



Arlington
 INDEPENDENT SCHOOL DISTRICT
More Than a Remarkable Education

**Financial Futures Committee
 December 12, 2017
 6:00 pm, Mac Bernd Professional Development Center**

WELCOMEDavid Wilbanks
 FFC Chairperson

COMPENSATION & STAFFING.....
 Cindy Powell, Chief Financial Officer
 Scott Kahl, Assistant Superintendent of Human Resources

PREPARATION OF FFC REPORT TO BOARD OF TRUSTEES.....David Wilbanks

Schedule January date to prepare report
 Report to Board of Trustees – February 1 or 15 (when report is ready)

APPLICATIONS FOR FFC POSITIONS.....Cindy Powell

CLOSING THOUGHTS.....David Wilbanks



Staffing & Compensation

December 12, 2017



FFC Purpose

- to provide findings and recommendations from community stakeholders to the Board of Trustees (“Board”) relating to ***budgets and long-range financial planning*** to support the District’s Strategic Plan.



FFC Charge

- Review external and internal data on issues relating to Texas public education, including the ***school finance*** and ***accountability systems*** and Texas bond election laws, to understand how those issues affect AISD's budget, tax rates and long-range financial planning.
- Review the District's ***strategic plan*** to understand the impact that the strategic plan may have on the budget, tax rates and long-range financial planning.
- Review the ***current general operating budget*** to gain an understanding of cost drivers and financial trends.

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FFC Charge

- Review data including, but not limited to, the following topics in order to assess the impact on AISD budgets and provide input, as appropriate:
 - Enrollment trends and projections
 - Property value trends and projections
 - Academic Services priorities and operational efficiency priorities presented to the Committee by the AISD administration
 - ***Current staffing methods*** in relation to state education law and current administration protocol
 - ***Compensation*** and benefits, including available salary market information, health insurance and wellness plan
 - Operating costs associated with bond projects

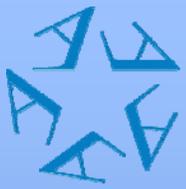
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FFC Charge

- Present advisory, consensus reports and recommendations to the administration and Board ***annually or more frequently, if necessary***, regarding the AISD budget and long-range financial plans.

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Big Picture

- Long-range planning must consider strategic plan, budget, legislative actions & inactions, program offerings & designs, facility needs



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FFC Review

FFC Meeting	Topics Covered
3-28-17	Review of General Operating Budget
4-11-17	<ul style="list-style-type: none"> ▪ Texas School Finance System ▪ Property Values
5-15-17	<ul style="list-style-type: none"> ▪ Strategic Plan: Strategies & Activities for 2017-18 ▪ Financial Comparison Data
8-15-17	<ul style="list-style-type: none"> ▪ Overview of 2017-18 Budget & Tax Rate ▪ Legislative Update (<i>no additional state aid approved</i>)
10-10-17	Enrollment Trends & Enrollment Management
12-12-17	Staffing and Compensation

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Achieve Today. Excel Tomorrow. Strategic Plan

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Budget Parameters Board Policy CE (LOCAL)

- Target resources to support achievement growth
- *Competitive compensation*
- *Staffing ratios approved before staffing process begins*
- Balanced budget with limited use of fund balance
- Prioritize budget reductions with least negative impact on classroom

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Board Policy CE (LOCAL)

