades of enrollment growth, AISD has experienced a decrease in enrollment since FY2012-13, and according to the demographer, the trend can be expected to continue into the future. This is due to a number of factors, including:

- Affordability issues in general, and specifically a drop in affordable housing;

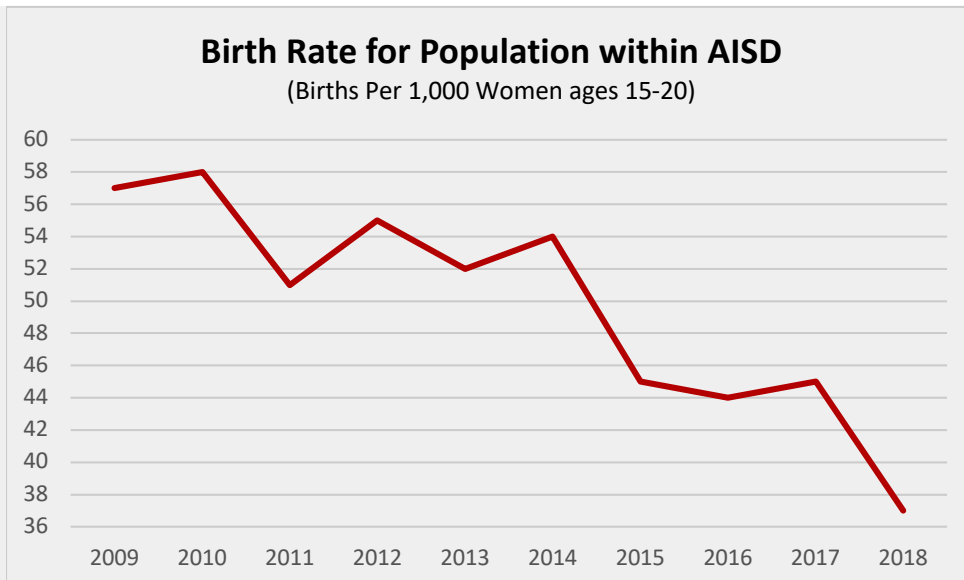
Median Monthly Rent within AISD



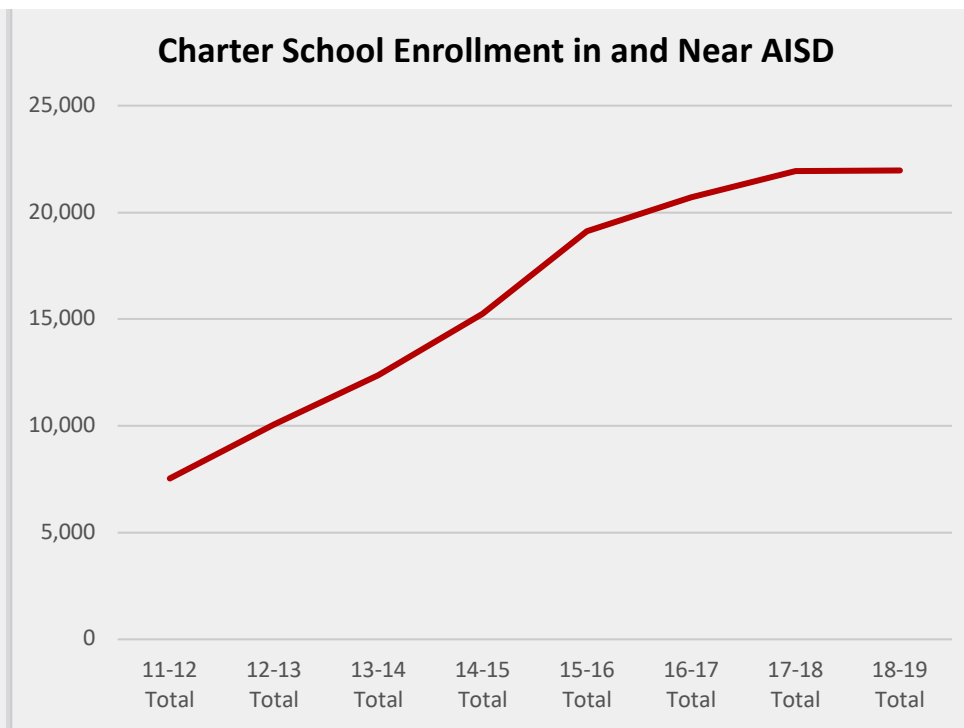
Median Home Value within AISD



- A decline in birth rates that occurred during the recent recession, which especially impacts the district at Pre-K and Kindergarten; and



- Increased competition from charter and private schools.



Since state funding is provided based on the number of students in classrooms each day, this change in enrollment is expected to negatively impact our revenue budget in future years. While this may create a savings in payroll expenditures, it decreases the district's revenue to pay for fixed costs and infrastructure. In response, the district is taking several steps to address declining enrollment. This includes a new out-of-district transfer policy, a targeted marketing plan and a revamped customer service effort. The district is responding to student needs with offerings like meals at after-school programs.



Limited Resource Capacity to Support a Diverse Student Population

It is projected AISD will serve more than 78,000 students in FY2019-20. After many years of enrollment growth, in FY2013 the district began to experience a decline in student enrollment. Overall, the student population in the district is expected to decrease over the next ten years. The decline has been driven by lower birth rates in the area, affordability, movement of student populations within and out of the district and a shift in demographics, which indicate fewer families with school aged children living in the city of Austin. The district projects enrollment to decline by over 1,400 students from projected year end FY2019-20 to the FY2020-21 Preliminary Budget.

Over the past decade, the demographics of the district have changed. Our district celebrates its diversity, and we are committed to offering all students an excellent education. But additional resources are needed to support a diverse student population in which:

- Over 4 out of 10 children in AISD are from economically disadvantaged homes.
- For almost one in three (27%), English is not the first language.
- There are 90+ languages spoken throughout the district.
- One in 10 children is classified as having a learning (or other) disability

Higher Accountability Standards-Less Resources

School districts face an ongoing challenge of implementing funding reductions while meeting rising academic expectations. Under HB 5, which are newer graduation standards mandated by the state, students will have one diploma plan with one of five endorsements. Without additional funding resources, requirements like this will put financial pressure on the district's resources over the next several years. The following link provides the most recent report on school mandates: <https://www.tasb.org/Legislative/documents/170120Mandates.aspx>

Human Capital

Student achievement begins with exemplary teaching. That is why the Austin Independent School District works to recruit, retain and reward great teachers and administrators. We know that the integrity, knowledge, diversity and talent of our employees—our human capital—are our most valuable resources. One of our most important jobs is providing our teachers, principals, administrators and other staff members with the support they need to do their best work, because when they succeed, our students succeed.

Because Austin is one of the most dynamic and competitive marketplaces for talent in Central Texas, our work to recruit, develop and retain top talent has never been more important. Every day, AISD competes with neighboring districts and other urban districts for the best teachers and administrators to serve our students, and we do this in an environment of tightly constrained resources at the local and state levels.



While student performance has continuously improved, AISD employees have shared the burden in the district's budget struggles. They are paying more for health care benefits and their wages have continued to lag even with salary increases. It is becoming more difficult for the district to pay competitive salaries. A recent analysis indicates that AISD teacher salaries rank 7 out of 10 among our neighboring districts in teacher pay, and 9 out of 9 among the top urban district in Texas.

