



Arlington
 INDEPENDENT SCHOOL DISTRICT
More Than a Remarkable Education

**Financial Futures Committee
 October 23, 2018
 6:00 PM, Mac Bernd Professional Development Center**

WELCOME & OPENING REMARKS David Wilbanks
 FFC Chairperson

LONG-RANGE FINANCIAL PLANNING.....Cindy Powell
 Chief Financial Officer

*General Operating Fund Budget Forecast
 Capital Needs Assessment
 Next Steps*



Long-Range Financial Planning

October 23, 2018

Long-range Financial Planning

Board Work Session: Sept. 5, 2018

- **Four-year general operating budget forecast**
 - Budget deficits forecast for each of next four years
 - Constraints of current state school finance system
 - Options for reducing budget deficit
 - M&O tax rate



Long-Range Financial Planning

Board Meeting: Oct. 4, 2018

▪ Capital Needs

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



Capital Needs Assessment

Arlington ISD Strategic Plan

Our Mission

...to empower and engage all students to be contributing, responsible citizens striving for their maximum potential through relevant, innovative and rigorous learning experiences

Our Goal

100% of AISD students will graduate exceptionally prepared for college, career and citizenship

Capital Priorities to Support our Mission

- 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



2014 Bond Program

- Five-year program
- Total identified needs: \$860,027,171
- Amount presented to voters in bond package: \$663,129,278

Facilities	\$552,388,327
Fine Arts	\$9,828,738
Safety, Security and Technology	\$82,633,000
Transportation	\$18,279,213
Total	\$663,129,278

2014 Bond Program Highlights

- Two elementary schools
- Two elementary fine arts / dual language academies
- Dipert Career+Technical Center
- Ag Science Center
- Multi-Purpose Activity Centers (one at each high school)
- Jr. High track and football field improvements
- Special education spaces
- Fine Arts Center
- Athletics Complex
- Two STEM labs, acoustically-appropriate strings room, and security vestibule for each elementary
- Fine arts and career/tech improvements at high schools
- Condition improvements
- Technology access and upgrades / security enhancements
- Fine arts instruments, uniforms and equipment
- Buses & white fleet vehicles

2014 Bond Program Update

- Total program expected to end in budget
- All projects, other than Fine Arts Center and Athletics Complex, expected to reach substantial completion by December 2019
- Fine Arts Center and Athletics Complex:
 - Construction is underway
 - 22-month construction project
 - Substantial completion: July 2020

Enhancements to 2014 Bond Program



Enhancements to 2014 Bond Program



Athletics Complex



Fine Arts Center



Jones Outdoor Performance Area – Texas Trust



Sam Houston High School

Capital Needs Assessment Frame

- Comprehensive assessment aligned to program priorities
- Prioritize & master plan identified needs for years 2020-2025



Capital Needs Assessment

Assessment	Contributors
Capacity/Utilization Study	<ul style="list-style-type: none"> ▪ Cooperative Strategies ▪ Campus principals ▪ Finance
Enrollment Projections	<ul style="list-style-type: none"> ▪ Templeton Demographics ▪ Finance
Instructional Programming	<ul style="list-style-type: none"> ▪ Academic Services Departments ▪ K-2 Teacher Focus Group
Extra-Curricular	<ul style="list-style-type: none"> ▪ Athletics ▪ Fine Arts ▪ Steinway & Sons
Technology	<ul style="list-style-type: none"> ▪ Technology Division ▪ District Technology Advisory Committee ▪ Academic Services Departments ▪ Technology industry leaders

Capital Needs Assessment

Assessment	Contributors
Facility Condition Assessments	<ul style="list-style-type: none"> ▪ Plant Services, Food & Nutrition Services & Finance ▪ Campus principals ▪ Corgan – elementaries & central support facilities ▪ Stantec – secondaries & athletic facilities ▪ Armko Industries - roofing consultants ▪ Glenn Engineering - civil engineers ▪ FDP – kitchen consultants
Operations	<ul style="list-style-type: none"> ▪ Plant Services ▪ Food & Nutrition Services ▪ Finance ▪ Transportation ▪ Security ▪ Health Services ▪ Fine Arts ▪ Athletics ▪ Special Education ▪ Career & Technology

