



**Financial Futures Committee
April 12, 2018
6:00 PM, Dan Dipert Career & Technical Center**

WELCOME & OPENING REMARKS David Wilbanks
FFC Chairperson

COMMITTEE INTRODUCTIONS.....David Wilbanks
FFC Chairperson

2018 FFC REPORT TO BOARD OF TRUSTEES.....David Wilbanks

INVESTMENTS IN ELEMENTARY SCHOOLS.....Cindy Powell

UPDATE ON 2018-19 BUDGET PREPARATION.....Cindy Powell

TEXAS SCHOOL FINANCE UPDATE.....Cindy Powell

AISD LEGISLATIVE ACTIVITIES.....Cindy Powell

CLOSING THOUGHTS.....David Wilbanks



Financial Futures Committee

April 12, 2018



2018 FFC Meeting Schedule

- April 12 (*meeting location: Dipert Career & Technical Center*)
- May 29
- August 7
- October 23
- December 11

All meetings will begin at 6:00 PM and will be held at the Mac Bernd Professional Development Center unless otherwise noted.



2018 FFC Report to Board

- Recommendations
 1. ...**invest in the overall elementary experience** including facilities, programs of choice, services, personnel, and marketing to counter declining enrollment trends
 2. ...continue to evaluate the cost-effectiveness of facilities, programs, personnel, and services

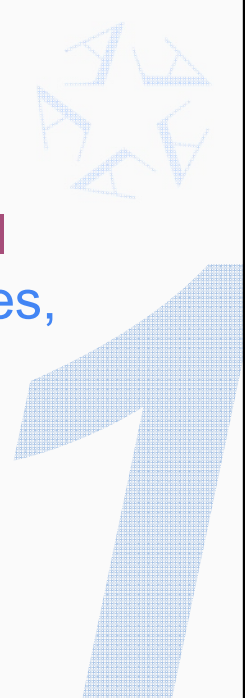


2018 FFC Report to Board

- Recommendations
 3. ...continue to provide competitive compensation and invest in leadership development to attract and retain highly qualified staff
 4. ...**decrease the I&S tax rate** and **increase the M&O tax rate**—by equal amounts; and **preserve flexibility in the I&S rate** on top of the swap to allow **for any future capital needs without** the need for **raising the I&S rate**.



RECOMMENDATION 1...



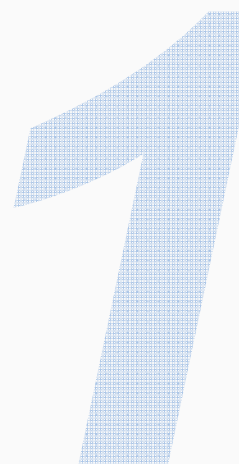
We recommend **investing in the overall elementary experience** including facilities, programs of choice, services, personnel, and marketing to counter declining enrollment trends.

FFC 2018 Recommendations

Examples:

- Elementary STEM Academy
- Full-day pre-k/expanded pre-k
- Reimagined spaces for 21st Century learning
- Foreign language offerings
- Teacher Aides to relieve teachers

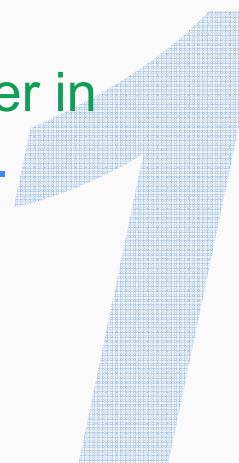
FFC 2018 Recommendations



Marketing is key!

Parents need to know the grass is greener in AISD—not on the other side of the fence.

FFC 2018 Recommendations





Elementary Investments

- Increased access to student transfers
 - Eliminated transfer fee
 - Thoughtful management of transfer requests
- Choice programs
 - Specialized program development for 2018-19 and 2019-20
- Services
 - Enhanced elementary gifted/talented program: 10 new teachers
 - Additional dyslexia resources: 4 new teachers
- Marketing
 - New position: Executive Director of Marketing & Communications
- 2014 Bond Program
- Long range capital planning



Student Transfers

	2017-18 Total Transfers	2018-19 Through Three Offers
Out-of-District	147	122
In-District	<u>355</u>	<u>529*</u>
Total Transfers	502	651

** Includes 130 students reported zoned to AISD but not attending AISD. This particular data point was not tracked prior to the 2018-19 transfer process.*

Estimated State Aid for out-of-district & zoned/not attending AISD: \$1.4 million.



Long-Range Capital Planning

- Capacity & Utilization Study
- Instructional Programming
 - Aligned to strategic plan
- Facility conditions
 - Deficiency & life cycle assessments
 - Roofs, ADA, parking/pavement replacement, landscaping
 - Kitchens
 - School replacements?
- Elementary school gyms & kindergarten pods
- Secondary school STEM labs & fine arts/dual language academy
- Principal input
- Technology needs assessment



Capital Priorities

- Capacity for projected enrollment
- Learning spaces to support instructional programming
- Protect investment in existing facilities
- Current technology
- Increase access to programs
- Excellence for all students



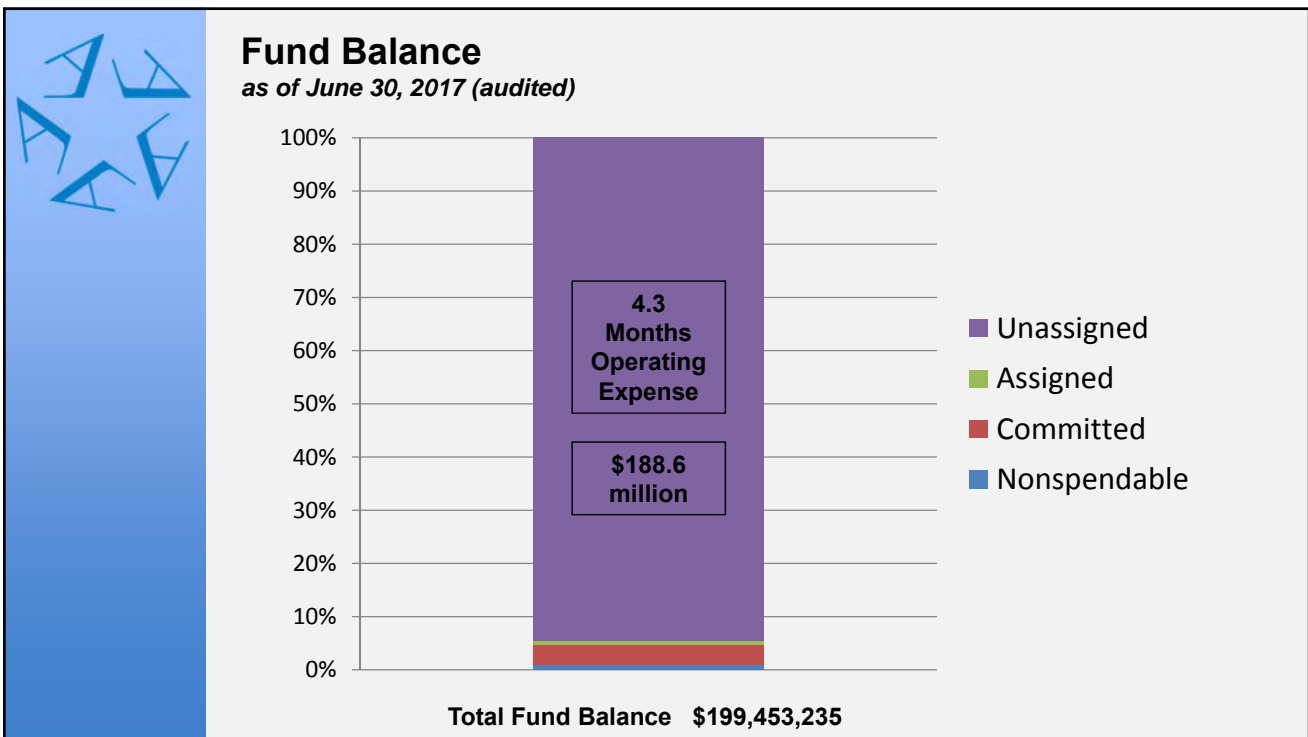
2017-18 Budget



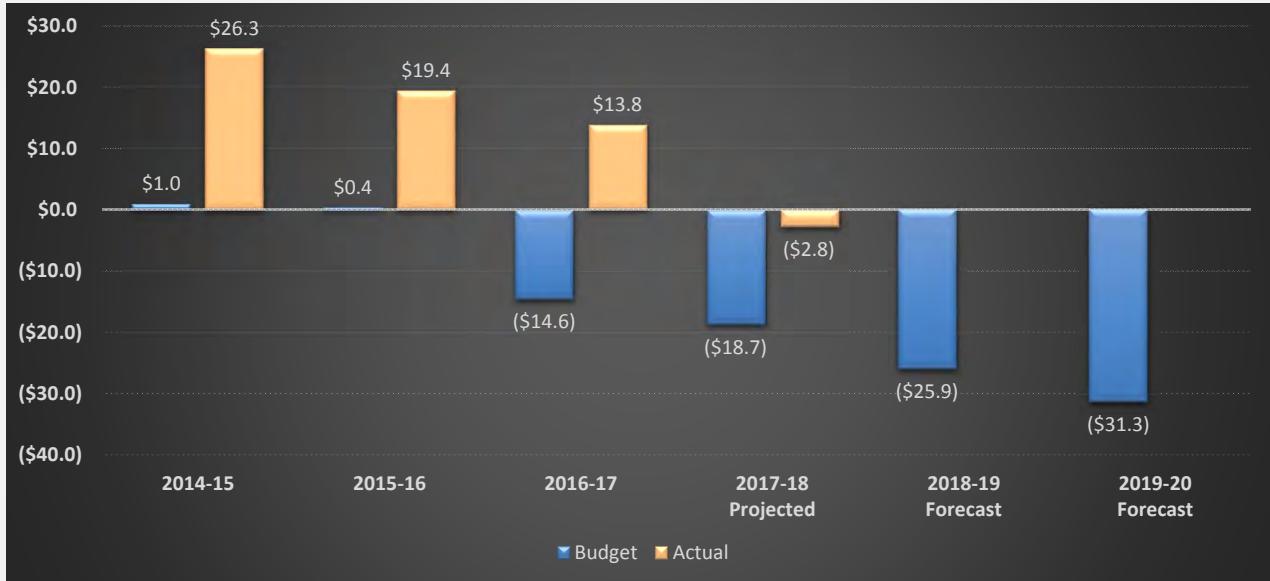
2017-18 Adopted Budget General Fund Budget