Teacher Salary Comparison (Local)								
Rank	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1	Lake Travis	Lake Travis	Round Rock	Leander	Leander	Eanes	Hays	Leander
2	Leander	Earnes	Lake Travis	Earnes	Eanes	Leander	Leander	Round Rock
3	Eanes	Leander	Eanes	Round Rock	Round Rock	Lake Travis	Round Rock	Lake Travis
4	Round Rock	Round Rock	Leander	Lake Travis	Lake Travis	San Marcos	Eanes	Hays
5	Manor	Round Rock	Leander	San Marcos	San Marcos	Hays	Austin	Del Valle
6	Dripping Springs	Manor	San Marcos	Pflugerville	Pflugerville	Round Rock	Lake Travis	Pflugerville
7	Del Valle	Del Valle	Del Valle	Austin	Austin	Manor	Pflugerville	Austin
8	Austin	Austin	Manor	Hays	Hays	Pflugerville	Del Valle	Dripping Springs
9	Hays	San Marcos	Hays	Manor	Manor	Austin	Dripping Springs	Eanes
10	San Marcos	Hays	Austin	Del Valle	Del Valle	Del Valle	Manor	Manor

Teacher Salary Comparison with Urban Districts (Excludes Social Security Tax)								
Rank	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1	Font Bend	Cypress Fairbanks	Cypress Fairbanks	Cypress Fairbanks	Cypress Fairbanks	Cypress Fairbanks	Cypress Fairbanks	For Bend
2	Fort Worth	Northside (SA)	Fort Worth	Fort Worth	Fort Worth	Fort Worth	Fort Bend	Cypress Fairbanks
3	Houston	Houston	Fort Bend	For Bend	For Bend	For Bend	Fort Worth	Fort Worth
4	Dallas	Dallas	Dallas	Northside (SA)	Northside (SA)	Houston	Dallas	Dallas
5	Northside (SA)	Fort Bend	Northside (SA)	Houston	Houston	Northside (SA)	Houston	Northside (SA)
6	Cypress Fairbanks	Fort Worth	Houston	San Antonio	Dallas	San Antonio	Northside (SA)	Houston
7	El Paso	El Paso	El Paso	Dallas	San Antonio	El Paso	San Antonio	San Antonio
8	San Antonio	San Antonio	San Antonio	El Paso	El Paso	Dallas	El Paso	El Paso
9	Austin	Austin	Austin	Austin	Austin	Austin	Austin	Austin

This data is pulled from TASB, and is based on salary schedule information across districts. As such, it will not account for PPFT increases.

Professional Pathways for Teachers (PPfT)

Professional Pathways for Teachers (PPfT) is a Human Capital System that blends appraisal, compensation and professional learning in an effort to further professionalize teaching and promote continued professional growth for all of our teachers, regardless of their level of experience. Developed through collaboration between Austin Independent School District, Education Austin, and American Federation of Teachers, the PPfT appraisal supports a collaborative campus culture, takes into account multiple measures and links professional development to teacher needs. The appraisal system focuses resources on building the capacity of our teachers through a comprehensive system of supports and rewards with the ultimate goal of impacting student achievement.

As a vetted, comprehensive, and fully developed system, PPfT is designed to:

- Foster open and collaborative campus cultures that focus on instructional growth, supportive and contextual feedback, and the development of individual and school wide practices that more effectively improve student learning;
- Incorporate multiple measures of teacher effectiveness, including in- and out-of-classroom indicators, student learning growth, and teacher self-reflection;
- Offer professional development that links to evaluation results; and
- Include a compensation component that recognizes years of service, performance, leadership, and professional learning through a system of pathways.

The PPfT System is based on a multi-year analysis of the lessons learned from REACH and a PPfT pilot appraisal process, recommendations from teachers, principals, district personnel, and Education Austin team members as well as best practices in evaluation from across the nation. Through a system of feedback and reflection, PPfT also includes differentiated compensation linking growth of teachers, growth of students and compensation in a unique way. Teachers are empowered to choose various pathways for professional growth rooted in key district initiatives and commitments.

PPfT is designed to suit the needs and aspirations of teachers while also valuing high-quality teaching, application of and reflection upon new learning and strategies in the classroom, professional growth, and ultimately, improved student outcomes.

For more information on PPfT, please visit: <https://www.austinisd.org/tad/ppft>

Budget Analysis

General Fund: Where the Money Comes From

Of the funds that AISD manages, the largest is the General Fund. AISD's General Fund is used to support the operation of the school system and is comprised of three major sources: local, state, and federal.

Local funding consists of property taxes for the current year or prior years, investment earnings, athletic activities revenue, insurance recovery, and revenues from building use.

FY2021 General Sources

Local: 93.2%

State: 5.2%

Federal: 1.7%

State funding is the amount of funding that school districts receive from the state. It is based on a complex formula determined by the legislature that considers the number of students served and is based on poverty levels, special programs, bilingual factors, levy bases, and other factors.

Federal Funding reflected in the General Fund are earnings from indirect costs from federal grant expenditures and revenues received for school health and related services (SHARS), a Medicaid reimbursement program. This portion of the budget does not include Federal grant funding which is accounted for separately in the district's Special Purpose Fund. Special Revenue Funds are approved separately when final grant awards are made.

Revenue Source (in millions)		FY2020 Adopted Budget	FY2021 Preliminary Budget	\$ Change	% Change
Local		\$1,346.3	\$1,328.4	(\$18.0)	(1.3%)
State		53.0	73.7	20.7	39.0%
Federal		23.8	23.7	(0.1)	(0.5%)
	Total	\$1,423.1	\$1,425.8	\$2.6	0.2%
Less: Recapture		\$612.2	\$606.3	(\$5.9)	(1.0%)
Operating Revenue	\$2,035.3	\$2,032.1	(\$3.3)	(0.2%)	

Limited Ways to Generate Revenue

Texas school districts are the only local taxing authorities that are required to equalize their tax base or get voter approval in order to increase taxes above a set rate through a Tax Ratification Election (TRE). This has been the case since 2006, the last time the state legislature passed school finance legislation. Other local entities, including the city and the county, are not required to seek voter approval for limited tax increases. In addition, the system of recapture requires voters to agree to tax themselves even when a significant portion of the increase will go to the state. This creates a huge challenge for Austin ISD to sell a TRE to voters. The district's planning and prudence recognizes the fact that the local economy, while better than most is still struggling to recover and households are slowly trying to rebuild from the recession. The district is holding off as long as we can and employing methods to finance as much as we can on our own through cost cutting.

Local Revenue

The vast majority of AISD's funds come from local sources, mainly local property tax collections. Local revenue is expected to decrease 1.3 percent or roughly \$17.9 million as a result of property tax values for FY2019-20. However, due to the state's recapture formula, which essentially caps the amount of revenue the district can receive by equalized wealth level thresholds; it is projected that 47 percent of revenue generated locally will go to the state for redistribution rather than staying in the district in FY2020-21.

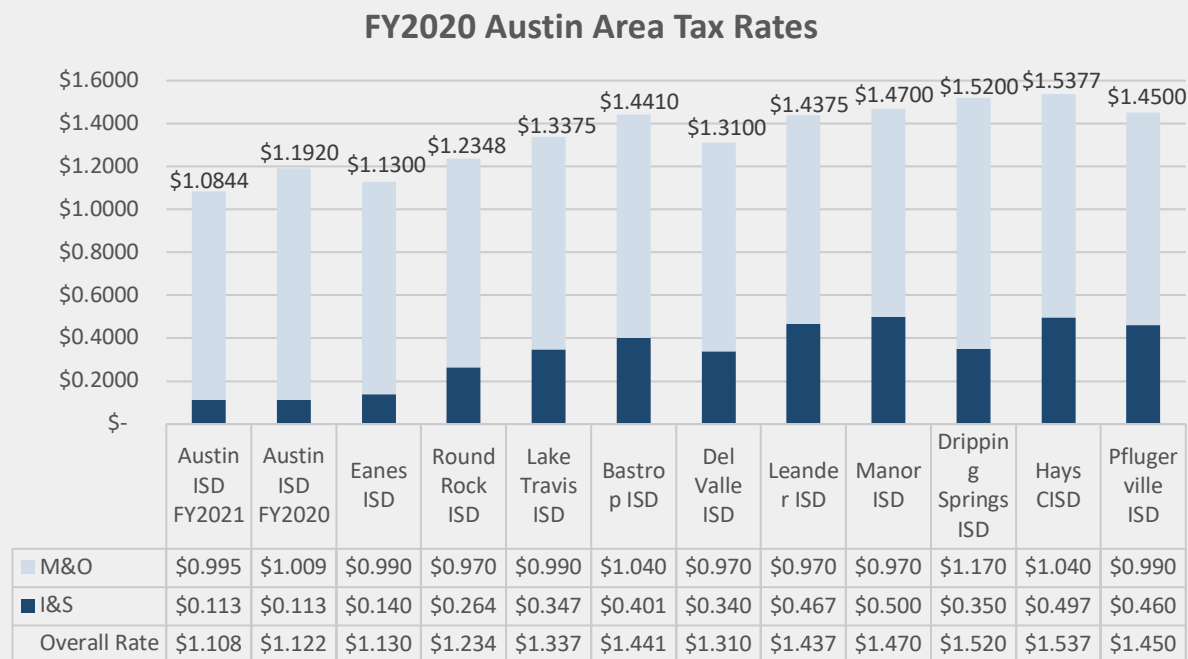
Tax Year as of Jan 1	School Year	Next Taxable Value
2007 Certified	2007-08	50.6
2008 Certified	2008-09	56.3
2009 Certified	2009-10	57.8
2010 Certified	2010-11	56.3
2011 Certified	2011-12	56.9
2012 Certified	2012-13	59.1
2013 Certified	2013-14	63.2
2014 Certified	2014-15	71.0
2015 Certified	2015-16	81.3
2016 Certified	2016-17	93.8
2017 Certified	2017-18	103.4
2018 Certified	2018-19	114.6
2019 Certified	2019-20	125.8
2020 Certified	2020-21	138.1