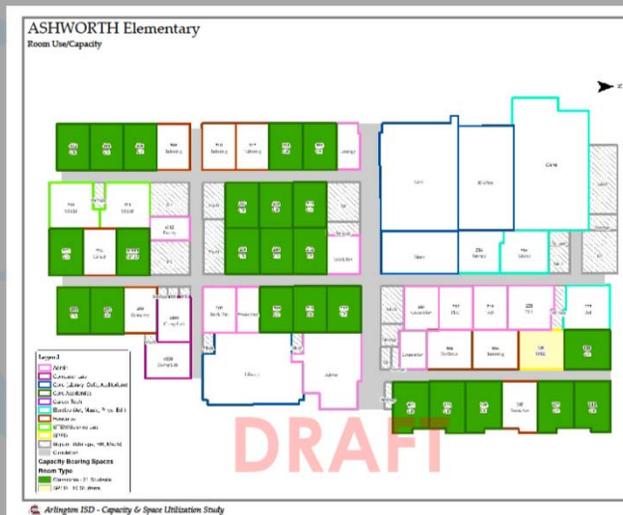
Capital Needs Assessment

- Assessment categories:
 - Facilities
 - Technology
 - Fine Arts
 - Transportation

Capacity & Utilization Study & Enrollment Projections

Capacity & Utilization Study

- Performed by Cooperative Strategies
- Data Sources:
 - Campus floor plans
 - Campus master schedules from first semester of 2017-18 school year
- Principals validated their campus floor plans as categorized by Cooperative Strategies



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Capacity/Utilization Study

	Permanent Program Capacity	Optimal Maximum Program Capacity	17-18 Enrollment	17-18 Program Utilization
Elementary Schools	44,230	95%	33,795	76.4%
Jr. High Schools	9,711	100%	8,800	90.6%
High Schools	18,731	100%	16,169	86.3%

Note: 17-18 high school enrollment is net of average number of students attending Arlington Collegiate High School, Dipert Career+Technical Center, Ag Science Center & UTA.

Capacity / Utilization Study Conclusion

- Existing schools can accommodate 10-year enrollment projections
- Capacity exists for additional special programs

Programming Considerations

Academic Services Input - Elementary

- Early Childhood Education
 - Additional stand alone PreK facilities in strategic locations to support growth in early education
- Innovative Programs
 - Choice academies including STEM, World Language, Leadership, FLES, fine arts, etc.

Academic Services – Jr. High

- Innovative Programs
 - Fine Arts/Dual Language Academy
 - Career & Technical Offerings
 - High School Courses
 - Middle Years Program / Leadership
 - STEM
- STEM Equipment

Academic Services – High School

- Career & Technical Education
 - Shops/lab spaces for foundational courses at comprehensive high schools (where labs don't already exist)
 - Dipert Career+Technical Center expansion
- Innovative Programs
 - Fine Arts/Dual Language Academy
 - Specialized learning programs at comprehensive high schools
- Special Education
 - Post-secondary transition & vocational training classrooms for 18+ at one existing high school campus

Academic Services – Districtwide

- Enhance facilities for providing a full continuum of services to students with disabilities
- Appropriate space for specialized staff
 - Diagnosticians, LSSP's, Speech Language Pathologists
- Furniture & mobile devices to facilitate flexible learning space
 - Trapezoid desks, furniture on casters, mobile storage units, electronic tablets, etc.
 - Small group

Academic Services - Districtwide

- Centralized location for parent-oriented programs:
 - Parent Engagement, Families in Transition, Language Placement Center, Special Ed Early Childhood Assessment Center, Audiology Assessments, etc.
- Professional Development Center expansion and renovation
- Meeting spaces integrated in new construction

Facilities

Facility Considerations

- Safety & Security
- Instructional Programming
- Age / Condition
- ADA Accessibility
- Educational Adequacy
- Operational Efficiencies
- Exterior Enhancements (*pavement, drainage & landscape improvements, fences, canopies, marquees, flag poles, etc.*)



Facilities Assessment

- Comprehensive assessment
- ***Identified needs will be prioritized in a facility master plan that will guide bond planning for the next 5-15 years***



Facility Assessment Findings

- **Potential New Construction**
 - Replacement of one junior high school nearing end of useful life
 - Replacement of two elementary schools nearing end of useful life
 - Four early childhood centers
 - Ag Science Center Phase II
 - Service Center replacement
- **Property Acquisition**

Facility Assessment Findings

- **Improvements - All Schools**
 - High security key system
 - Energy management controls improvements (*HVAC, lighting & irrigation, freezer/cooler monitoring, etc.*)
 - Special Education renovations and additions
 - Restroom renovations and additions
 - Kitchen renovations and additions
 - Accessibility (stages, ramps, sidewalks, doors, restrooms, etc.)
 - Paving renovations and additions
 - Exterior improvements
 - Flooring renovations
 - Lighting improvements (interior and exterior)
 - Painting

Facility Assessment Findings

▪ Elementary Campuses

- K-Pod replacements
- Gymnasium replacements / safe shelters
- Playground enhancements / additions
 - Access, surface, equipment, adapted equipment, shade structures
- Educational Adequacy
 - Classrooms, libraries, clinics, etc.