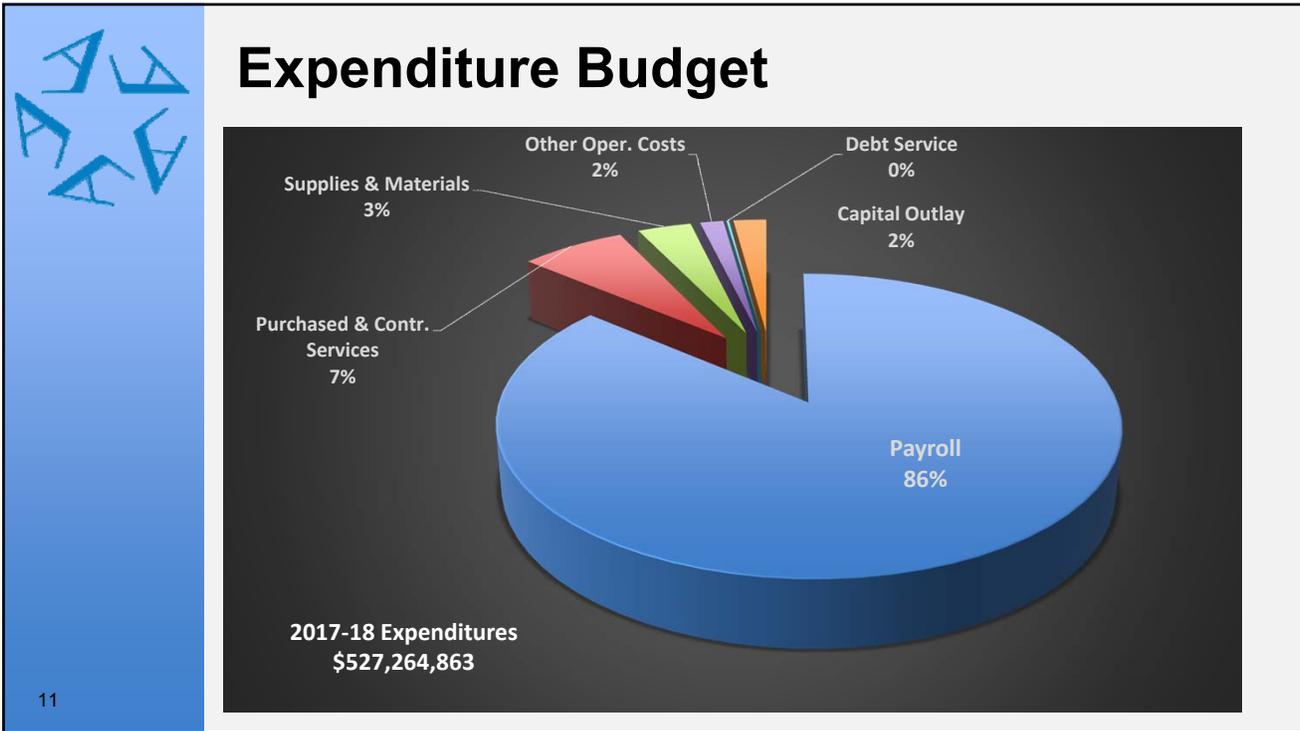
Competitive Compensation:

“The Board seeks to maintain competitive compensation levels in an effort to recruit and retain a highly qualified workforce and shall consider adjustments necessary for the District to be competitive in this area.”

Staffing Ratios:

“Staffing ratios shall meet or exceed state standards and shall be approved by the Board before the staffing process begins.”

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**2017-18 Adopted Budget
General Fund Budget**

	2016-17 Original Budget	2016-17 Actual	2017-18 Adopted Budget	Diff. From 16-17 Orig. Budget
Beginning Fund Balance	\$204,724,888	\$204,724,888	\$194,182,743	
Revenues	\$497,219,744	\$515,346,024	\$497,836,694	\$616,950
Expenditures	<u>\$511,854,280</u>	<u>\$501,541,438</u>	<u>\$516,517,343</u>	<u>4,663,063</u>
Operating Surplus/(Deficit)	(\$14,634,536)	\$13,804,586	(\$18,680,649)	(\$4,046,113)

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2017-18 Adopted Budget General Fund Budget				
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Operating Surplus/(Deficit)	(\$14,634,536)	\$13,804,586	(\$18,680,649)	(\$4,046,113)
Capital Projects from Surplus Fund Balance <i>(Sam Houston 9th Grade Center, Property Acquisition)</i>	<u>\$17,100,000</u>	<u>\$19,076,239</u>	<u>\$10,747,520</u>	<u>(\$6,352,480)</u>
Net Surplus/(Deficit)	(\$31,734,536)	(\$5,271,653)	(\$29,428,169)	\$2,306,367
Ending Fund Balance	\$172,990,352	\$199,453,235	\$164,754,574	