Because of declining enrollment and rising property tax values, the district will have \$7.4 million less operating revenue (local revenue net of Recapture) in FY2020-21 when compared to FY2019-20 adopted.

Tax Rates

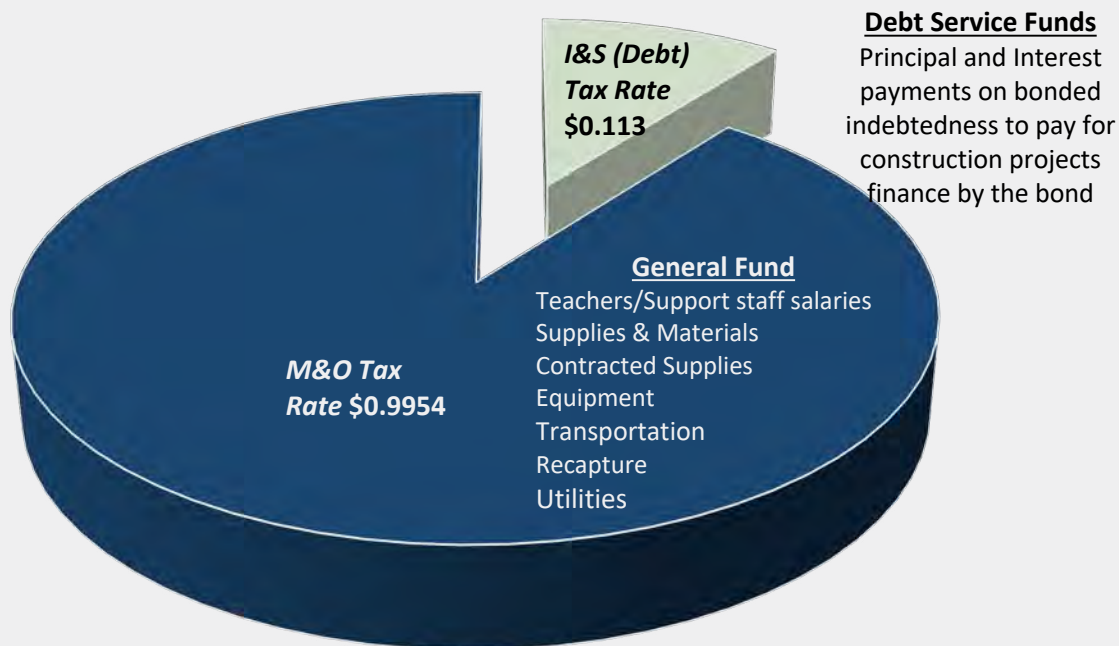
There are two types of tax rates set: Maintenance and Operation (M&O), the rate applied to the tax base to support the General Fund Budget, and the Interest & Sinking (I&S) tax rate, the rate applied to the tax base to cover the debt associated with the bonds approved by taxpayers. Increases to the M&O tax rate are subject to recapture while I&S tax rate increases are not. The current proposed FY2020-21 Preliminary budget assumes no increase in the M&O tax rate currently at 1.079 of \$100 of taxable value. The debt service tax rate also assumes no tax rate increase from the FY2019-20 level of \$0.113 per \$100 of taxable in FY2020-21. The I&S tax rates have been reduced 5 cents in the last 5 years.

AISD has the lowest tax rate when compared to other local school districts in the metro area and it expects to maintain this position with the Preliminary FY2020-21 budget.



Taxable Values Affect Local Revenue

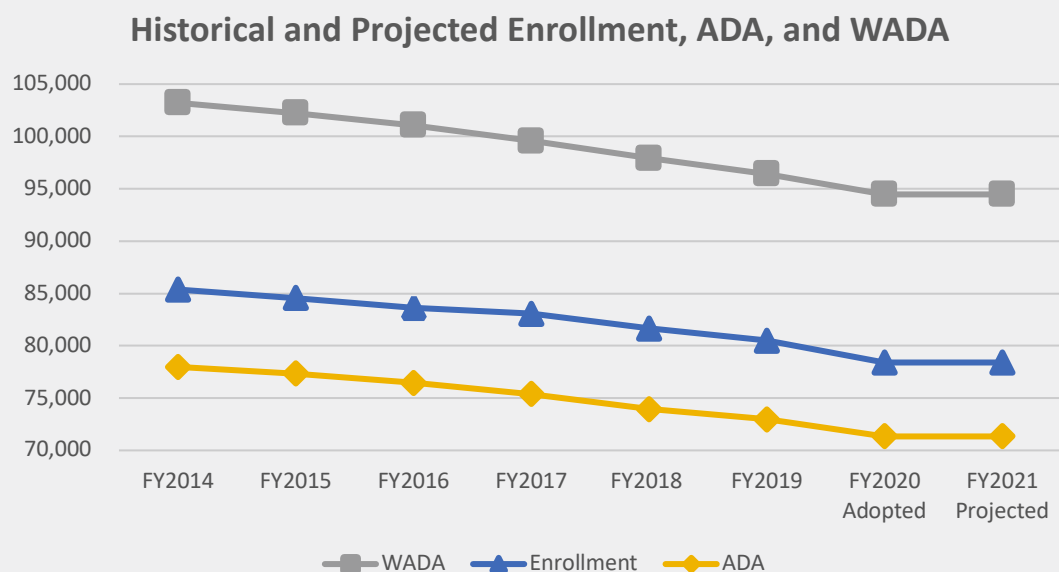
A key component of revenue estimation is taxable values. Taxable values are projected to increase in FY2019-21, by 9.7 percent. This estimated value is a number estimated by AISD as the certified taxable values were not released at the time of publication. The final certified taxable values will not be available from the appraisal district until late July 2020. Since the FY2020-21 preliminary budget is being prepared in advance of the certified values, it is expected that any variances between the present estimate and the certified values in July will require amendments to budgeted local property tax revenues to reflect the actual certified appraised values for FY2019-20.



How Attendance Affects State Revenue

A key factor in generating state revenue to support public education is the district's number of students in Average Daily Attendance (ADA). In general, increases in ADA mean that the district gets more funding from state and local sources. Closely akin to ADA is WADA (weighted ADA), which adjusts the ADA student count to reflect student and district characteristics, such as the number of students receiving special education services or the size of the school district, for example. WADA is multiplied by target revenue to yield the combined state/local funding levels each year. Attendance is an important opportunity for the district to increase revenue. It is estimated that the district receives approximately \$5.0 million in revenue for every 1 percent increase in attendance.

The district is projecting decreases in WADA, enrollment and ADA from FY2018-19 to FY2019-20. The following chart reflects historical and projected enrollment from FY2012-13 to FY2018-19 in terms of enrollment at the end of the first six-week period, annualized ADA and WADA.



Where the Money Goes

AISD continues to ensure resources are spent primarily on supports for schools and students. Nearly 60 percent of the general fund revenue is allocated directly towards instruction.