Facility Assessment Findings

▪ Secondary Campuses

- Junior high fine arts/dual language academy
- High school fine arts/dual language academy
- Junior high STEM labs
- Auditorium finishes
- Fine arts additions
- Instrument storage
- Career & Technology renovations and additions
- High school athletic facility and field improvements
- Athletic locker replacements
- Junior high athletic field improvements



Facilities

Preliminary Cost Estimates

	Est. Cost
New Facilities	\$253,486,549
Property Acquisition	\$13,000,000
Condition & Life Cycle Improvements	<u>\$820,284,865</u>
Total	\$1,086,771,414

Note: Estimates above represent a comprehensive assessment. Improvements will be phased over 5-15 years.

Safety, Security & Technology



Safety, Security and Technology

Informing the Work

- District Technology Advisory Committee (DTAC)
 - Committee Makeup: Cross-section of staff and student representation
 - Meetings: May – July
- District Central Staff Survey
- Individual Meetings w/ Specialized Programs (Fine Arts, CTE, SPED)
- Strategic visioning w/ technology industry leaders



Safety, Security and Technology

Areas of Consideration

- Infrastructure
- Replacement Schedule
- District Standards
- Specialized Programs & Partnerships
- TECH FORWARD



Safety, Security and Technology

Infrastructure

- Security Camera, Storage and Cabling Enhancements
- Data, Voice & Wireless Equipment
- Expansion/Relocation of Disaster Recovery Solution
- Radio Communications Upgrades
- Computer Closet Life Cycle Management
- Network Equipment for New Facilities
- Network Security Monitoring Upgrades
- Student Badging Unification



Safety, Security and Technology

Replacement Schedule

- Five (5) Year Replacement Schedule – Network Infrastructure
- Five (5) year replacement schedule – District/Teacher/Student Devices
- PA System Upgrades
- IP Phones/Wireless Handsets
- Printers/Copiers*
- Classroom A/V Systems*

*As Necessary





Safety, Security and Technology

District Standards

- Telecommunication Equipment (IP Phones, Wireless Handsets, etc.)
- Centralized Printing/Copier
- Elementary & Secondary Classroom
- Elementary & Secondary Libraries
- Special Program Needs for Campuses (Music, Art, SPED, etc.)
- Non-Teaching Administrator/Support Staff Needs
- Secondary Calculator Program
- Implementation of Classroom Standards for Adams Elementary



Safety, Security and Technology

Specialized Programs & Partnerships

- Martin STEM
- Arlington Collegiate High School
- CTE Collegiate High School
- Other as appropriate for learning needs



Safety, Security and Technology

TECH FORWARD

- Grant Funding for Five (5) Years
- Pathways
 - Innovative Learning Experiences
 - Targeted 1:1



Safety, Security and Technology

TECH FORWARD

- **Potential Outcomes**
 - Teachers will seamlessly integrate technology in class at least once per week
 - Teachers will become a master technology teacher in one area
 - Aligned to Master Technology Teacher Standards
 - Students will use technology to demonstrate mastery in core content and campus identified electives at least once per week



Safety, Security and Technology

TECH FORWARD

- **Innovative Learning Experiences**
 - Innovative technology integration
 - Rigorous application process to determine readiness and selection (similar to current TI Grant selection process)
 - Individual or teams
 - Individualized professional learning support



Safety, Security and Technology

TECH FORWARD

- **Targeted 1:1**
 - Integrated w/ Active Learning Cycle process (phased approach)
 - Rigorous application process to determine readiness and selection (similar to current TI Grant selection process)
 - Differentiated professional learning from Tech Integration Specialists and/or vendors (minimum once per week)



Safety, Security and Technology

TECH FORWARD

- **Ongoing Monitoring & Assessment**
 - Beginning, middle and end of year assessments
 - Alignment w/ campus goals and lesson plans
 - Collection of teacher/student data
 - BrightBytes
 - Learning.com
 - Hoonuit
 - Learning Walks
 - Teacher Certifications (Google Apps for Education, Apple Education, etc.)
 - Student artifacts and standards based report cards