Key Points

Strategic Plan

- Success depends on effective teaching and leadership
- Relevant, innovative and rigorous learning experiences
- Align resources, including staffing, to curriculum outcomes and instructional priorities

Budget Control

- Staff tightly to enrollment projections (i.e., “right-size” staff to enrollment) to manage the budget
- Competitive, responsible compensation

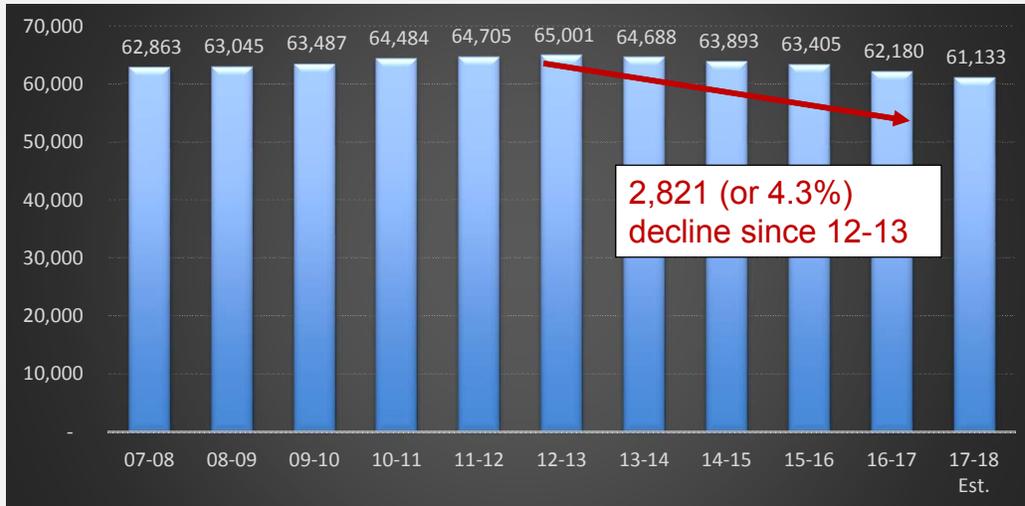
Staffing

- Campus staffing is based on district enrollment projections and is a formulaic process.
- Exceptions are made where appropriate to address special circumstances

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Student Enrollment History



Data Source: Fall PEIMS submissions

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General Fund Highlights

- Net change in staff FTEs:
 - *Campus staffing formulas* (195.9)
 - *Gifted & Talented teachers* 17.0
 - *Dan Dipert Career Tech Center* 13.0
 - *STEM lab managers* 34.0
 - *Administrative Recommendations* 22.0*
 - **Net Reduction** (109.9)

* Including 3 positions that have \$0 impact on budget because their cost will be completely offset by reductions in contracted services or workers compensation.

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Compensation

Scott Kahl

Assistant Superintendent of Human Resources

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PAY SYSTEM OBJECTIVES

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Recruit Employees <ul style="list-style-type: none"> – Competitive entry rates – Competitive pay for experienced new hires | <ul style="list-style-type: none"> • Pay for Job Value <ul style="list-style-type: none"> – Maintain fairness – Prevent overpayment or underpayment |
| <ul style="list-style-type: none"> • Retain Employees <ul style="list-style-type: none"> – Pay increases – Market competitive | <ul style="list-style-type: none"> • Control Costs <ul style="list-style-type: none"> – Salary plan and increases driven by budget |

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Pay System Basics

- Salary schedule is organized by different employee groups
 - Teachers, administrative/professional, educational aides, technology, administrative support, auxiliary
- Separate pay grades within each group
- Each pay grade has a salary/wage range representing market value
 - Minimum, mid-point, maximum
 - Mid-point represents market median for each pay grade
- Positions are assigned to the pay grade reflecting market value