Maintenance costs for the District total 10.3 percent of AISD's budget. General administration represents just 3.2 percent of the general fund budget.

To see how the school tax portion of your annual property taxes pay for all of the services provided by the Austin Independent School District, please visit our interactive web site at <https://www.austinisd.org/budget/calculator>

General Fund Functional Area (in millions)	FY2021 Preliminary Budget	% of Budget
Instruction	\$499.8	57.5%
Instructional Resources & Media Services	11.7	1.3%
Curriculum & Staff Development	14.4	1.7%
Instructional Administration	17.2	2.0%
School Administration	55.6	6.4%
Guidance & Counseling Services	27.9	3.2%

General Fund Functional Area (in millions)	FY2021 Preliminary Budget	% of Budget
Attendance & Social Work Services	5.3	0.6%
Health Services	11.0	1.3%
Pupil Transportation	34.1	3.9%
Co-Curricular Activities	15.7	1.8%
Subtotal Instruction and Student Support	\$692.8	79.8%
General Administration	\$28.0	3.2%
Community Services	8.4	1.0%
Subtotal Central & Community Services	\$36.4	4.2%
Plant Maintenance	\$89.2	10.3%
Security & Monitoring Services	14.1	1.6%
Data Processing Services	23.0	2.6%
Debt Services	0.9	0.1%
Facilities Acquisition & Construction	0.3	0.0%
Payments-Shared Services Arrangements	4.2	0.5%
Other Intergovernmental Charges	7.5	0.9%
Subtotal Operations & Infrastructure	\$139.3	16.0%
Grand Total	\$868.5	100.0%

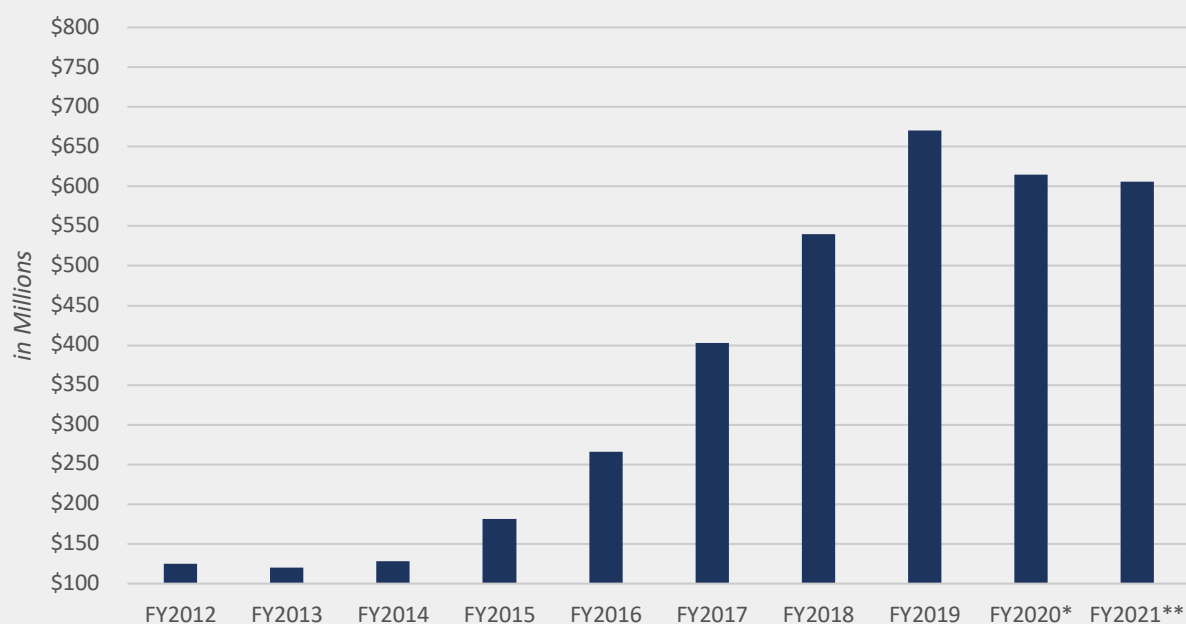
What is Recapture?

Recapture represents 47 percent of AISD's governmental funds, and is a function of Chapter 49 of the Texas Education Code, which equalizes educational spending across school districts that have varying amounts of property wealth.

The preliminary recapture payment of \$606.3 million for FY2020-21 is a \$5.9 million decrease when comparing to the projected FY2019-20 amount of \$612.2 million. Over 56.0 percent of local tax revenue collected will be subject to recapture. This adds additional pressure on AISD's budget.

In FY2019-20, AISD will have an estimated recapture payment of \$612.2 million. This amount is expected to decrease in FY2020-21 as a result of projected taxable property value and declines in enrollment. From FY2005-06 to FY2019-20, AISD will pay \$4.0 billion in recapture payments. AISD is the single largest taxpayer into the recapture system. Forecasts indicate that recapture will continue to increase every year in the near future.

Chapter 49 Payments FY2012-2021



*FY2020 data is based on the Projected value.

**FY2021 data is based on the Preliminary value.

The Impact of Recapture

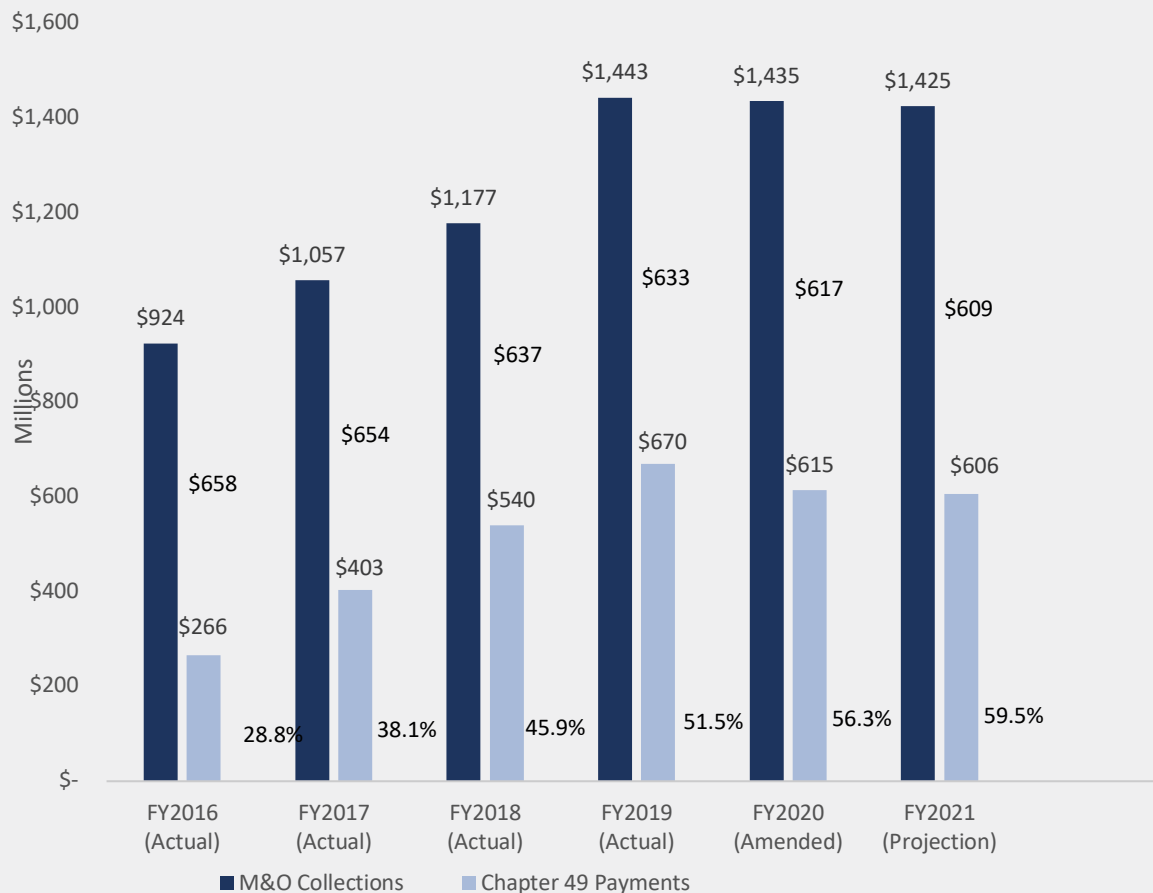
Rising appraisal values come with increases in tax payments for the average homeowner. While there is an assumption that AISD benefits from the increase in revenue from property tax collections, that is not entirely the case. Austin is defined as a Recapture district through the Chapter 49 provision under Texas Education Code. Recapture attempts to equalize school district spending by recapturing local tax dollars from “property-rich” districts and redistributing funds to “property-poor” districts.