	2017-18 Adopted Budget
Total Revenues & Other Resources	\$497,836,694
Total Operating Expenditures & Other Uses	<u>516,517,343</u>
Operating Surplus/(Deficit)	(\$18,680,649)

2017-18 Adopted Budget General Fund Budget	
	2017-18 Adopted Budget
Total Revenues & Other Resources	\$497,836,694
Total Operating Expenditures & Other Uses	<u>516,517,343</u>
Operating Surplus/(Deficit)	(\$18,680,649)
Cost to Construct SHHS Addition and Renovate TP Kitchen <i>(from surplus fund balance)</i>	<u>10,747,520</u>
Net Surplus/(Deficit)	(\$29,428,169)
Beginning Fund Balance	\$199,453,235
Projected Ending Fund Balance	\$170,025,066



Operating Surplus/(Deficit) (in millions)



2018-19 Budget



Budget Preparation Timeline

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Planning	█	█								
Enrollment Projections		█								
Legislative Session			█	█	█	█	█			
Budget Prep (Schools/Depts.)			█	█						
Staffing/New Position Requests				█	█	█				
Budget Reviews				█	█					
DIDC						█				
Payroll Budget Prep						█	█			
Revenue Estimates							█	█		
Board Discussion/Hearings/Action							█	█		
Receive Certified Prop Values									█	
Adopt Property Tax Rate										█
Financial Futures Committee	█	█	█	█	█	█	█	█	█	█

AISD Fiscal Year: July 1 – June 30



2018-19 Considerations

- Enrollment projections & special program participation; impact on staffing
- Strategic Plan – Year 3 activities
- Competitive compensation
- Elementary gifted/talented program
- Capital needs
- Property values
- Inflation





Dipert Career Tech Center

2017-18 Course Registrations	2018-19 Course Requests	Increase
4,079	5,131	1,052



Strategic Plan: Year 3 Strategies

- **Academic Achievement**
 - Implement local accountability measures that encompass the state accountability measures, at a minimum.
 - Enhance data protocol to assist instructional leaders in the analysis of their data in order to ensure data driven instruction.
 - Implement K-6 mathematics and reading literacy framework.



Strategic Plan: Year 3 Strategies

▪ College & Career Readiness

- Expand college preparation awareness and offerings including IB, PSAT, ACT and SAT.
- Enhance the guidance and counseling program, including academic advising and social/emotional guidance.
- Develop and expand fully online and blended learning opportunities that are personalized and competency focused in order to increase choice, learning and achievement, graduation rates, and college and career readiness.



Strategic Plan: Year 3 Strategies

▪ Workforce Readiness

- Expand workforce internships across instructional programs, including technology, CTE and fine arts.

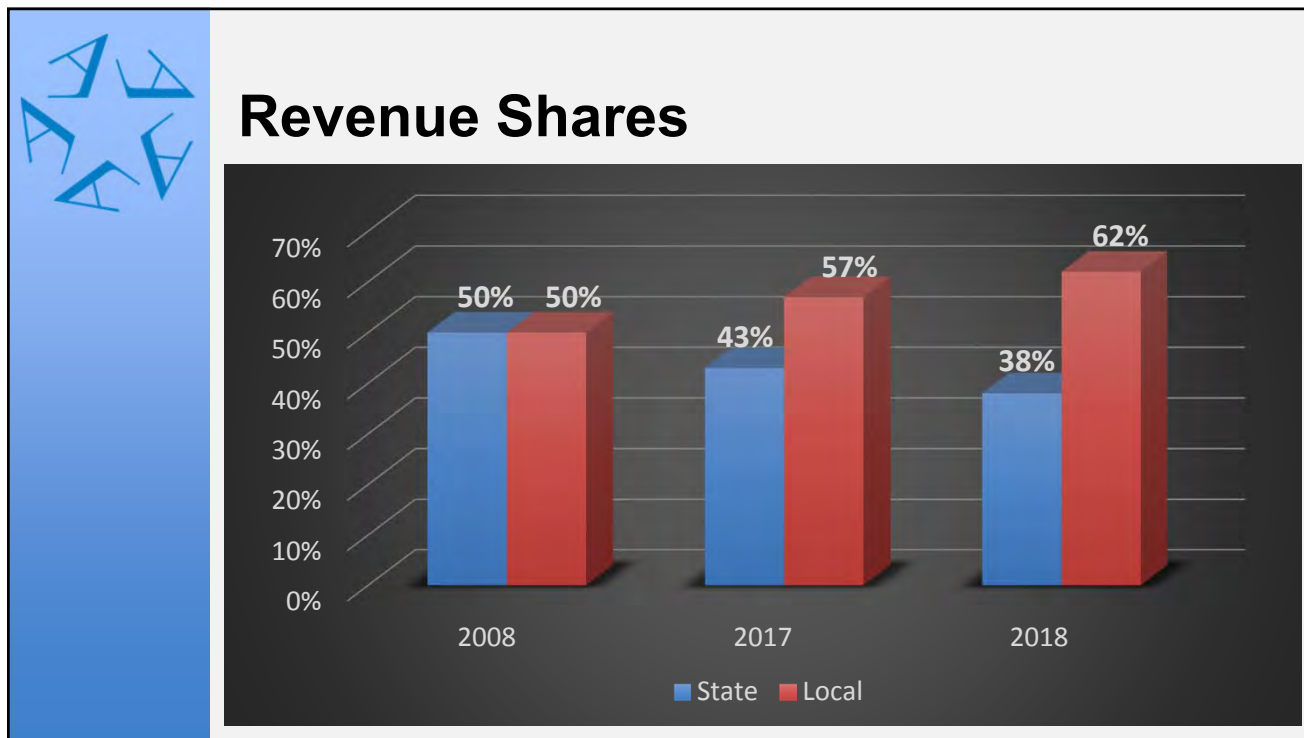


Strategic Plan: Year 3 Strategies

- **Leadership, Citizenship & Responsibility**
 - Embed communication skill development in PK12 courses as appropriate.




Texas School Finance Update



85th Legislature

- **Regular Session:**
 - No increase in education funding
 - No changes to funding system
 - No changes to TRS-Active Care health plan
- **First Called Session:**
 - No change in basic allotment; no formula changes
 - **Authorized Public School Finance Commission**





Public School Finance Commission

- Purpose
 - Develop and make recommendations for improvements to the current public school finance system or for new methods of financing public schools
- Composition: 13 members
 - 4 appointed by the Governor
 - 4 appointed by the Lieutenant Governor
 - 4 appointed by the House Speaker
 - 1 member of the State Board of Education



Public School Finance Commission

- Six meetings held by full Commission
 - Focused on current school finance structure, student demographics, desired student outcomes, property taxes
 - Invited testimony appears skewed towards no additional funding
 - Public testimony only taken at one meeting
- Three working groups
 - Revenue, Expenditures and Outcomes



Public School Finance Commission

- There doesn't appear to be consensus among the members
- Invited testimony & committee discussions suggest that additional funding, if any, may be tied to specific programming, including pre-k and teacher compensation



Budget Implications

- Absent additional funding from the state, districts will be forced to make difficult budget choices:
 - Raise their M&O tax rate
 - For the vast majority of districts, raising the tax rate will require a tax ratification election (TRE)
 - 36% of school districts are already taxing at the \$1.17 maximum rate
 - Spend fund balance
 - Make budget reductions
 - May reduce opportunities for students



AISD LEGISLATIVE ACTIVITIES



AISD Legislative Activities

- Interim Legislative Agenda
 - Academic Accountability
 - School Finance
 - School Choice
 - Pre-kindergarten
- Meetings with AISD legislators
- Participation in Texas School Alliance
- Participation in Accountability Technical Advisory Committee (ATAC)
- Participation in TASB



Key Point

- Legislative decisions on school finance will inform the need for a possible future TRE.
 - Advocacy is critical
- FFC Consideration:
 - Does the Committee have interest in penning a position letter to the Commission on Public School Finance?



Questions?