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Pay System Review

- Performed annually in conjunction with TASB
 - Salary range adjustments are made, as appropriate, to reflect market
- The goal of this study is a balance between internal equity and external competitiveness
 - Compensation Objectives
 - Employer of Choice
 - Offerings that distinguish AISD from other districts
 - Market Competitiveness
 - Strive to pay at market
 - Compensation Components
 - Benefits/incentives that provide balance to salaries

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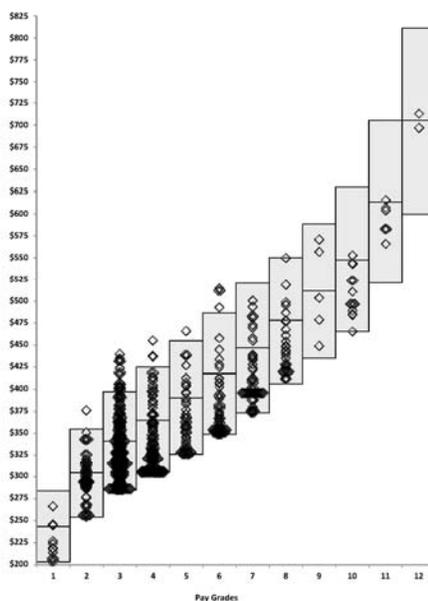
2016-17 AISD Salary Market Comparison



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Current Pay vs. Current Structure - Administrative Professional
Arlington ISD



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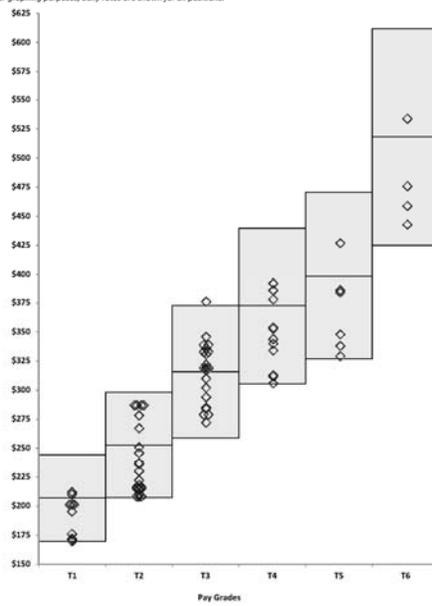


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Current Pay vs. Current Structure - Technology

Arlington ISD

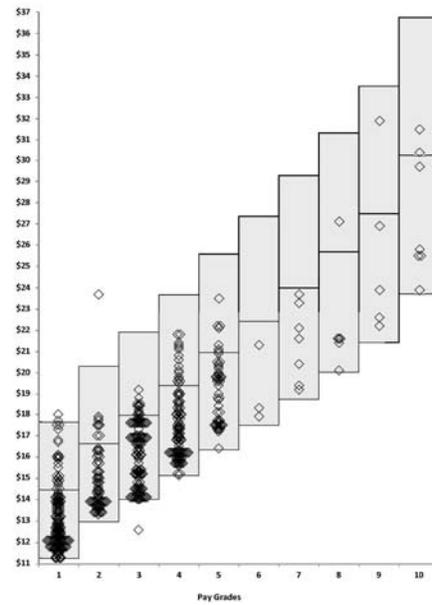
For graphing purposes, daily rates are shown for all positions.



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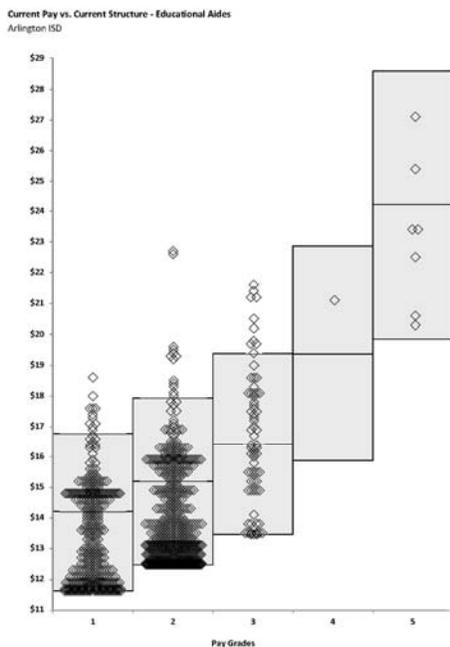
Current Pay vs. Current Structure - Administrative Support