Safety, Security and Technology

Fiscal years 2020-2025

	Estimated Cost
Infrastructure	\$42,540,000
Replacement Schedule	\$39,600,000
District Standards	\$3,550,000
Creative Programs & Partnerships	\$1,425,000
TECH FORWARD	<u>\$10,000,000</u>
Total	\$97,115,000

Fine Arts

Fine Arts Considerations

- Uniform replacement schedules:
 - Marching band: 8-year cycle + fill-ins
 - Drill team: 5-year cycle + fill-ins
 - High school & junior high concert: 8-year cycle
- Access
 - Instrument recommendations (based on current inventory, economically disadvantaged students, artist-level instruments for top groups, etc.)
- Appropriate Instrument Storage

Fine Arts Considerations

- Visual Arts
 - Vertical alignment of equipment
 - Equipment and work surface standards
- Fine Arts / Dual Language Academies
 - Existing elementary academy programs
 - New junior high academy
 - New high school academy
- Fine Arts Center-including needs for delivery of instruction
- Traditional Elementary Campuses- cafeteria stage equipment, sound, lighting and classroom instruments
- Piano viability needs on all campuses

Current Assessment Work

- Inspection of current inventories
- Review of program design
 - Alignment of equipment to program design
- Assessment of visual arts & theater needs
- Evaluation of storage capacity
 - Security
 - Current utilization
- Mariachi program expansion
- Elementary music program standards across the system



Fine Arts Instruments, Uniforms & Equipment

Fiscal years 2020-2025

	Estimated Cost
Band and Orchestra Artist-level Instruments	\$ 1,705,595.26
Elementary Music Instruments/Risers	\$ 685,914.00
Theater Equipment-all Junior Highs, HS small Theatres and Black Boxes	\$ 1,320,000.00
Visual Arts Equipment and Work Surfaces	\$ 547,429.97
Piano Replacement for Junior High and High School	\$ 685,313.00
Marching Band Uniforms	\$ 834,000.00
Drill Team Uniforms	\$ 144,000.00
High School and Junior High Concert Uniforms	\$ 895,500.00
Choir Risers/Equipment-Junior High and High School	\$ <u>138,000.00</u>
Total Preliminary Estimated Cost	\$ 6,955,752.23

Transportation

Current Bus Fleet

Mileage	Special Ed Buses	Regular Ed Buses	Activity Buses	Total Buses
< 200,000 miles	108	135	10	253
200,000 – 250,000 miles	6	0	0	6
>250,000 miles	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	114	135	10	259

Bus Fleet Considerations

- Useful life of buses: 12 years
- Replacement considerations
 - Age
 - Mileage
 - Condition
- 3-point seat belts
 - Mandated by 85th Legislature
 - Reduce capacity by one-third
- Program needs
 - Access for new programs
 - Efficiencies offered by activity buses



Transportation Needs

Fiscal years 2020-2025

Vehicle Category	Replace	Add	Category Total	Estimated Cost
Regular Ed Buses	35	16	51	\$5,664,691
Special Ed Buses	20	6	26	\$3,319,371
Activity Buses	0	20	20	\$1,198,525
White Fleet Vehicles	<u>62</u>	<u>30</u>	<u>92</u>	<u>\$3,502,695</u>
Totals	117	72	189	\$13,685,282

Capital Needs Assessment Summary

Preliminary Cost Estimates

(before final assessment & prioritization of needs)

Category	Assessment (as of 10/1/18)
Facilities	\$1,086,771,414
Fine Arts	\$6,955,752
Safety, Security and Technology	\$97,115,000
Transportation	<u>\$13,685,282</u>
Total	\$1,204,527,448

Note: Identified facility needs will be phased over 5-15 years, over several bond packages. The remaining identified needs are specific to the period 2020-2025.

Capital Needs Steering Committee

- A Capital Needs Steering Committee will be formed
 - Study assessment
 - Take community input
 - Recommend prioritized capital needs to Board
- Application is available on AISD website
- Applications are due by November 16th

Committee Timeline

- Committee meetings begin in January
- Final committee report due to the Board by June 27, 2019

Excerpt from Steering Committee Charge

- Review the recommendation regarding a Tax Ratification Election and bond election presented to the Board of Trustees by the Financial Futures Committee on February 15, 2018, consider the projected impact that a TRE and bond election will have on the District's total tax rate and acknowledge the projected impact in the Committee's report to the Board.