FFC 2.0

Putting the future back in FFC

Feb 15, 2018



FFC Purpose

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



~~Enrico Accenti~~

Michelle Buss

Stephen Crumby

Jeannie Deakyne

~~Cynthia Derry~~

Yvonne Emanuel

Harry Flood

Thomas Hackley

Cheryl Hodge

Tyson Jones

Emily Klophaus

Shawn Lynch

Kim Martinez

Anne Mason

Theresa Moffitt

Sarah Spurrier

Marcie Walker

David Wilbanks

Vickie Moss*

Mark Schatzman*



~~Enrico Accenti~~

Michelle Buss

Stephen Crumby

Jeannie Deakyne

~~Cynthia Derry~~

Yvonne Emanuel

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Emily Klophaus

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Kim Martinez

Anne Mason

Theresa Moffitt

Sarah Spurrier

Marcie Walker

David Wilbanks

Vickie Moss*

Mark Schatzman*



■ 1 year term
■ 2 year term

FFC Charge



FFC Charge: Texas School Finance



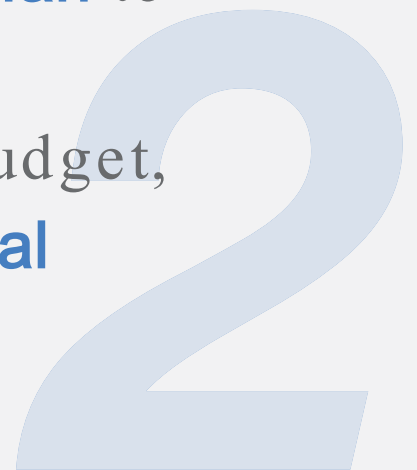
Review external and internal data on issues relating to **Texas public education**, including the **school finance** and **accountability systems** and **Texas bond election laws**, to understand how those issues affect AISD's budget, tax rates and long-range financial planning.



FFC Charge: Strategic Plan



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**.



FFC Charge: General Operating Budget



Review the **current general operating budget** to gain an understanding of the cost drivers and financial trends.



FFC Charge: Key topics



Review data, but not limited to, the following topics...



FFC Charge:
Key topics



Enrollment trends and
projections



FFC Charge:
Key topics



Property value trends and
projections



FFC Charge: Key topics

Academic Services priorities and operational efficiency priorities presented to the Committee by the AISD administration



FFC Charge: Key topics

Current **staffing methods** in relation to state education law and current administration protocol



FFC Charge: Key topics

Compensation and benefits,
including available salary market
information, health insurance and
wellness plan



FFC Charge: Key topics

Operating costs associated
with **bond projects**



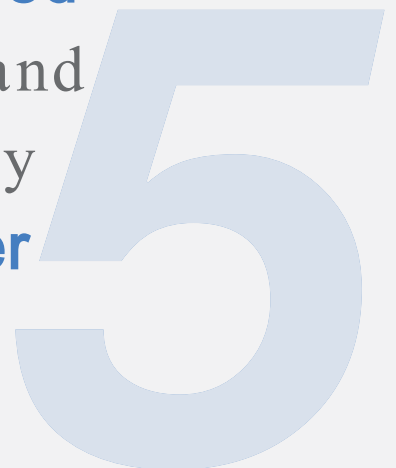
FFC Charge: Recommendations

Formalize recommendations for the **budget and long-range financial plans** as appropriate to support the District's strategic plan, including possible **additions, reductions** or **deletions** to the budget.



FFC Charge: Recommendations

Recommendations should be **aligned with the strategic plan**, priorities and budget considerations presented by Administration and should **consider operational efficiencies**.



FFC Charge: Recommendations

Committee may recommend that budget items/initiatives be:

1. **deferred** to a future year budget or possible future bond election
2. **eliminated**
3. **outsourced**



FFC Charge: Report to the Board

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.





Our Meetings

Meeting Schedule

March 28, 2017	General Operating Budget
April 11, 2017	Texas School Finance/Property Values
May 15, 2017	Strategic Plan/Comparison Data
August 15, 2017	Operating Budget/Tax Rates/Legislative Update
October 10, 2017	Enrollment Trends and Management
December 12, 2017	Staffing & Compensation
January 11, 2018	Work Session 1: ID Challenges
January 25, 2018	Work Session 2: ID Solutions



Our work

Texas School Finance
Legislative Environment

Comparison
Data

Property Values
Property Tax Rates

General
Operating
Budget

Enrollment
Trends

Strategic Plan

STRATEGIC PLAN
2016-2021
EXCEL TOMORROW.

Staffing
& Compensation

Texas School Finance
Legislative Environment

Comparison
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Enrollment
Trends

Strategic Plan

2016-2021

STRATEGIC PLAN

Staffing
& Compensation

Texas School Finance
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2016-2021

STRATEGIC PLAN

Staffing
& Compensation



Work Session 1 Objective:
ID key **challenges** for each of the
topics covered



Work Session 2 Objective:
develop an optimal **solution set**
to the challenges identified



Topic 1

General Operating Budget

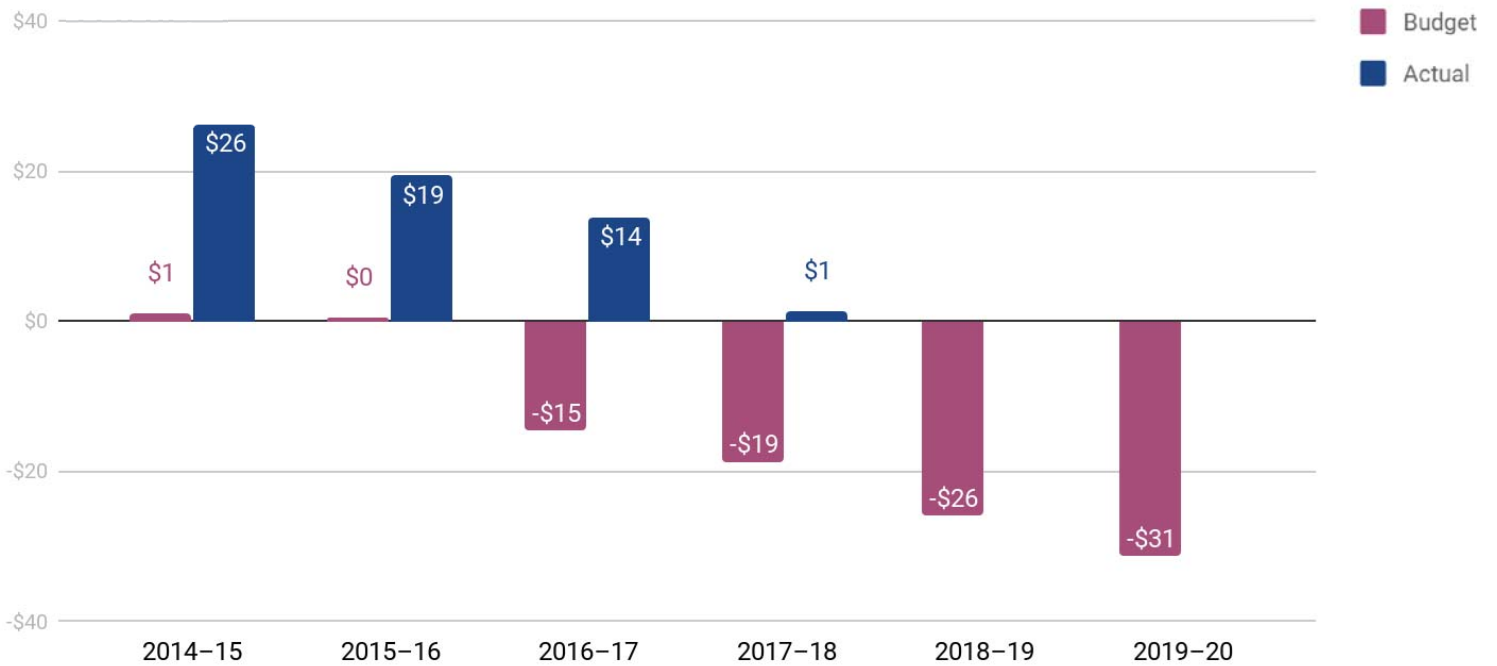


Topic 1

General Operating Budget

- M&O Tax Rate is set at \$1.04
- Can only go higher with a Tax Ratification Election (TRE)
- State aid revenue declining due to declining enrollment & increasing property values
- Payroll represents 86% of budget
- 2017-18 Budget has operating deficit of \$18.7 M
- Budget deficits projected next 4 years.

Operating Surplus/Deficit



Topic 1

General Operating Budget



Challenge:

Declining revenue and projected deficits for the foreseeable future are unsustainable.



