

$$\pi = 3.14159265$$



$$\mu = \sin x + \cos y$$



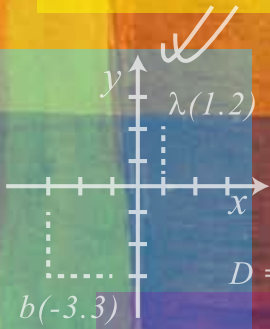
$$e^{x^2} = e^{2x+3} \Rightarrow x^2 = 2x + 3$$

$$c_i = \int c_i' dx = \int (-1) dx = -x + C_i$$

$$y^2 + 2y = \frac{1}{\sin 2x}$$

$$ab_s(x - y) \\ |x - y| = ?$$

$$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$



$$D = \begin{vmatrix} \cos 2x & o \\ 1 & zyx \end{vmatrix}$$

$$x^2 - 3x + \lim_x$$

$$2x^2 - 1$$

$$\left. \begin{aligned} x^2 + y^2 - 1 &= z \\ 3x^2 + 2y^2 - 3 &= 2z \end{aligned} \right\}$$

$$V = \frac{1}{3} B \cdot H$$

2011-2012

# PRELIMINARY BUDGET

## TO THE AUSTIN COMMUNITY:



As we plan for the 2011-2012 school year, we are approaching our Preliminary Budget recommendations with the certainty that we will have to make significant fiscal reductions for the coming academic year. These reductions will affect our educational programs and student supports. Despite these challenges, we are moving forward, determined to provide high-quality teaching and learning in every classroom on every campus so that our students will continue to thrive and achieve at high levels.

As you will see in this Budget Guide, we are anticipating a shortfall ranging from \$94.4 million to \$114.1 million for the coming year. The initial proposed State spending bill, made public in January by the House Appropriations Committee, is devastating. Public education in Texas will bear the major brunt of the reductions in the proposed two-year spending bill, which could reach as high as \$10 billion. Foundation School funding, and virtually every grant program to assist public schools, as administered by the Texas Education Agency, are proposed for significant cuts, if not complete elimination.

Budget experts tell us that a \$4 billion reduction for public education is a likely outcome for the Appropriations Bill. At this point, we can't know exactly what that means for reductions in State funding for the Austin School District, but we anticipate at least a \$79.1 million loss in state revenue.

This shortfall is not a surprise to us. We prepared the budgets for the 2009-2010 and 2010-2011 school years knowing that the economic downturn in Texas would probably require increasing budget reductions. We also knew we would be losing the extra resources we received from Federal Stimulus funds. Through the current school year, we have made \$27.7 million in savings and reductions. That included any low-hanging fruit, and did not directly affect campus budgets.

Unfortunately, our job will be more difficult in the coming school year — and the year following. Because personnel account for nearly 87 percent of AISD's budget (when not counting Chapter 41 "recapture" payments to the State), and teachers make up more than half of our staff, we will be forced to recommend reductions in teachers and staff on our campuses. There is no question that these reductions will have an impact on our educational programs and student supports on our campuses. At the same time, we will concentrate our resources to support the key functions of the District's Strategic Plan. We are making our budget recommendations with the academic needs of our students as our primary guide to have the least impact on student achievement and will allow us to continue working to improve student outcomes on every level and prepare students for college and career success.

"This Preliminary Budget Guide provides essential information on the projected revenues and expenditures for AISD for the 2011-2012 school year, as well as comparative data on our tax rates and staffing. As part of our commitment to openness and transparency, this Guide is designed to lay out all the factors under consideration in the creation of our District's budget."

Over the past several months, the Administration has initiated numerous public conversations and online surveys about the best ways to address the projected shortfall, soliciting feedback and proposals from such stakeholders as Education Austin, the District Advisory Council, the Chambers of Commerce, teachers, principals, and other staff members, as well as parents and the greater Austin community. We have used a number of recommendations from these conversations and surveys in preparing our preliminary budget recommendations. Through this process, we have found some agreement on a set of reductions totaling at least \$24.8 million as part of the \$77.8 million we are recommending in reductions and potential savings to balance the budget.