Among Recapture districts, AISD is the single largest payer of Recapture, representing approximately 24.0 percent of the total \$2.8 billion collected by the state in FY2018-19. Under the state’s “recapture” law, the district will be required to send a projected \$612.2 million to the state in FY2019-20 and \$606.3 million for FY2020-21. Even though AISD is considered “property wealthy” under recapture, AISD serves a more diverse student population with costlier educational needs than the typical Recapture district. Over 40 percent of the students that AISD serves meet the federal definition of poverty and are considered economically disadvantaged, and 27 percent have limited English proficiency.

From FY2005-06 through FY2020-21, AISD will pay the state over \$4.0 billion in recapture payments, all of which comes from tax dollars generated in Austin. Recapture is projected to become a larger percentage of overall tax collections in future years. In FY2019-20, nearly half of every tax dollar collected went to

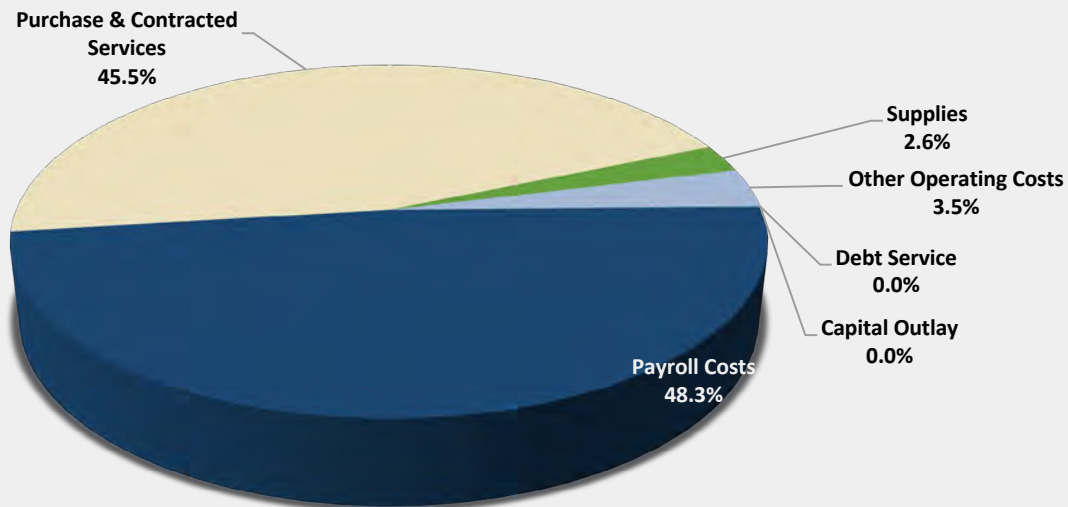
the state. This number displays a slight decrease in FY2020-21- with almost 47 percent being given to the state. Therefore, it is important to realize increases to taxpayers' annual property tax bills do not necessarily translate into more revenue for the district, which is represented in the graph below.

M&O Tax Collections Subject to Recapture (Chapter 49)



A Business of People

A school system is an enterprise that is highly dependent on human capital. In AISD, when recapture is excluded, 85.1 percent of the budget is spent on personnel costs. Object class categories provide insight on the type of expenditures that are planned for the upcoming budget year. Payroll costs are the largest expenditure in the general fund.



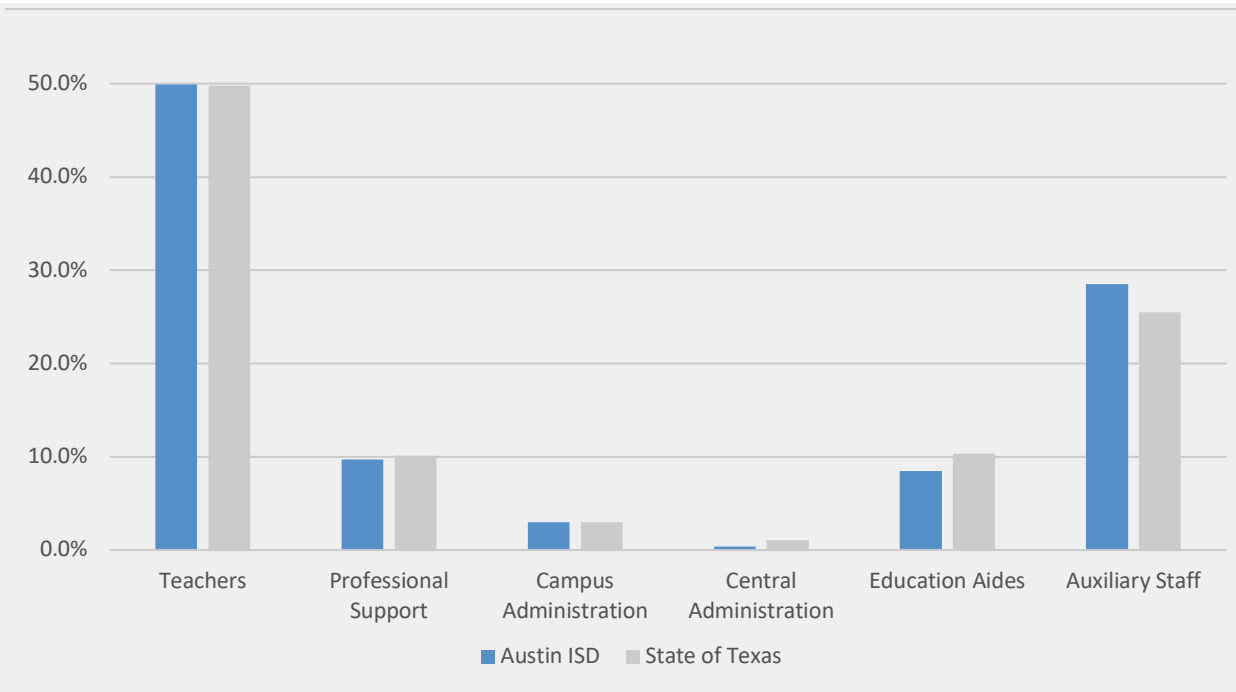
General Fund by Major Object (in millions)	FY2020 Adopted Budget	FY2021 Preliminary Budget	\$ Change	% Change
Payroll Costs	\$696.0	\$712.9	\$17.0	2.4%
Purchase & Contracted Services	684.1	671.9	(12.3)	(1.8%)
Supplies	26.9	37.9	11.0	41.1%
Other Operating Costs	16.6	52.2	35.6	214.1%
Capital Outlay	0.5	0.6	0.2	35.6%
Debt Service	0.5	0.5	(0.0)	(0.0%)
Totals	\$1,424.5	\$1,476.0	\$51.5	3.6%

Positions by Type

The FY2020-21 Preliminary Budget accounts for 11,380 full-time equivalents (FTEs), a decrease of 70 FTEs from FY2019-20 levels of 11,450 FTEs. AISD's workforce is comprised primarily of teachers, representing 49.9 percent of all positions. Education aids and auxiliary staff represent 8.5 percent and 28.5 percent, respectively. Central administration staff represents less than 1 percent of the workforce. Staff projections are based on maintaining a 22:1 student-teacher ratio at the K-4 elementary level.

AISD's staffing is in line with total average staffing in other central Texas school districts and the state. In FY2018-19, the most recent year comparative data is available, AISD staffing for central administration was relatively low, despite public perception.