Topic 2

Texas School Finance Legislative Environment



Topic 2

Texas School Finance System & Legislative Environment

- Vouchers, Property Tax Reform, School Finance Reform—question marks going forward
- As property values go up, state aid decreases
- No new funding appropriated by 85th Legislature
- Little confidence in the new School Finance Commission

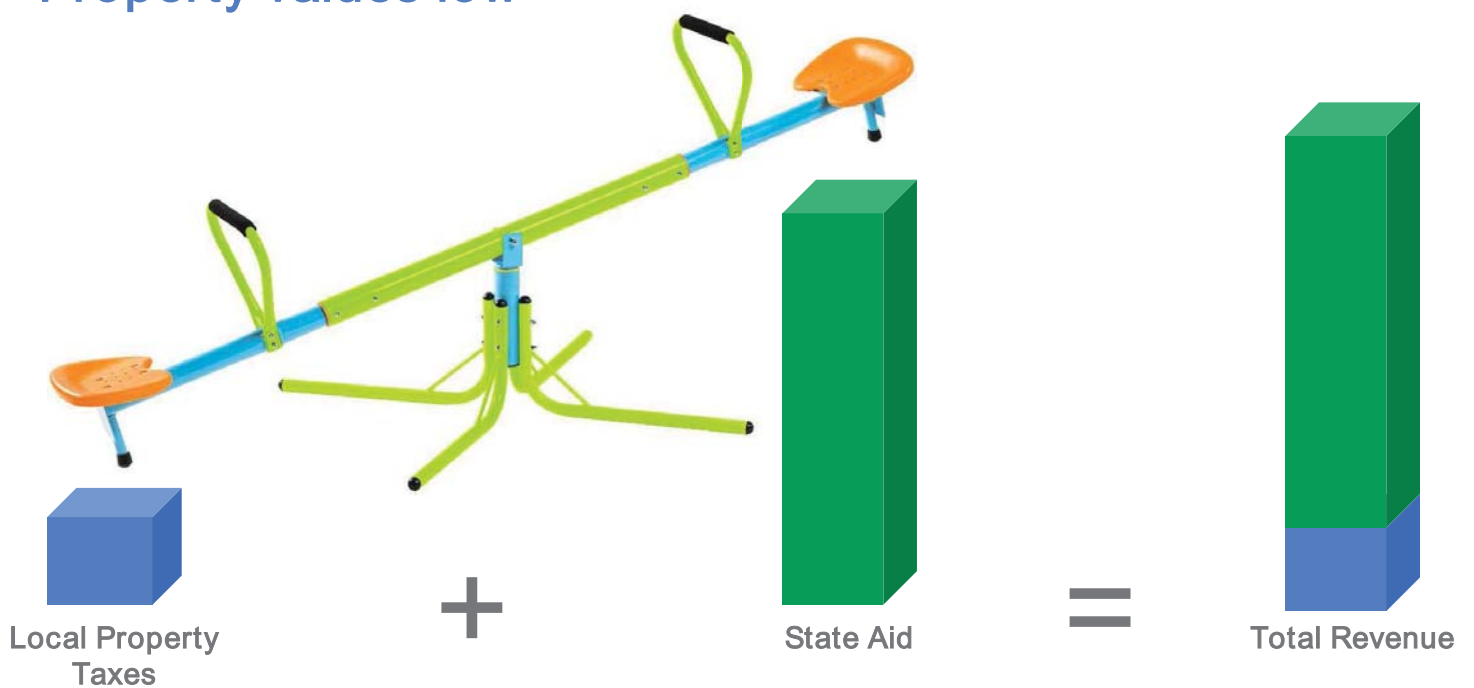
Topic 2

Texas School Finance System & Legislative Environment

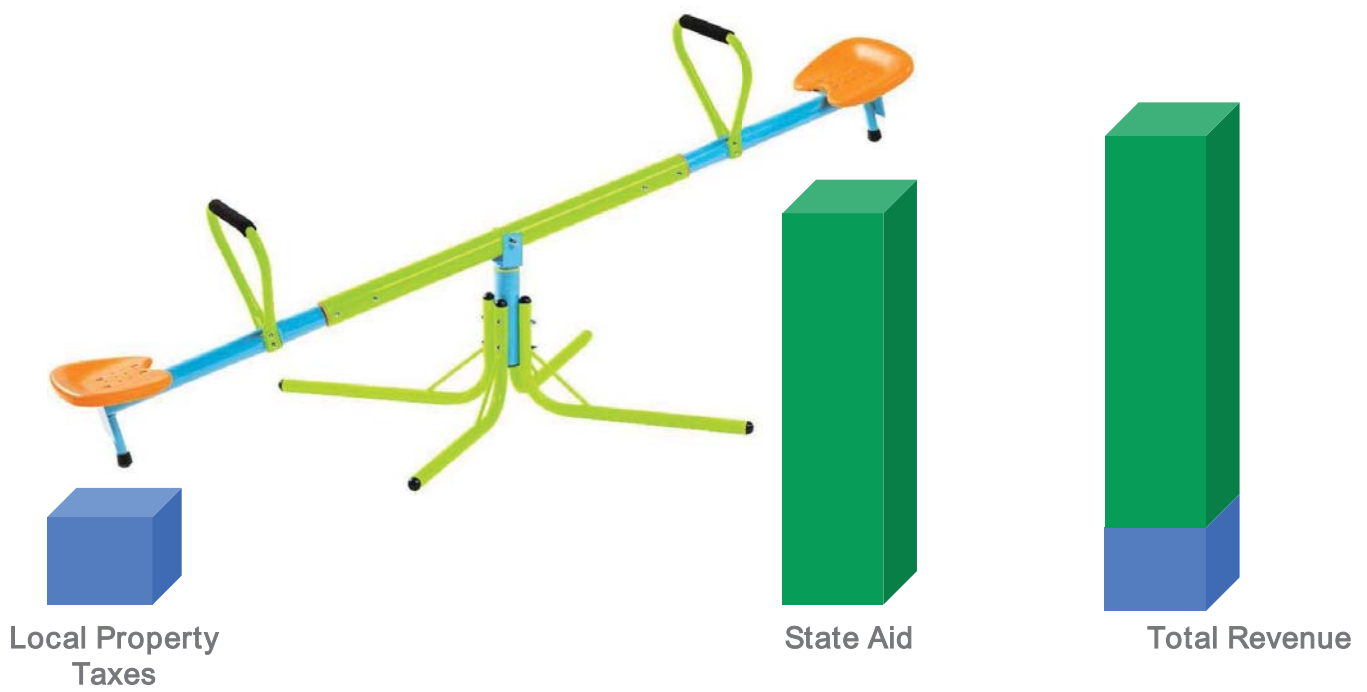
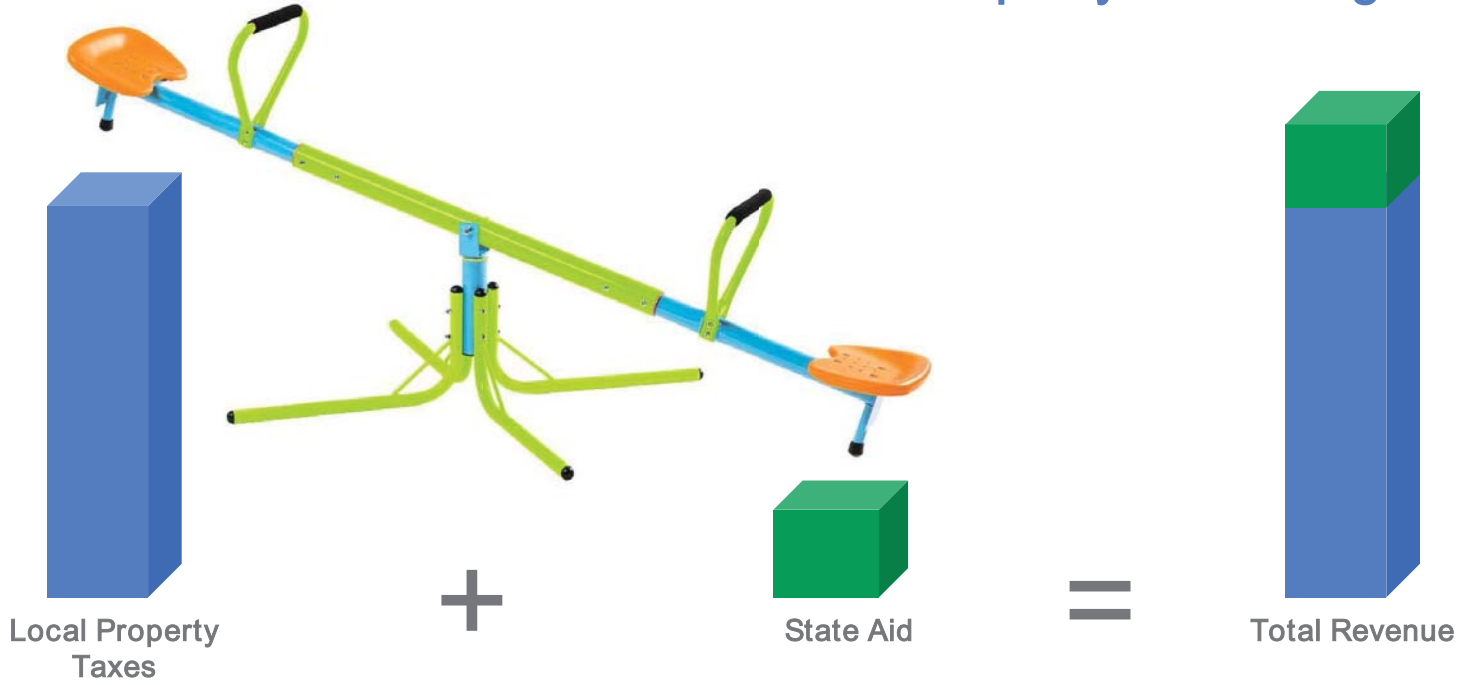
Challenge:

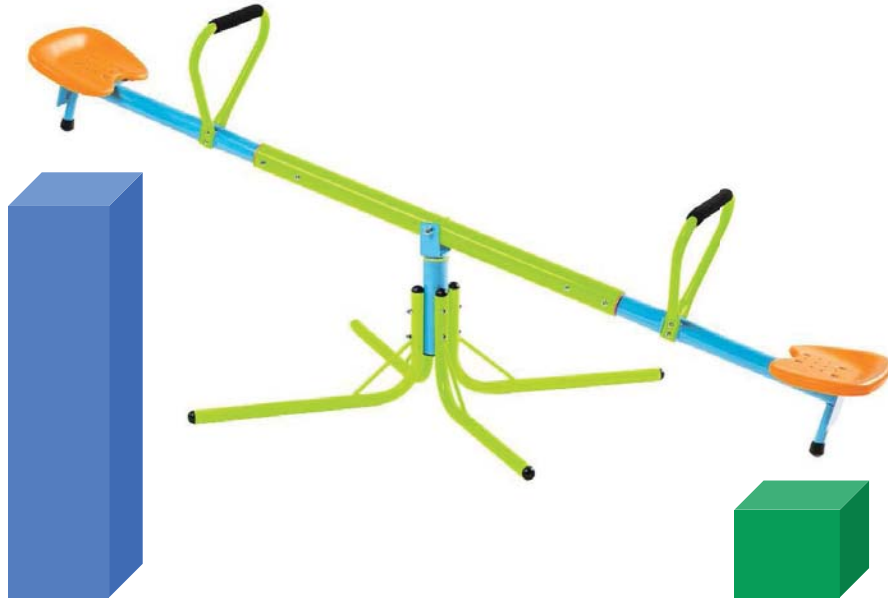
State of Texas funding for public education is inadequate, and is at risk of declining in the current political environment.

Case 1: Property values low



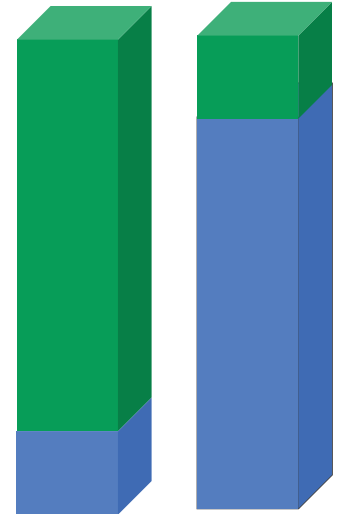
Case 2:
Property values high





Local Property Taxes

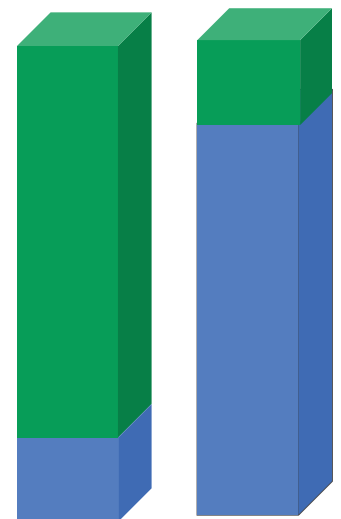
State Aid



Total Revenue

No matter if our property taxes rise, our **total revenue stays the same!**

The State funding formulas ensure our **total revenue is always fixed at a set amount** that doesn't grow with inflation.




Total Revenue



Topic 3

Property Values Property Tax Rates



Topic 3

Property Values/Property Tax Rates

- As property values increase, state aid decreases
- Modest growth in values is projected over next four years
- M&O tax rate is \$1.04 & can only be raised with voter approval through a Tax Ratification Election (TRE)

Topic 3

Property Values/Property Tax Rates

Absent additional funding from the state, districts will be forced at some point to make difficult budget choices

- Raise the M&O tax rate through a Tax Ratification Election (TRE)
- Spend fund balance
- Make budget reductions, which may reduce opportunities for students

Topic 3

Property Values/Property Tax Rates

Challenge:

In order to support the current strategic plan and continue quality opportunities for students, more revenue is needed...

Our current
budget is
maxed out at
our current
M&O rate!

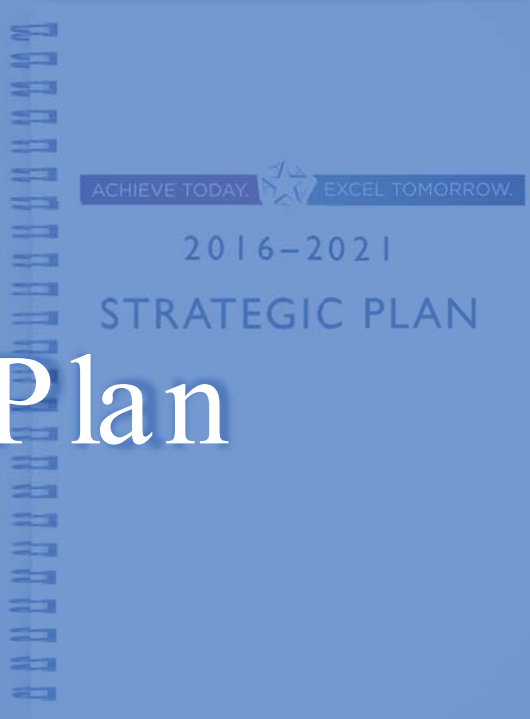
Topic 3

Property Values/Property Tax Rates

Challenge:

...in the current environment, it will be a public relations challenge to educate voters on the need for increased taxes.

Topic 4 Strategic Plan



Topic 4 Strategic Plan



- 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 including future facility needs

Topic 4 Strategic Plan

ACHIEVE TODAY. EXCEL TOMORROW.

2016-2021

STRATEGIC PLAN



- Objectives:*
- Academic Achievement
 - College Readiness
 - Workforce Readiness
 - Leadership, Citizenship, & Responsibility

Topic 4 Strategic Plan

ACHIEVE TODAY. EXCEL TOMORROW.

2016-2021

STRATEGIC PLAN



Challenge:





Topic 5

Comparison Data

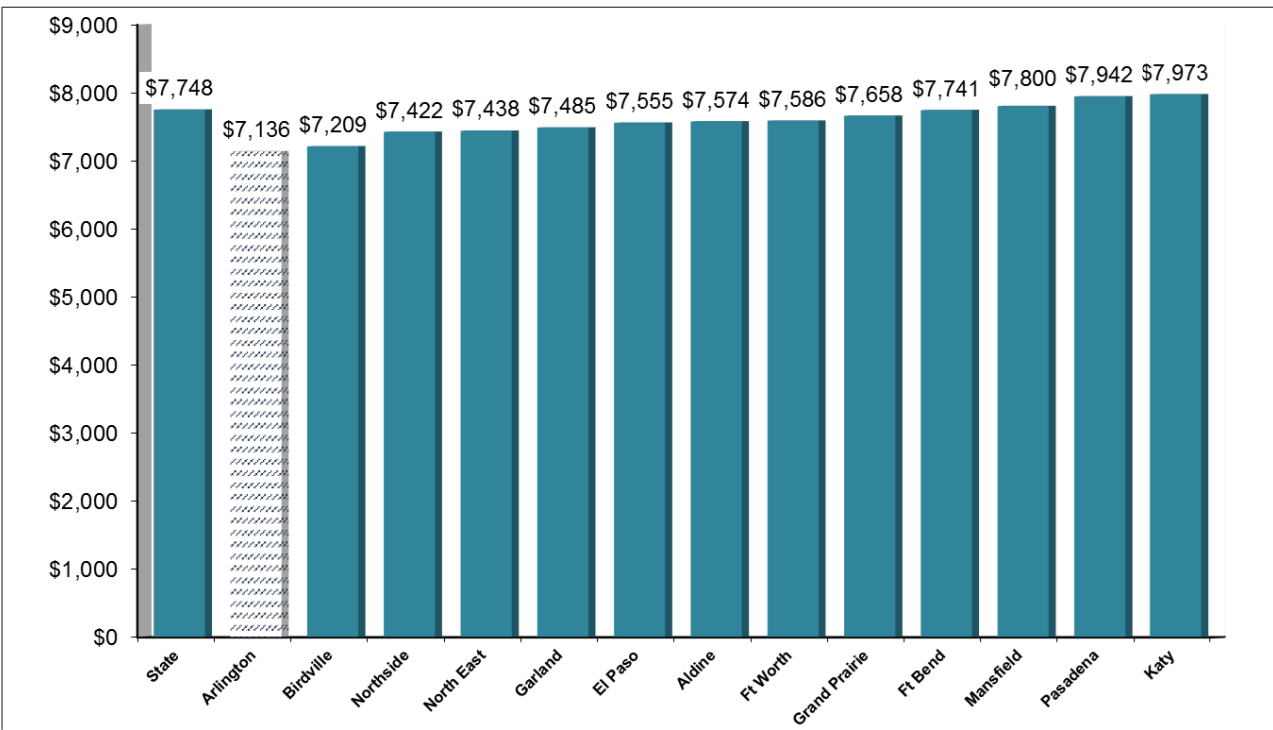


Topic 5

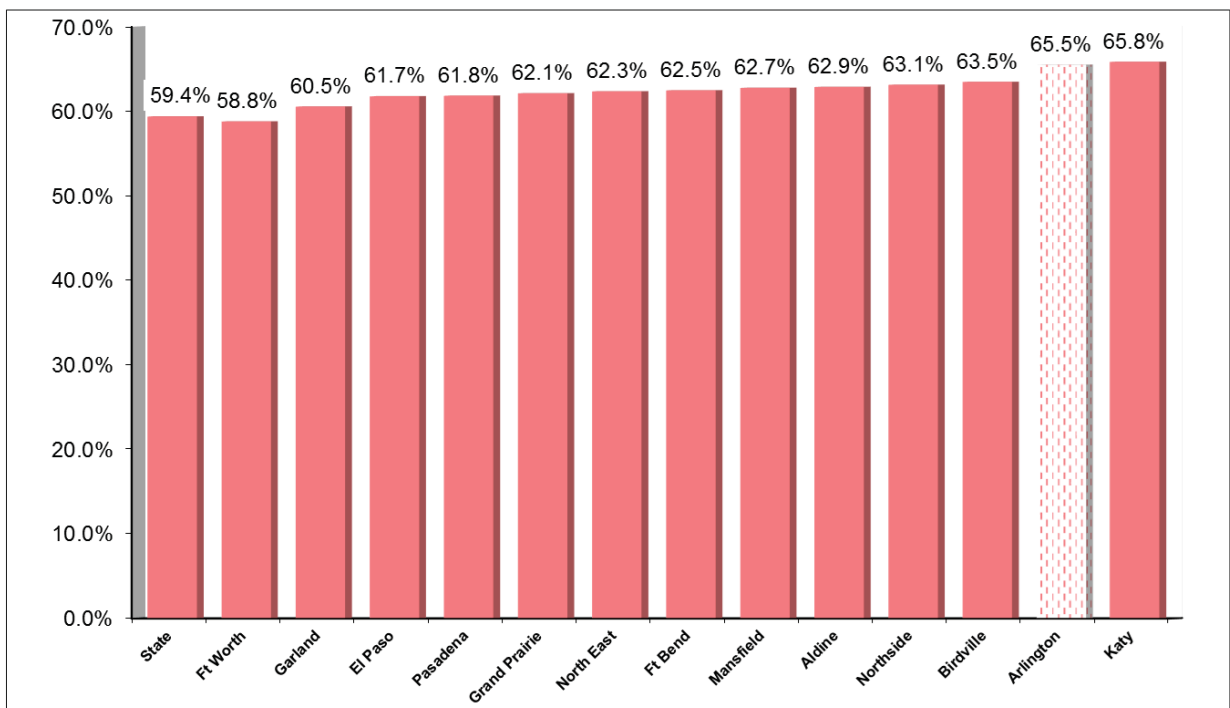
Comparison Data

- 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

Per Pupil Total Operating Expenditures



Instruction Percent of Total Budget



The background of this slide features a blue-tinted image of several apples. In the upper right corner, there is a cluster of white, stylized letter 'A's.

Topic 5 Comparison Data

Challenge:

We have limited flexibility to reduce our budget without affecting students because we already spend less outside of the classroom than the state average.

The background of this slide features a blue-tinted image of a classroom with several rows of desks and chairs. In the upper right corner, there is a cluster of white, stylized letter 'A's.

Topic 6 Enrollment Trends

Topic 6 Enrollment Trends

- 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 projections, program offerings, marketing, facilities
- Facilities must provide relevant learning spaces

Topic 6 Enrollment Trends

Elementary
2014–2016

-5.1%

Topic 6
Enrollment Trends

Challenges:

1. How to improve public perception of AISD, especially at the elementary level, and identify programs that attract and maintain students?

Topic 6
Enrollment Trends

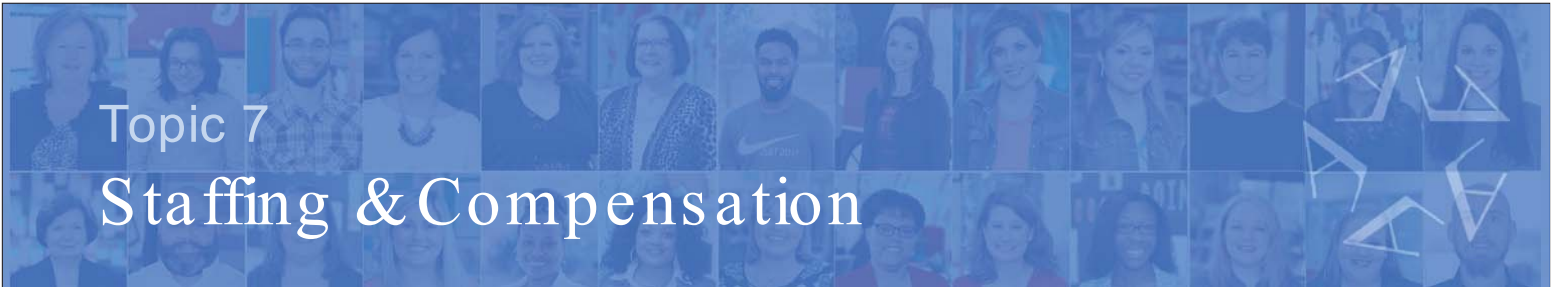
Challenges:

2. How do we eliminate the barriers to enrollment?



Topic 7

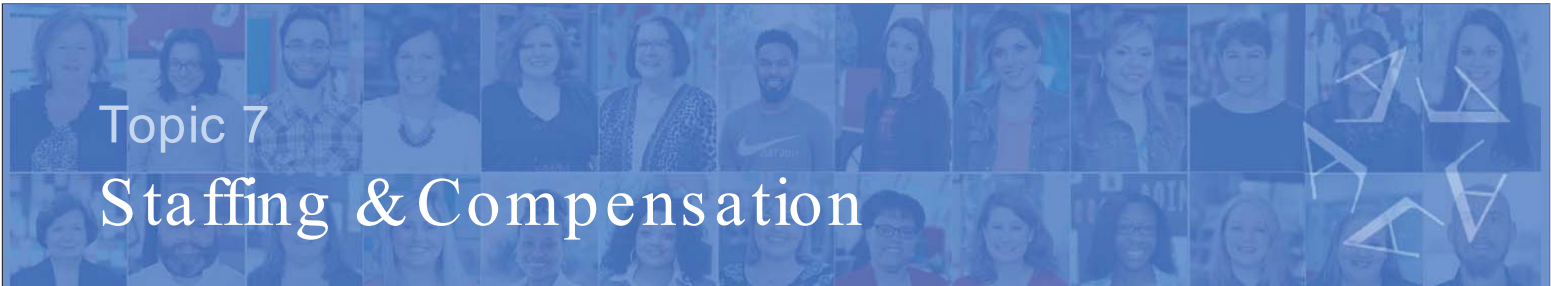
Staffing & Compensation



Topic 7

Staffing & Compensation

- 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



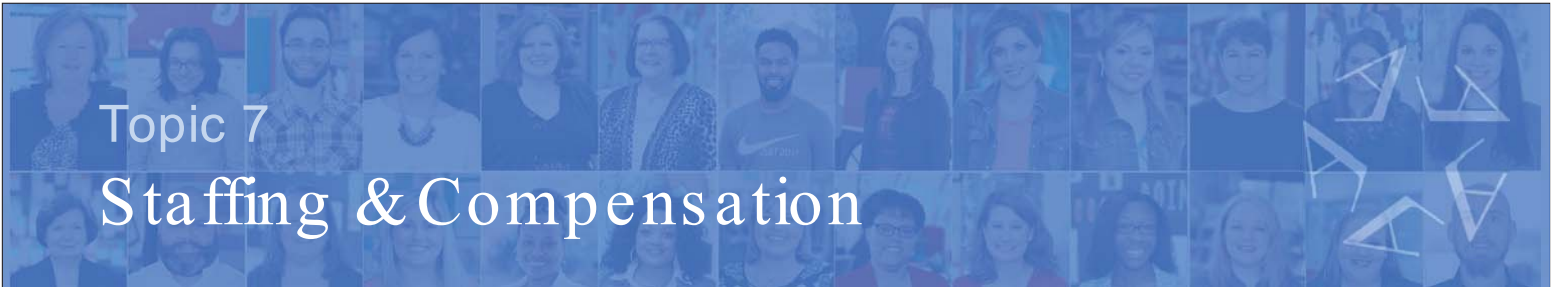
Topic 7

Staffing & Compensation

1% raise =

\$3.9

million/yr



Topic 7

Staffing & Compensation

Challenge:

We **must** pay competitively to attract and retain highly qualified staff even within the current school financial environment.



2018 FFC Recommendations

BIG
BOLD
BROAD



RECOMMENDATION 1...



We recommend **investing in the overall elementary experience** including facilities, programs of choice, services, personnel, and marketing to counter declining enrollment trends.



Examples:

- Elementary STEM Academy
- Full-day pre-k/expanded pre-k
- Reimagined spaces for 21st Century learning
- Foreign language offerings
- Teacher Aides to relieve teachers

FFC 2018 Recommendations



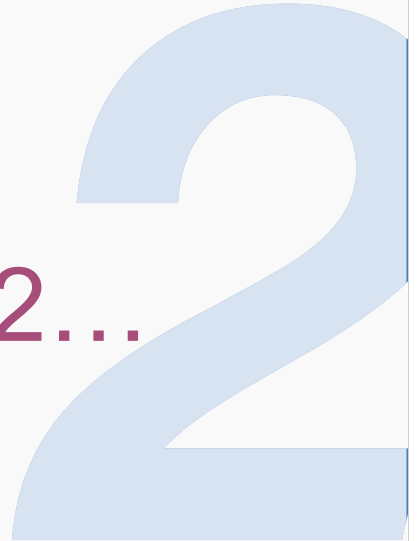
Marketing is key!