Long-Range Financial Planning

Long Range Financial Investments

- Scheduled bond principal & interest payments will decrease over next five years
- Property values are expected to grow over the next five years.
- Opportunity for a bond package and a TRE with limited tax rate increase to:
 - Invest in capital priorities
 - Reduce budget deficit
 - Sustain instructional opportunities
- Limited tax rate increase
 - Decrease in Interest & Sinking tax rate will offset an increase in the M&O tax rate

Recapture

- If AISD raises its M&O rate above \$1.06, the district will be subject to recapture
- A portion of revenue on tax rates above \$1.06 are recaptured by the state
 - Recapture amount is based on the percentage by which a district's property wealth exceeds the EWL threshold

Example Bond / TRE Combination

Assumption: \$500 million bond package / \$.05 Reduction in I&S Rate

M&O Tax Rate	I&S Tax Rate	Total Tax Rate	Change from Current Rate	Change in Taxes for Average Homeowner	Cumulative Additional General Operating Revenue (Net of Recapture)
\$1.04	\$0.3287	\$1.3687	--	--	
\$1.05	\$0.2787	\$1.3287	(\$0.04)	(\$64.90)	\$7,759,563.00
\$1.06	\$0.2787	\$1.3387	(\$0.03)	(\$48.68)	\$15,518,086.00
\$1.07	\$0.2787	\$1.3487	(\$0.02)	(\$32.45)	\$17,019,891.00
\$1.08	\$0.2787	\$1.3587	(\$0.01)	(\$16.23)	\$19,688,484.00
\$1.09	\$0.2787	\$1.3687	\$0.00	\$0.00	\$22,126,424.00
\$1.10	\$0.2787	\$1.3787	\$0.01	\$16.23	\$24,345,652.00
\$1.11	\$0.2787	\$1.3887	\$0.02	\$32.45	\$26,564,541.00
\$1.12	\$0.2787	\$1.3987	\$0.03	\$48.68	\$28,733,405.00
\$1.13	\$0.2787	\$1.4087	\$0.04	\$64.90	\$30,951,859.00
\$1.14	\$0.2787	\$1.4187	\$0.05	\$81.13	\$33,170,234.00
\$1.15	\$0.2787	\$1.4287	\$0.06	\$97.35	\$35,338,873.00
\$1.16	\$0.2787	\$1.4387	\$0.07	\$113.58	\$37,556,988.00
\$1.17	\$0.2787	\$1.4487	\$0.08	\$129.80	\$39,774,928.00

Election Laws

- School district bond elections
 - Held **only** on May or November general election dates
- Tax ratification elections (TRE)
 - Required in order to raise M&O rate above \$1.04
 - Held 30-90 days after tax rate is adopted
 - If November general election falls within the 30-90 window, the TRE must be held on that date
 - Early tax rate adoption based on April 30th certified estimate
 - Election date: mid-June
 - Traditional tax rate adoption based on July 25th certified values
 - Election date: early October or November general election date

Timeline: Potential TRE & Bond Election

Date	Action
September 2018	Board work session on budget forecast
October 2018	<ul style="list-style-type: none"> ▪ Board presentation on enrollment forecast, instructional program needs and preliminary capital needs assessments ▪ Board considers need to form a Capital Needs Steering Committee. If approved, Board adopts a charge to Committee and opens Committee application process
December 2018	Board appoints individuals to the Capital Needs Steering Committee
January-April 2019	<ul style="list-style-type: none"> ▪ Capital Needs Steering Committee reviews strategic plan, capital needs assessment, cost analysis ▪ Survey community re budget/bond preferences ▪ 2019-20 budget is developed
May 2019	Capital Needs Steering Committee reports its recommendations to Board, and Board may give further direction to Committee

Timeline: Potential TRE & Bond Election

Date	Action
June 2019	<ul style="list-style-type: none"> ▪ Board considers, holds public hearing on and adopts the 2019-20 budget ▪ Capital Needs Steering Committee presents its revised capital needs assessment report to board, if appropriate
July 25, 2019	Receive 2019 Certified Property Values
July 25 – Aug. 19, 2019	<ul style="list-style-type: none"> ▪ Board considers long-range general operating needs ▪ Board considers potential bond package based on Capital Needs Steering Committee recommendations and survey results
August 19, 2019	Last day for Board to call bond election and/or tax ratification election for November general election
August-November 2019	Presentations to the public on bond proposition and/or tax ratification election
November 5, 2019	General Election Date

Upcoming FFC Activities

- December 11th Meeting
 - Efficiencies, including staffing and enrollment management
 - 2017-18 Audit Report
 - 2019 Legislative Agenda
- Report to Board of Trustees
- District Comparison Data
- Enrollment Projections
- Inform Capital Needs Steering Committee about TRE
- Public Forum on School Finance & TRE



Questions?