This Preliminary Budget guide provides essential information on the projected revenues and expenditures for AISD for the 2011-2012 school year, as well as comparative data on our tax rates and staffing. As part of our commitment to openness and transparency, this Guide lays out many factors under consideration in the creation of our District's budget.

We know there may be changes in some of the revenue projections, particularly as the Texas Legislature wrestles with the State deficit and its impact on public education. To prepare for the next school year, however, AISD must make some very difficult decisions before the Legislature has finalized its budget for the coming biennium.

We appreciate the Austin community's commitment to our public schools and engagement in our budget process. We pledge to keep the community informed as this process evolves.

Sincerely,  
**Meria Joel Carstarphen**  
Superintendent



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## INTRODUCTION AISD'S NEW BUDGET PROCESS: STRATEGIC, ENGAGING, AND TRANSPARENT

**AISD's commitment to openness and transparency is reflected in the publication of this document. It represents an attempt to increase the level of transparency that surrounds a complex budget process. The Budget supports the District's Strategic Plan, a product of a genuine consensus-building process, that embodies the vision of the community for our work.**

### **THE AISD STRATEGIC PLAN 2010-2015 GUIDES AISD'S BUDGET, OTHER PLANS, AND PROGRAMS AND INITIATIVES.**

In December 2009, the AISD Board of Trustees approved the AISD Strategic Plan 2010-2015. To further strengthen measurable student achievement outcomes and provide increased accountability to the community, the plan was revised in 2010.

AISD believes in the soundness of its Strategic Plan, the product of extensive research, including the review of strategic planning best practices and a number of strategic plans of other school districts across the country. The Strategic Plan is also the product of extensive stakeholder input, including community conversations, focus group discussions, a task force, surveys, individual interviews, and email and written comments. In all, input was received from more than 3,500 sources. The Strategic Plan reflects a genuine consensus-building process, and embodies the vision of the community for our work.

#### **The Strategic Plan consists of three parts:**

- The *Framework* states the Mission, Vision, and Values of the district. The *Framework* also includes four Goals, 11 Measurable Outcomes, and four Strategies.

- The *Implementation Guide* includes 46 Key Action Steps. For the five-year plan, each action step is assigned a specific year in which it will be implemented.
- The *Scorecard* includes more information on the Measurable Outcomes, as well as baseline data and targets for improvement.

As indicated in the Framework (see pages 8 & 9), the Goals directly align with academics and student performance; and the Measurable Outcomes include quantifiable performance indicators directly related to the Goals. The Goals and Measurable Outcomes are ambitious, but also achievable. The four Strategies represent a balance of perspectives — education, community, staff, and resources — all of which are integral to successfully implementing the plan.

In addition to the budget, the Strategic Plan guides other district plans such as the District Improvement Plan (DIP), Campus Improvement Plans and the Facility Master Plan.

For each of the Key Action Steps, detailed work plans are developed to ensure that related programs and initiatives are also aligned with the Strategic Plan. Periodic status reports are provided on each of the work plans.



An annual Strategic Plan Scorecard — based on the Measurable Outcomes — is produced to assess the overall progress of Strategic Plan implementation. The Scorecard was released on November 18, 2010, to coincide with the State of the District Address and 2009-2010 Annual Report. This comprehensive document is available for viewing or download on the AISD website, [www.austinisd.org](http://www.austinisd.org).

### THE STRATEGIC PLAN GUIDES THE BUDGET

Why do we need a long-term Strategic Plan? With limited resources, AISD must be focused on the goals and strategies that will best prepare all students for college, career, and life in a globally competitive environment. That means being fully transparent in the decisions guiding the district, setting priorities and sticking to them, and concentrating resources on the programs, practices and staffing that will best serve students in achieving academic success.

The Strategic Plan has ambitious goals. It aims high because we are preparing students for success in a world in which many of the jobs they will be holding haven't even been created yet. The plan includes very specific action steps, which we will take, and measurable outcomes against which work will be judged. This is true accountability.