Parents need to know the **grass is greener in AISD**—not on the other side of the fence.

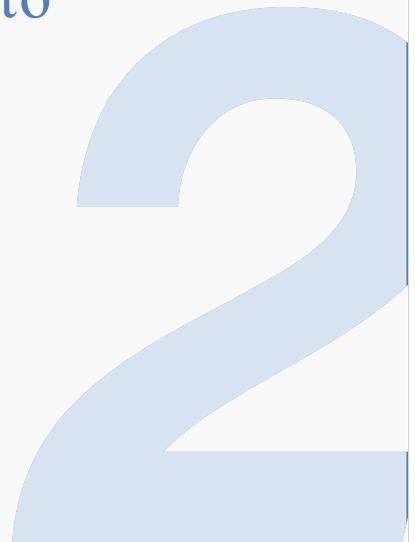
FFC 2018 Recommendations

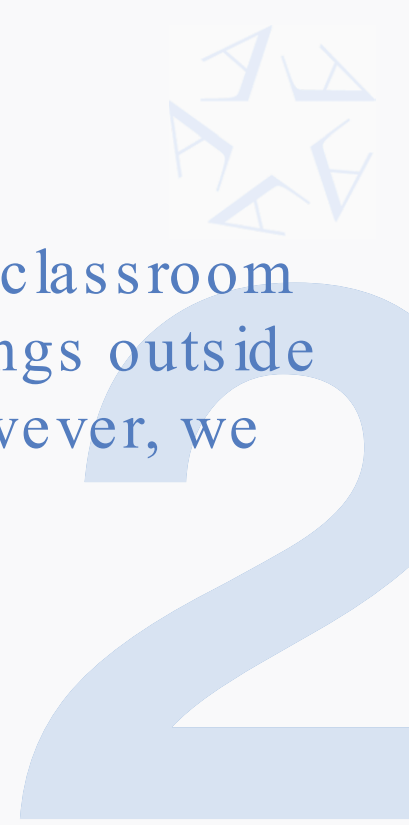


RECOMMENDATION 2....



We recommend the Board continue to evaluate the cost-effectiveness of facilities, programs, personnel, and services.





Because we spend less outside the classroom than other districts, meaningful savings outside of the classroom will be limited. However, we still need to look for opportunities.

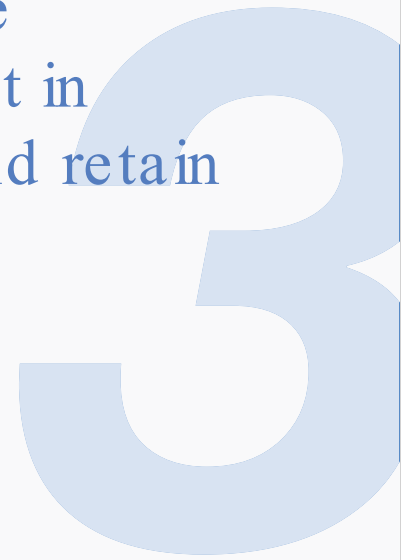
FFC 2018 Recommendations



RECOMMENDATION 3....



The district **must** continue to provide competitive compensation and invest in leadership development to attract and retain highly qualified staff.




FFC 2018 Recommendations



RECOMMENDATION 4....






We recommend the Board **decrease the I&S tax rate** and **increase the M&O tax rate**—by equal amounts—resulting in *no change* to the overall **tax rate**.

FFC 2018 Recommendations



TRE SWAP

FFC 2018 Recommendations



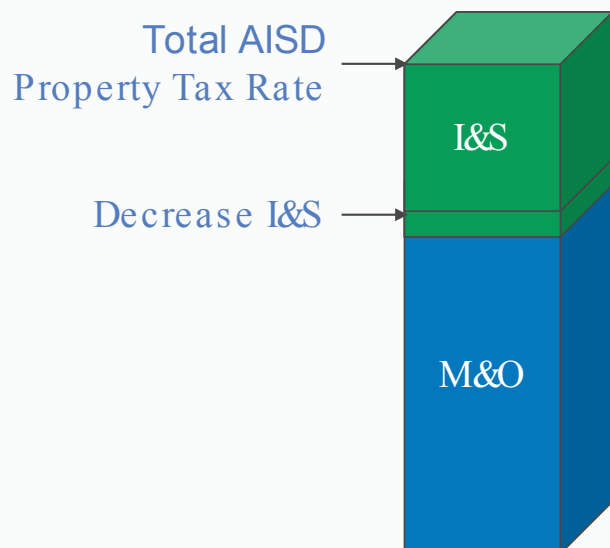
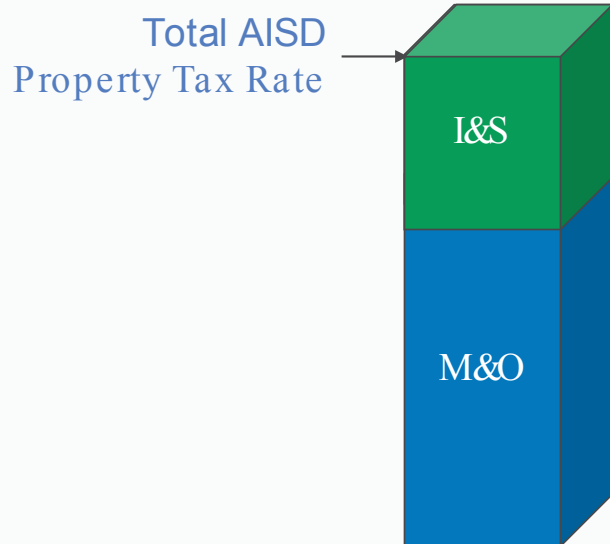
In addition, we recommend **preserving flexibility in the I&S rate** on top of the swap to allow **for any future capital needs without the need for raising the I&S rate.**

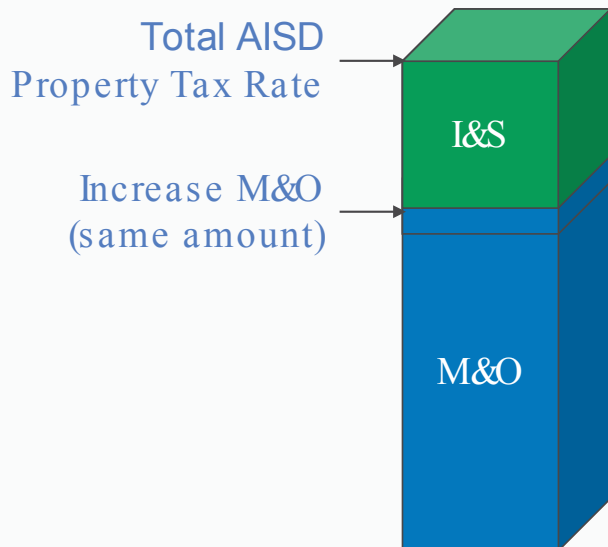
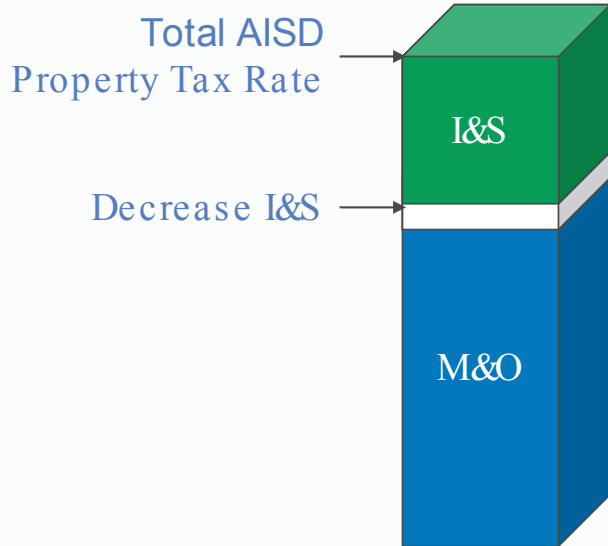
FFC 2018 Recommendations



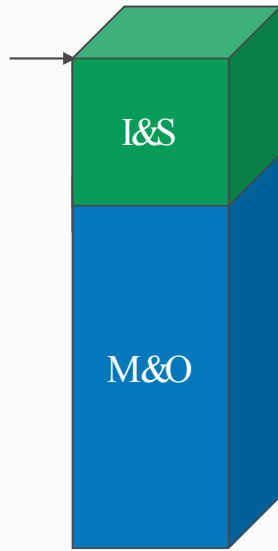
**TAX RATE
NEUTRAL**

FFC 2018 Recommendations

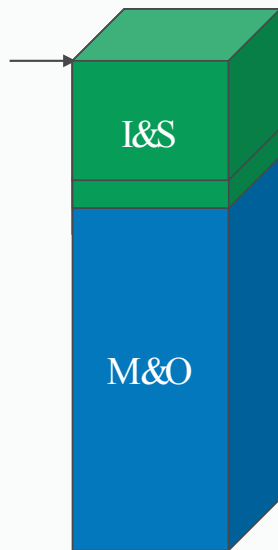




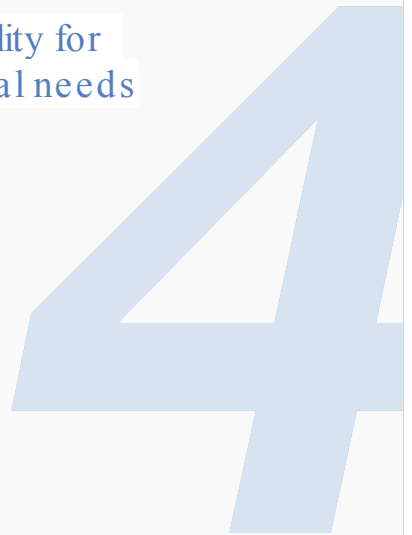
Total AISD
Property Tax Rate
Stays the same!