Arlington ISD

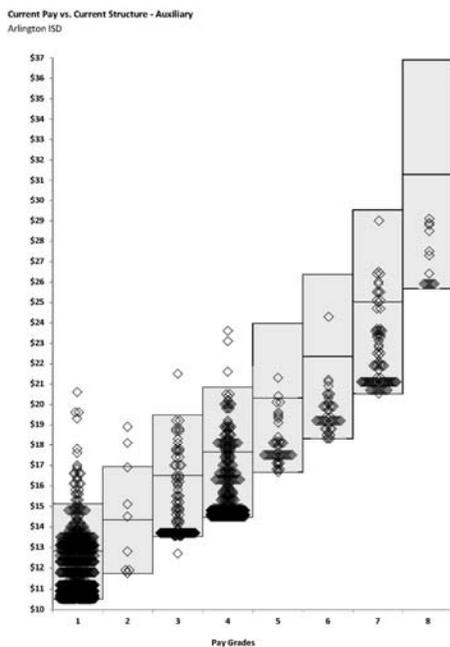




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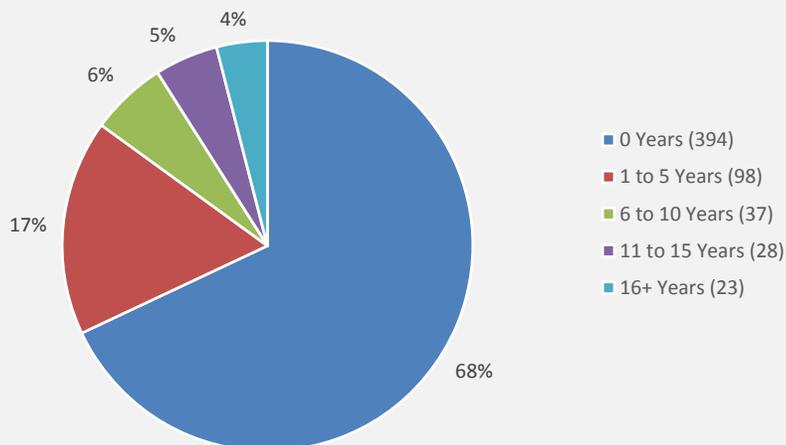
2017-18 Salary Increases

- A 2.25% increase was granted to all employees
- Returning teachers and librarians with 8-18 years of experience were granted equity adjustments to close the gap with comparison districts by 50%

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Total Experience of Newly Hired Teachers, Librarians, and Nurses, 2016-2017



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Annual Considerations

- Market analysis and salary range modification
- Market analysis of stipends
- New positions
 - Academic Services Priorities
 - Operations
 - New Facilities
- Salary increases to effect market competitiveness
 - 1% salary increase costs \$3.7 million based on actual salaries
 - 1% salary increase costs \$4.0 million based on mid-point
 - Ongoing review of competitive starting rates and equity
- Targeted reviews/adjustments to address specific recruitment & retention challenges
- Benefits – TRS options; ACA Compliance

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Staffing Ratios

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Overview

- Campus administration and district departments (Human Resources, Curriculum & Instruction and Finance) work collaboratively to ensure staffing is aligned with the priorities of the strategic plan.
- Student enrollment and program needs are the driving components of the staffing process.
- Staffing of teachers is based on district enrollment projections and is a formulaic process.
 - Formulas are used to staff schools equitably & to control costs

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Key Points

- Elementary staffing is driven by state compliance ratios and district initiatives
- Secondary principals have discretion in terms of subject area, how to expend local FTEs to best meet needs of individual campus
- Secondary staffing is also driven by the master schedule. Developing the master schedule at the secondary level is a very complex process with multiple variables