Positions by Type	Austin ISD	State of Texas
Teachers	49.9%	49.8%
Professional Support	9.7%	10.1%
Campus Administration	3.0%	3.0%
Central Administration	0.4%	1.1%
Education Aides	8.5%	10.3%
Auxiliary Staff	28.5%	25.5%



Governmental Funds

AISD's budget is organized in the following fund categories:

The General Fund pays for salaries and benefits, classroom resources, campus cleaning and landscaping, transporting students, paying utility bills, providing clerical and administrative support— all the things schools and support centers need to operate on a daily basis.

The Food Service Fund pays for the operation of the district's food service program.

The Debt Service Fund pays the debt on bonds previously approved by district voters for building construction and renovation.

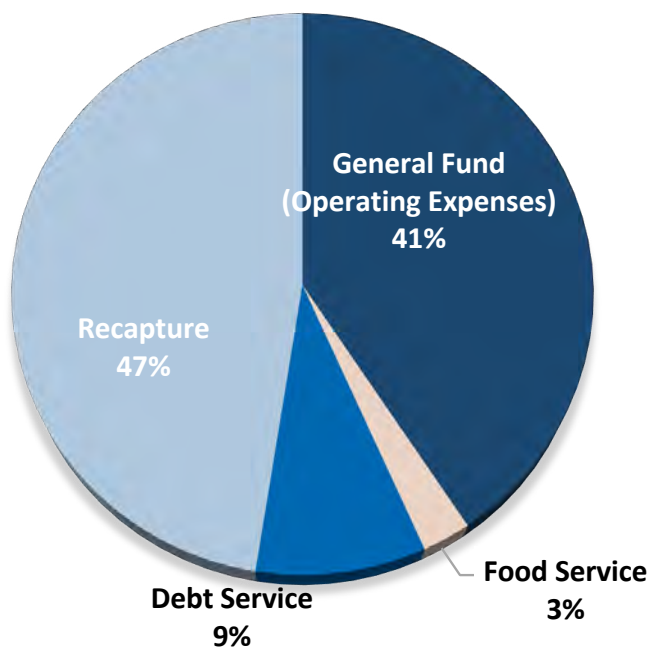
Special Revenue Fund – Accounts for the proceeds of specific revenue sources such as federal categorical, state or locally financed programs where unused balances are returned to the grant. These funds are tied to specific programmatic deliverables and expenditure restrictions.

The Capital Projects Fund pays for construction and renovation projects in district facilities.

The expenditure budget, on which the Board of Trustees is required to take action, comprises the three primary funds, known as the Governmental Funds (general, food service and debt service funds). Special Revenue Funds and Capital Funds are not being presented, as they are approved separately, when final grant awards are made. Capital Funds have been previously authorized through the bond election process.

The proposed expenditure budget for the three primary funds totals \$1.6 billion. The fund balance will be used to make up for shortfalls in revenue on the General Fund.

Fund	Revenue	Expenditures
General Fund	\$1,425.8	\$1,474.8
Food Service	\$44.1	\$44.1
Debt Service	\$153.5	\$153.5
(in millions)	\$1,623.3	\$1,672.4



General Fund

The following report reflects three years of actual prior year data, the current year adopted budget and the preliminary FY2020-21 budget.

General Service Fund

Statement of Revenues, Expenditures by Object, and Changes in Fund Balance

For School Year FY2020-21 with Comparative Data for Prior Years

(in millions)

	FY2018 Actual	FY2019 Actual	FY2020 Adopted	FY2021 Preliminary
Revenues				
5700 Local Sources	\$1,200.6	\$1,322.8	\$1,346.3	\$1,328.4
5800 State Sources	63.6	77.6	53.0	73.7
5900 Federal Sources	30.0	38.9	23.8	23.7
Total Revenues	1,294.2	1,439.2	1,423.1	1,425.8
Expenditures by Function				
6100 Payroll Costs	\$661.3	\$654.3	\$696.0	\$722.0
6200 Professional & Contracted Svcs.	62.8	55.8	71.9	65.5
6300 Supplies & Materials	28.4	29.8	28.3	37.5
6400 Other Operating Expenses	16.0	17.1	16.6	51.4
6500 Debt Service	0.5	0.5	0.5	0.5
6600 Capital Outlay	1.8	1.5	0.5	0.6
Total Operating Expenditures	770.9	758.9	813.8	877.5
Recapture	540.3	670.8	612.2	606.3
Excess (Deficiency) of Revenues Over Expenditures	(17.0)	9.5	(2.8)	(58.1)
Other Financing Sources (Uses)				
7900 Other Resources	0.1	0.0	0.1	0.1
8900 Other Uses	0.3	(5.0)	(0.3)	(0.2)
Total Other Financing Sources (Uses)	0.4	(5.0)	(0.3)	(0.2)
Net Change in Fund Balances	(\$16.5)	\$4.5	(\$3.1)	(\$58.3)
Projected Hiring Lag & Unspent at year end		\$8.0		\$9.0
Fund Balances- Beginning	\$301.6	\$285.0	\$297.6	\$294.5
Fund Balances - Ending	285.0	297.6	294.5	245.2
Less Nonspendable	(0.2)	(0.2)	(0.2)	(0.2)
Less Committed	(5.0)	(5.0)	(5.0)	(5.0)
Less Assigned Fund Balance	(13.0)	(13.0)	(13.0)	(13.0)
Ending Fund Balance - Unreserved	\$266.8	\$279.3	\$276.2	\$226.9
Ending Unreserved Fund Balance as a Percent of Total Budgeted Expenditures	34.6%	36.8%	33.9%	25.9%

Food Service Fund

The Food Service budget encompasses year-round meal and snack services to students. During the regular school term, the district's food service staff prepares and serves approximately 4.1M breakfasts, 6.8M lunches, 588K after school meals and 103K after school snacks, totaling over 11.7M annual meals, at 121 locations throughout the district. Over 25K students start their day with breakfast in the classroom, hot and cold meal options delivered by Food Service staff. To further, expand healthy food access, 83 campuses offer free breakfast and lunch to all students under the Community Eligibility Provision (CEP). CEP provides reimbursements at the free rate per meal for all students at the campus, and helps to stabilize eRate and CompEd funding for four years. The Food Service Department also operates a significant summer meals program, which services the numerous academic-related programs that operate during June, July and August. The United States Department of Agriculture's meal price equity provision allows for a waiver of the requirement to raise meal prices in FY2020-21.

Statement of Revenues, Expenditures by Object, and Changes in Fund Balance For School Year FY2020-21 with Comparative Data for Prior Years

	(in millions)			
	FY2018 Actual	FY2019 Actual	FY2020 Adopted	FY2021 Preliminary
Revenues				
5700 Local Sources	\$7.9	\$7.4	\$6.5	\$6.7
5800 State Sources	1.2	1.3	1.2	1.2
5900 Federal Sources	29.4	30.4	33.2	36.2
Total Revenues	38.4	39.1	40.9	44.1
Expenditures by Object				
6100 Payroll Costs	\$22.3	\$22.7	\$23.4	\$25.0
6200 Professional & Contracted Svcs.	0.5	0.5	0.6	0.9
6300 Supplies & Materials	15.8	15.5	16.5	17.9
6400 Other Operating Expenses	0.0	0.1	0.1	0.1
6600 Capital Outlay	0.1	0.5	0.3	0.3
Total Expenditures	38.8	39.2	40.8	44.1
Excess (Deficiency) of Revenues Over Expenditures	-\$0.4	-\$0.1	\$0.1	\$0.0
Other Financing Sources (Uses)				
7900 Other Resources				
8900 Other Uses				
Total Other Financing Sources (Uses)	\$0.0	\$0.0	\$0.0	\$0.0
Net Change in Fund Balances	-\$0.4	-\$0.1	\$0.1	\$0.0
Estimated outstanding purchase orders and unspent balances at year end	\$0.0	\$0.0	\$0.0	\$0.0
Fund Balances- Beginning	\$5.2	\$4.8	\$4.7	\$4.8
Fund Balances - Ending	4.8	4.7	4.8	4.8
Less Assigned Fund Balance	.0	0	0	0
Ending Fund Balance - Unreserved	\$4.8	\$4.7	\$4.8	\$4.8
Ending Unreserved Fund Balance as a Percent of Total Budgeted Expenditures	12.4%	12.0%	11.8%	10.9%

Debt Service Fund

The Debt Service Fund includes the annual payments for commercial paper and the fixed -rate debt. It is supported with revenue from the I&S tax rate, which is not subject to recapture. The Debt Service tax rate is projected to remain flat from the FY2017-18 level of \$0.113 per \$100 of taxable value in FY2020-21.