Total AISD
Property Tax Rate
Stays the same!



Save flexibility for
future capital needs



The image features a solid blue background. Scattered across the background are several faint, semi-transparent question marks of varying sizes. In the upper right corner, there is a small, faint icon of a scale of justice, consisting of two pans hanging from a central point.

Questions?



2018 Interim Legislative Agenda

Objectives:

- AISD believes that local control produces stronger policies and programs to enhance the educational program and improve student performance.
- AISD believes that relevant instructional programs that reflect and compliment the provisions of HB 5 (83rd Legislative Session) will improve post-secondary readiness and raise graduation rates.
- AISD believes that suitable funding for mandated state requirements should be required, or that unfunded state mandates be eliminated.

Academic Accountability: *An effective, efficient and equitable state academic accountability system is necessary to carry out the mission and objectives of the Texas public education system. Texas' current academic accountability system provides confusing information to parents about the performance of their child's school and is too complex for school districts to navigate effectively. The state accountability system should be a tool that helps local school boards and educators improve student performance. The Texas Legislature should:*

1. Align all accountability systems so that duplication and inconsistency can be reduced or eliminated. Districts and campuses should obtain full results simultaneously. Integrate and simplify reporting requirements to address deficiencies. Align identification for the Public Education Grant (PEG) program with state accountability ratings and apply those provisions to ISDs and state charter schools.
2. Leave the authority to address low performing schools with the locally elected board of trustees. Local control still depends on state standard academic measures; however, it allows the local board of trustees to determine the best response to the results of those state measures.
3. Within the A-F rating system, more clearly define the performance represented by each letter grade and differentiate varying degrees of performance within the grade. Design the system in a manner that appropriately recognizes demographic variables across districts. Such information will help stakeholders better discern degrees of performance.
4. Remove the high-stakes SSI retention provision for students assessed in grades 5 & 8.
5. Make the provisions for individual graduation committees permanent.

Stability and continuity of any acceptable accountability system are necessary for stakeholders to develop an understanding of the system and confidence in the ratings it yields. Once the new

Texas accountability system is fully defined and the indicators formalized, the system should be allowed to take root without change in order to foster understanding and credibility of the system.

School Finance: *Legislation and an appropriation that provides funding for public education to meet the mission and objectives described in Texas Education Code, Section 4.001 are necessary to ensure that Texas produces a workforce that will sustain the state's economy. Appropriate legislation and funding impacts three areas critical to public education – student achievement, qualified education workforce and local control.*

The Texas Legislature should:

Student Achievement:

1. Ensure that the School Finance Commission established by HB 21 passed in the First Special Session of the 85th Legislature honestly and vigorously engages its charge to recommend a new finance system that improves equity, reduces the dependence on local property taxes and ensures that Texas develops a workforce to fortify the state's economy. The new system should:
 - provide tax relief to property owners and maintain the state's investment in developing a competitive workforce by dedicating state budget savings derived from property value growth to public education;
 - provide an increase in the basic allotment for all school districts;
 - adjust funding for regional variations in operating costs;
 - utilize updated formula weights that recognize the incremental cost of serving special populations, such as special education, career & technical education, bilingual/ESL and economically disadvantaged students; and
 - include an increased enrichment opportunity beyond the 6 pennies currently authorized, and permit districts to levy a Maintenance and Operations (M&O) tax rate up to the new maximum before requiring a tax election.
 - require that property tax statements and Truth-in-Taxation notices include statements disclosing the contribution of local funds and state funds for the public school district's operating budget.
2. Provide tax relief to property owners and assist school districts in providing relevant learning environments by increasing the guaranteed yield per student for Existing Debt Allotment and Instructional Facilities Allotment set forth in HB 21 passed by the First Called Session of the 85th Legislature.
3. Provide flexibility to spend State Compensatory Education funds on a school-wide basis to improve student performance, similar to school-wide provisions for Title 1 funding.
4. Provide weighted career and technical funding for career and higher education exploration courses for all eighth-grade students to prepare them to make informed choices for high school coursework and endorsement plans for their college and career choices.
5. Increase state funding for transportation and require that the funding be adjusted for inflation each biennium.

Qualified Education Workforce:

1. Increase access to affordable health insurance for public school employees. Solutions include providing equal state funding for ERS and TRS-Active Care, providing districts with more than 1,000 employees the option to withdraw from TRS-Active Care, offering all healthcare plan options as consumer driven plans with fully-administered HRA or HSA designs, and requiring a wellness plan component and corresponding premium incentives for all TRS-Active Care plans.
2. Ensure the Teacher Retirement System (TRS) has actuarially sound funding. Maintain TRS as a defined benefit plan and increase the state’s contribution to TRS as both are significant strategies to recruit and retain qualified teachers and support staff.

Local Control:

1. Permit districts to hold an authorization election rather than a tax ratification election to obtain voter approval for future assessment of the remaining M&O pennies authorized by law.
2. Grant public school districts flexibility to invest surplus oil and gas royalties in accordance with the Texas Trust Code, similar to the provisions included in HB 1472 passed by the 85th Legislature.
3. Provide relief from current unfunded state mandates and not add additional unfunded mandates (see sample list of unfunded mandates at Exhibit A).

School Choice: *The Arlington ISD is a district that offers choice for students and parents. While a school voucher program is perhaps the most polarizing issue in public education today, public school districts should be recognized for providing true choice to their constituents. The Texas Legislature should:*

1. Oppose any legislation that diverts public funds to private institutions that are not accountable to the public for the use of those funds.
2. Incentivize school districts to provide program choices by fully funding transportation costs for choice programs.
3. Grant autonomy to districts that implement effective school choice including, but not limited to the following:
 - exempt districts from requirements of the PEG designation;
 - allow charter and ISD partnerships to voluntarily be created with approval by duly elected school boards and appointed charter school boards, in addition to those partnerships authorized by Texas Education Code Section 11.174 for schools with unacceptable performance ratings, to ensure they are right for the community and that adequate resources exist to properly support the partnership; and
 - review and revise statutory requirements for in-district charters to create greater flexibility for boards of trustees to establish charters.
4. Prohibit charters from expanding unless the charter school develops the following accountability and transparency measures to ensure the equal treatment of all students who choose to attend a state charter school:

- transparency on charter school applications and student admission into charter schools;
- enrollment demographics reflective of local demographics;
- procedures to ensure “wait lists” are accurately reported to TEA on a semi-annual basis pursuant to a consistent uniform definition of a “wait list” student;
- teacher certification requirements comparable to those required for public school teachers;
- posting teacher certifications and years of experience;
- posting financial data:
 - i. expenditures per student for each campus,
 - ii. debt per student, and
 - iii. the bond rating.

Prekindergarten: Pre-K programs such as formula-funded public school pre-K, the High-Quality Pre-K Expansion Grant and the Pre-K Early Start Grant provide access for children who need pre-K most. Access to quality pre-K positively impacts academic readiness and performance. The Texas Legislature should:

1. Provide weighted funding for pre-K students through the Foundation School Program formulas to fund early childhood education as a local district option.
2. Permit districts to offer full-day pre-K programs at some or all campuses as a local district option and provide funding for the full-day program.

**ARLINGTON INDEPENDENT SCHOOL DISTRICT
UNFUNDED MANDATES
Sample List**

1	22:1 Student/Teacher Ratio Grades K-4 (assumes a campus-wide average K-4 staffing ratio of 24:1)	\$17,796,573
2	TRS - payment on salaries above state minimum	6,228,090
3	TRS - state contribution for 1st 90 days on new employees	449,998
4	TRS-Care Retiree Insurance Plan (.77% of total payroll)	2,110,176
5	TRS-Supplemental 1.5% Contribution	4,439,940
6	Special Education Program - program mandates exceed state funding	19,215,897
7	Gifted and Talented Program - program mandates exceed state funding	17,478,680
8	End-of-Course Exams and STAAR Retesting	695,122
9	Locally Developed or Adopted Assessments	90,000
10	PEIMS Data Reporting	3,625,744
11	Budget & Tax Rate Hearing Notice	4,461
12	Schools FIRST Hearing Notice	4,508
13	Public Information Act Requests	28,363
14	Payment to county appraisal district to fund its operations	1,902,771
15	Elections	78,000
16	Criminal Records Checks	32,086
17	Cameras in Self-Contained Special Education Classrooms	1,122,698
	Sum of Sample Unfunded Mandates	\$75,303,106
	2017-18 Operating Budget (net of Capital Outlay)	516,517,343
	Percent of 2016-17 Operating Budget	14.58%