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2018-19 Staffing Ratios & Formulas

Campus Core

Area	2017-18 Ratio/Units			2018-19 Ratio/Units		
	Elementary	Junior High	High School	Elementary	Junior High	High School
Pre K – 4th	22:1	N/A	N/A	Unchanged	N/A	N/A
5th	26:1 (target)	N/A	N/A	Unchanged	N/A	N/A
6th	26:1 (target)	N/A	N/A	Unchanged	N/A	N/A
Elementary Art, Music, PE Assistant	1 FTE each	N/A	N/A	Unchanged	N/A	N/A
Elementary PE	1 < 800 2 ≥ 800	N/A	N/A	Unchanged	N/A	N/A
Elementary Orchestra	.4 FTE	N/A	N/A	Unchanged	N/A	N/A
Secondary Staffing	N/A	((Projected Student Enrollment x Total Class Periods) ÷ Average Students Per Class) ÷ Classes Taught By Teacher (target: 27:1)		N/A	Unchanged	
Special Education	Formulas vary by program and allow for flexibility based on student basis or programmatic needs			Unchanged		

Administrators

Position	2017-18 Ratio/Units			2018-19 Ratio/Units		
	Elementary	Junior High	High School	Elementary	Junior High	High School
Principal	1	1	1	Unchanged	Unchanged	Unchanged
Academic Dean	N/A	N/A	1	Unchanged	Unchanged	Unchanged
Assistant Principal	1 < 1,000 students	2 < 1,000 students	5 < 2,000 students	Unchanged	Unchanged	Unchanged
	2 ≥ 1,000	3 ≥ 1,000 Alt Campus = 1	6 ≥ 2,000-2,999 7 ≥ 3,000 Alt Campus = 1			
Counselor	1	350 to 1 ratio	350 to 1 ratio	Unchanged	Unchanged	Unchanged

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Campus Support

Position	2017-18 Ratio/Units			2018-19 Ratio/Units		
	Elementary	Junior High	High School	Elementary	Junior High	High School
Athletic Coord	N/A	1*	1	Unchanged	Unchanged	Unchanged
Attendance Officer	N/A	N/A	1**	Unchanged	Unchanged	Unchanged
Librarian	1	1	1	Unchanged	Unchanged	Unchanged
Library Assistant	N/A	N/A	1	Unchanged	Unchanged	Unchanged
Campus Tech Mgr	1	1	1	Unchanged	Unchanged	Unchanged
LAN Tech	N/A	N/A	1	Unchanged	Unchanged	Unchanged
Guidance Tech/ Testing Facilitator	1	1	1	Unchanged	Unchanged	Unchanged
Pre-K TA's	1/PK Teacher	N/A	N/A	Unchanged	Unchanged	Unchanged
Kinder TA's	1-4 TA's depending on # of sections	N/A	N/A	Unchanged	Unchanged	Unchanged
Secretary	1	1	1	Unchanged	Unchanged	Unchanged
Attendance Clerk	1 < 800 students	1 < 1,000 students	same as number of AP's	Unchanged	Unchanged	Unchanged
Data Clerk	2 ≥ 800	2 ≥ 1,000		Unchanged	Unchanged	Unchanged
Bookkeeper	N/A	1	2	Unchanged	Unchanged	Unchanged
PEIMS Clerk	N/A	N/A	1	Unchanged	Unchanged	Unchanged
Registrar	N/A	N/A	1	Unchanged	Unchanged	Unchanged
Nurse	1	1	1	Unchanged	Unchanged	Unchanged
SRO	N/A	.5 – 1***	1	Unchanged	Unchanged	Unchanged
Security Officer	N/A	1	Assignments based on need	Unchanged	Unchanged	Unchanged
Custodian	1 per 30,374 sf (3 FTE min)	1 per 30,374 sf (5 FTE min)	1 per 30,374 sf (12 FTE min)	Unchanged	Unchanged	Unchanged
Cafeteria Monitor	2 < 500 students	N/A	N/A	Unchanged	Unchanged	Unchanged
	3 ≥ 500 to 999					
	4 ≥ 1,000					

Adjustments to formulas may be made based on campus specific need: An adjustment to the class size ratios may be made when a principal provides a justification for the request. This request and justification are considered by a committee consisting of the appropriate Area Superintendent, the Chief Financial Officer and the Director of Human Resources - Customer Service.