The following table depicts the Debt Service rate at status quo; any change in the Debt Service rate would also change the below information.

Debt Service Fund				
Statement of Revenues, Expenditures by Object, and Changes in Fund Balance				
For School Year FY2020-21 with Comparative Data for Prior Years				
	(in millions)			
	FY2018 Actual	FY2019 Actual	FY2020 Adopted	FY2021 Preliminary
Revenues				
5700 Local Sources	\$125.3	\$138.4	\$151.1	\$153.0
5800 Other Rev from T.E.A.	.6	.9	.5	.5
5900 Federal Sources	.9	.0	.0	.0
Total Revenues	126.8	139.3	151.6	153.5
Expenditures by Object				
6511 Bond Principal	\$65.5	\$66.9	\$97.5	\$98.0
6521 Bond Interest	42.7	43.4	51.4	52.7
6599 Other Debt Serv Fees	.6	2.7	2.8	2.8
Total Expenditures	108.7	112.9	151.6	153.5
Excess (Deficiency) of Revenues Over Expenditures	\$18.1	\$26.4	\$0.0	\$0.0
Other Financing Sources (Uses)				
7900 Other Resources	\$0.0	\$337.2	\$0.0	\$0.0
8900 Other Uses	(26.0)	(360.0)	0.0	0.0
Total Other Financing Sources (Uses)	-\$26.0	-\$22.8	\$0.0	\$0.0
Net Change in Fund Balances	(\$7.9)	\$3.5	\$0.0	\$0.0
Fund Balances- Beginning	\$142.9	\$135.0	\$138.5	\$138.5
Fund Balances - Ending	135.0	138.5	138.5	138.5
Less Assigned Fund Balance	0.0	0.0	0.0	0.0
Ending Fund Balance - Unreserved	\$135.0	\$138.5	\$138.5	\$138.5
Ending Unreserved Fund Balance as a Percent of Total Budgeted Expenditures	124%	123%	91%	90%

Going Forward

State Funding

The 87th legislative session will begin January 12, 2021. The Board will take action on the district's legislative priorities for the 87th legislative session in late summer or early fall 2020. These priorities are used to educate lawmakers and the public about issues of importance to our district during the upcoming legislative session.

While redistricting will be the dominant topic for legislators, sustainable state funding provided under HB 3 last session will be critical for future years.

Legislative Issues at Austin ISD

School Finance

- A state system of public school finance that keeps all local property taxes in public education and a constitutional amendment that allows voters to decide whether to return State funding to at least 50 percent of the cost of maintaining and operating public schools.
- A state system of public school finance in which the amount of the basic allotment is tied to increases in property tax growth, calculated on, at a minimum, a biennial basis.
- A state system of public school finance that removes restrictions on the use of appropriated funds and permits local school districts the flexibility to allocate such funds, specifically bilingual and compensatory education allotments, toward teacher salaries or other uses the district deems necessary to satisfy accountability requirements.
- A state system of public school finance that increases sustainable state revenue sources, to reduce the current overreliance on local property taxes as a revenue source.
- A state system of public school finance that freezes or limits the amount of recapture collected by the state under Chapter 49, Texas Education Code.
- A state system of school finance that provides an allotment for districts that are required to participate in the Social Security retirement program, gives credit when determining a Chapter 49 district's recapture payment, or adds the payment of Social Security as a factor in determining a district's cost of education index.
- A state system of public school finance that accurately reflects the cost of education, in the basic allotment, cost of education index, and funding weights, and that is updated at regular intervals.
- A state system of public school finance that provides state formula funding for programs in which public school students are enrolled and receive credit in college courses, including dual credit, early college high school, and P-TECH programs.
- A system of public school finance that provides more state funding to districts which allow students to earn associate degrees.
- A system of public school finance that provides state funding to reward high schools which earn an academic distinction in post-secondary readiness.
- A state system of public school finance that provides funding for career and technical education for students in 6th through 8th grades.
- Expansion of the eligible grantees of the Texas Workforce Commission Skills Development Fund to include school districts and an increase in state funding to accommodate such grants.
- A state system of public school finance that provides weighted career and technical education funding for technology applications.
- A more simple and transparent system of public school finance.
- A state system of public school finance that provides adequate transportation funding for all districts, including Chapter 41 districts.
- Exemptions for public school buses from paying

- tolls for use of toll roads operated by the state and regional mobility authorities, or their contractors.
- Funding for full-day pre-kindergarten.

Budget Stabilization Task Force

The ad-hoc Budget Stabilization Task Force convened bi-monthly from June through November 2018 to assist the district in exploring a broad range of actions the district could take to balance the budget in the next two to three years.

The Task Force was comprised of AISD parents, community members, a high school student, and AISD staff. Membership was a combination of Board nominated and self-nominated individuals with the intent of ensuring representation from diverse backgrounds, perspectives and expertise, reflective of the AISD community at large.

Members committed to delve deeply into the district budget to allow for robust dialogue and analysis of district spending and budget priorities. The scope of their work included evaluating the alignment of budget investments and potential divestments with the district's strategic plan, considering the potential effects of resource reallocations and increased efficiencies. The group also explored additional revenue opportunities.

Their charge was to:

- Review and carefully consider broad stakeholder input
- Review and carefully consider pertinent data and information
- Discuss a broad range of possible actions to stabilize the district's budget
- Develop recommendations to enable the district to meet its financial obligations and remain in alignment with its stated priorities and strategic direction

The Task Force submitted their final report in January 2019. The district is working to reconcile the work of the BSTF, along with feedback from district staff and the broader community as part of its ongoing austerity planning. Some BSTF recommendations have been implemented for the 2019-20 budget including efficiencies in central departments, transportation and information technology. Other recommendations will require further analysis by the district in collaboration with the standing Budget and Finance Advisory Committee. AISD leaders are preparing a formal, line-item response.

Austin ISD Board of Trustees



Austin ISD Board of Trustees

Kristin Ashy, District 4; Ann Teich, District 3; Amber Elenz, SECRETARY, District 5; Yasmin Wagner, District 7; Geronimo M. Rodriguez Jr., PRESIDENT, District 6; Cindy Anderson, VICE PRESIDENT, At-Large 8; LaTisha Anderson, District 1; Arati Singh, At-Large 9; Jayme Mathias, District 2.

Milestones of the FY2020 Budget Process

October 2018

- Board Adopts FY2019-20 Budget Development Calendar

February 2019

- FY2019-FY2021 Forecast

April / May 2019

- Travis Central Appraisal District provides Preliminary Appraisal Values
- Superintendent presents the FY2020-21 Preliminary Budget to the Board, Public and Media
- Community Meetings on the FY2020-21 Preliminary Budget
- Superintendent presents the FY2020-21 Recommended Budget to the Board, Public and Media

June 2019

- Board Conducts Public Hearing on Proposed Budget and Tax Rate
- Board Adopts the FY2020-21 Budget

July 2019

- Travis Central Appraisal District (TCAD) Certifies Appraisal Values

August 2019

- Board Adopts the FY2019-20 Tax Rate



AISD at a Glance



Fact Sheet 2019-2020 School Year

Campuses

■ High Schools	17
▲ Middle Schools	18
● Elementary Schools	84
● Other Campuses	10
Total	129