* Junior High Athletic Coordinators are teachers who receive a stipend for duties

** Attendance officers serve the network, not just the high school

*** Several JH's share SRO's – Young & Boles, Bailey & Gunn

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FFC Next Steps

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Big Picture

- Long-range planning must consider strategic plan, budget, legislative actions & inactions, program offerings & designs, facility needs



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FFC Review

Meeting	Topics Covered	Key Points
3-28-17	Review of General Operating Budget	<ul style="list-style-type: none"> ▪ Revenues are determined by combination of property values, tax rate and state aid formulas ▪ Districts have limited control over revenues ▪ Align resources with priorities ▪ Payroll represents 86% of total budget
4-11-17	<ul style="list-style-type: none"> ▪ Texas School Finance System ▪ Property Values 	<ul style="list-style-type: none"> ▪ As property values increase, state aid decreases ▪ Modest growth in values if projected over next four years ▪ M&O tax rate is \$1.04 & can only be raised with voter approval thru a Tax Ratification Election (TRE) ▪ Absent additional funding from the state, districts will be forced at some point to make difficult budget choices <ul style="list-style-type: none"> ▪ Raise the M&O tax rate thru a TRE ▪ Spend fund balance ▪ Make budget reductions, which may reduce opportunities for students

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FFC Review

Meeting	Topics Covered	Key Points
5-15-17	<ul style="list-style-type: none"> ▪ Strategic Plan: Strategies & Activities for 2017-18 ▪ Financial Comparison Data 	<ul style="list-style-type: none"> ▪ Strategic Plan is organized into four performance objective categories with strategies sequenced across five years ▪ Strategies include new instructional programming including a redesign of the elementary G/T program and expanded world language programs ▪ Strategies may impact budget ▪ AISD spends less per student than state average and its 12 comparison districts ▪ AISD concentrates more of its operating expenditures on instruction than 11 of its 12 comparison districts
8-15-17	<ul style="list-style-type: none"> ▪ Overview of 2017-18 Budget & Tax Rate ▪ Legislative Update 	<ul style="list-style-type: none"> ▪ 2017-18 Budget has operating deficit of \$18.7 M ▪ Opening Career Tech Center & Ag Science Center ▪ Salary increase of 2.25% for all employees & equity adjustments for teachers with 8-18 years exp. ▪ Unassigned fund balance equals approximately 4 months of operating expenditures ▪ No new funding appropriated by 85th Legislature

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FFC Review

Meeting	Topics Covered	Key Points
10-10-17	Enrollment Trends & Enrollment Management	<ul style="list-style-type: none"> ▪ Changes in enrollment impact state aid & expenditures ▪ Enrollment has declined 4.3% since 12-13 and is forecast to continue declining ▪ Greatest decline has occurred at elementary level ▪ Competition from charters and neighboring ISDs ▪ AISD has open transfer policy & plans to eliminate all transfer fees ▪ Enrollment management strategies include staffing tightly to enrollment projects, program offerings, marketing, facilities ▪ Facilities must provide relevant learning spaces
12-12-17	Staffing and Compensation	<ul style="list-style-type: none"> ▪ Success depends on effective teaching and leadership ▪ Relevant, innovative and rigorous learning experiences ▪ Align resources, including staffing, to curriculum outcomes and instructional priorities ▪ Staff tightly to enrollment projections to manage budget ▪ Competitive, responsible compensation

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Next Steps

- FFC meets in January (committee sets date) to develop a report to present to the Board of Trustees
- Discussion to develop recommendations for report to Board:
 - What are our biggest long-range challenges?
 - How can we best address those challenges?

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Questions?