Student Enrollment¹

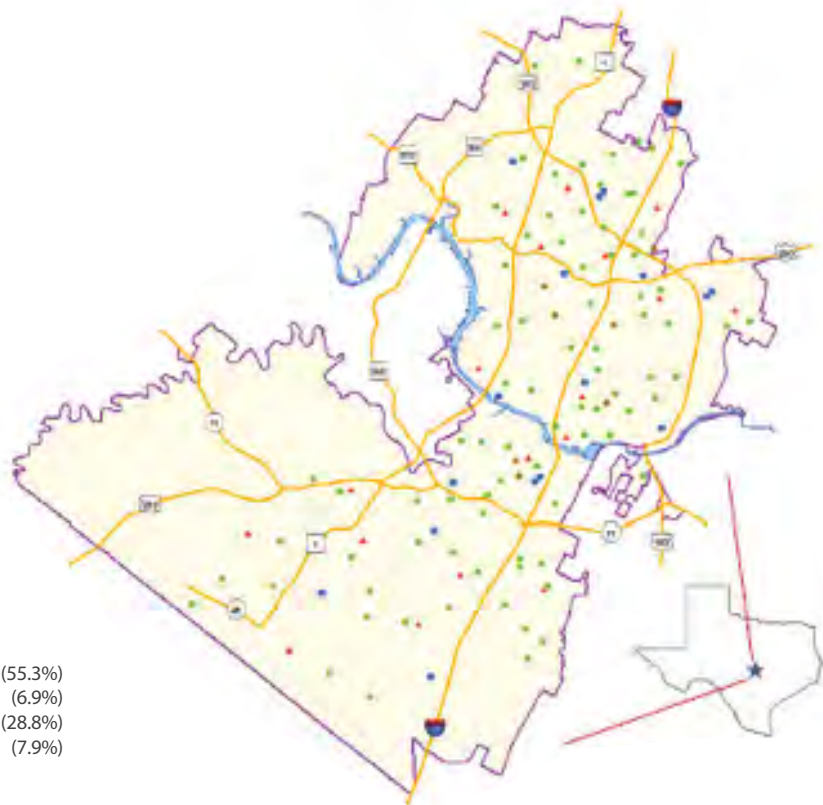
Hispanic	44,724	(55.3%)
African American	5,615	(6.9%)
White	24,147	(28.8%)
Other	6,414	(7.9%)
Total	80,900	

English Language Learner (ELL)	22,734	(28.1%)
Economically Disadvantaged (EcD)	42,507	(52.5%)
Special Education (SpEd)	10,459	(12.9%)

AISD Points of Pride

- ★ The Texas Education Agency has awarded 123 Distinction Designations for Outstanding Performance to 51 AISD schools.
- ★ AISD continues to exceed state and national averages on both the SAT and ACT.
- ★ In math and reading, AISD 4th and 8th grade students continue to rank high among their peers in large urban school districts on the National Assessment of Education Progress.
- ★ U.S. News and World Report has ranked AISD's Liberal Arts and Science Academy, Ann Richards School for Young Women Leaders and Bowie among the best high schools in the nation.
- ★ AISD continues to maintain a graduation rate of over 90%.
- ★ AISD has 43 National Merit Finalists, 90 National Merit Commended Students, 57 National Hispanic Recognition Program Scholars, and 7 Presidential Scholar Candidates.
- ★ AISD has 229 National Board Certified Teachers - more than any school district in Texas.
- ★ AISD is the largest school district in the nation to earn the Anti-Defamation League's "No Place for Hate" designation.
- ★ AISD has the highest bond and State Finance Accountability ratings that districts can earn in Texas. This reflects AISD's stable financial management debt profile, and saves Austin taxpayers.

1. PE/MS Snapshot (Preliminary Data), November 2019
2. AISD Human Resources Department, November 2019
3. AISD Finance Department, November 2019
4. American Community Survey (U.S. Census Bureau, 2018)



AISD covers an area of 230.3 square miles, and is located in Central Texas along the Colorado River, within Travis County and the capital city of Austin.

Employees²

Teachers	5,533	(48.5%)
Other Professionals	1,465	(12.8%)
Educational Aides	1,067	(9.3%)
Auxiliary	3,364	(29.4%)
Total	11,429	

Budget³

Operations	\$1,425,976,287	(88.1%)
Food Service	\$40,793,680	(2.5%)
Debt Service	\$151,615,323	(9.4%)
Total	\$1,618,385,290	

State Recapture	\$612,166,160
Net Operations	\$813,810,127
Total Tax Rate	\$1,192 / \$100 valuation

Population within AISD Boundaries⁴

Total Population = 749,485
 Average Household Size = 2.35
 Home Language Not English = 29.2%
 Foreign Born = 15.9%
 Median Household Income = \$69,360
 Below Poverty Level = 15.0%
 Median Home Value = \$376,000
 Median Monthly Rent = \$1,315.00
 Renter Occupied Housing = 55.9%
 Different Residence 1 Year Ago = 21.5%
 Age 25+ with Bachelor's Degree or Higher = 54.0%
 Median Age = 33.8

Glossary of School Budget & Finance Terms

ADA A count of students in average daily attendance. This is the basic figure that determines how much revenue a school district receives from the state on a per-pupil basis. Districts receive additional per-pupil revenue depending on the characteristics of the student or district (see WADA).

AMENDED BUDGET Adopted budget plus/minus budget revisions.

ASSIGNED FUND BALANCE Amounts constrained by the district's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balance is designated by the Board or by those the Board authorizes to make this allocation.

BUDGET A plan of financial operation that includes proposed revenues and expenditures for a given period. AISD's annual budget cycle is currently July 1– June 30.

BUDGET AND FINANCE ADVISORY COMMITTEE (BFAC) An advisory body established by the Superintendent to provide guidance and counsel on matters of budget and finance, as determined by the district's administration.

CHAPTER 49 DISTRICT A school district with taxable property wealth exceeding \$319,500 per WADA, which is required under equalization provisions in Chapter 49 of the Texas Education Code to send part of its local tax revenue to the state for redistribution to school districts with lower taxable property wealth. AISD is a "Chapter 49 district."

COMMITTED FUND BALANCE These fund amounts can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Trustees). The purpose of the funds can be changed only by Board resolution.

DEBT SERVICE FUND Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

FIDUCIARY FUND Fiduciary fund reporting focuses on net assets and changes in net assets. Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

FISCAL YEAR A twelve-month period to which the annual budget applies and at the end of which the district determines its financial position and the results of its operations; for example, July 1 through June 30.

FUND A sum of money set aside for specific activities of a school district. The fund accounts constitute a complete entity and all of the financial transactions for the particular fund are recorded therein.

FUND BALANCE A measure of net financial assets, after liabilities have been subtracted from assets. A positive fund balance means there are more assets than liabilities; a negative fund balance means just the opposite. The fund balance comprises five different categories of funds: nonspendable, restricted, committed, assigned, and unassigned.

GENERAL FUND The general fund serves as the main fund for the school district. It is used to account for all financial resources except those required by the state to be accounted for in another fund.

GOVERNMENTAL FUND Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

MAINTENANCE & OPERATIONS (M&O) District income from local and personal property taxes that is used for the General Fund.

NONSPENDABLE FUND BALANCE Non-spendable funds cannot be spent because they are either: not in spendable form (i.e., not expected to be converted to cash); inventory; prepaid expenditures; long-term receivable and loans; or property acquired for sale (unless proceeds are restricted, committed or assigned) and legally or contractually required to be maintained intact (e.g., the principal of a permanent fund).

PROPRIETARY FUND Proprietary fund reporting focuses on the determination of net income, changes in net assets (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

RESTRICTED FUND BALANCE These fund amounts have external constraints, such as those imposed by creditors, grantors, contributors, or laws/regulations of other governments, or those imposed by law through constitutional provisions or enabling legislation.

UNASSIGNED FUND BALANCE Amounts comprising all the remaining fund balance not classified as non-spendable, restricted, committed or assigned.

WADA (Weighted Average Daily Attendance) An adjusted student count, prescribed by state law, which directs additional per-pupil revenue to school districts according to certain student and district characteristics. Students served by special education, English-language learners, and students who are economically disadvantaged, for example, are 'weighted' by a factor ranging from 1.1 to 5.0 times the 'regular' program weight, which draws additional state funding designed to meet the higher costs of their educational needs. Examples of district characteristics that may increase the weighted student count include adjustments for small school districts and rural or sparsely populated districts.