This plan requires a compact with the Austin community and its families. Its success also calls for a commitment from the greater Austin community to work with us to provide those services, and supports some students' need to overcome the challenges in their lives that may affect their readiness to learn. Working together to implement this plan, we can eliminate achievement gaps, keep young people from dropping out, and raise the level of achievement so that every student graduates ready for college, career, and life in a continually changing, highly competitive, and very exciting world.

### WINDOWS OPEN ON THE BUDGET PROCESS

Recognizing the importance of providing sufficient time during the budget process to debate challenging issues, AISD accelerated its budgeting process by four months in 2010, and is doing so again in 2011. In this way, the public is able to review and scrutinize this Preliminary Budget before the Board of Trustees undertakes formal adoption in June.

### STRATEGIC PLAN GOALS

1. All students will perform at or above grade level.
2. Achievement gaps among all student groups will be eliminated.
3. All students will graduate ready for college, career, and life in a globally competitive economy.
4. All schools will meet or exceed state accountability standards, and the district will meet federal standards and exceed state standards.

A major change to the process has been how key stakeholders — parents, citizens, and staff — participate in budget development. The District realized that we could no longer plan in silos because all stakeholders would be impacted in some way by the budget choices made. This 2011-2012 Preliminary Budget was developed with community input on the front end, not solely at adoption time. At meetings held with the community-at-large and with District staff, participants provided valuable ideas for consideration. Additionally, an on-line budget survey was completed by more than 6,500 stakeholders.

Outside of public and other partners, a key stakeholder in the District's budgeting process is the Citizens Budget Review Committee (CBRC). The CBRC meets regularly, working alongside staff and others to develop tools and methodologies on how to best improve the District's budgeting process. The District has been responsive to CBRC's recommendations for greater cohesion and clarity; and that the District also view the development of a budget as part of a larger, 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.

### **BECOMING RESULTS-ORIENTED WITH PERFORMANCE-BASED BUDGETING**

AISD Administration works with the CBRC to make progress on implementing a Performance-Based budgeting (PBB) system — driven by the Strategic Plan — that ties budget investments to expected performance outcomes. In doing so, outcomes drive budgetary decisions rather than the budget dictating programming. Implementing PBB allows the District to ensure that budget investments are well-aligned and articulated with clear lines of accountability.

The strategic planning process is by its nature ongoing — constantly seeking input and evaluating progress in order to make adjustments. The budget will do the same thing:

- Financial realignments are made to support key initiatives or priorities.
- Budgets may increase or decrease depending on the outcomes of performance measures.
- Evaluative tools exist to judge success.



## AISSD BOARD OF TRUSTEES BUDGET PARAMETERS

On September 27, 2010, the Board of Trustees adopted the following Board Budget Parameters for the 2011-2012 budget development process. These parameters served as a guide as this Preliminary Budget was developed:

1. The Board seeks to maintain an unassigned fund balance consistent with a formalized policy in an effort to (1) maintain a bond rating of AAA or higher, (2) a Superior financial rating from the State and to (3) ensure a sufficient operating reserve to support operating costs for at least two months.
2. The Board recognizes its fiduciary responsibility to adopt a balanced budget and will seek to do so by considering all options. Using the AISSD Efficiency Study, conducted in 2009 by MGT of America, and the 2010-2011 AISSD Facilities Master Plan (FMP) as starting points, the Board will consider spending reductions, cost savings, consolidation, closure, efficiency proposals and any other feasible options.
3. If projected expenditures exceed projected revenue and budget reductions become necessary, the District will first seek those options that are sustainable and will address structural imbalances on a multi-year basis. One-time solutions will be considered with caution and appropriately factored into out-year deficits.
4. The District will be willing to change the status quo and aggressively pursue additional revenue, cost savings and efficiencies; and reduce investments in programming that hasn't shown sufficient results.
5. The budget will prioritize investments that are aligned with our Strategic Goals:
  - All students will perform at or above grade level.
  - Achievement gaps among all student groups will be eliminated.
  - All students will graduate ready for college, career and life.
  - At a minimum, all schools will attain a status of either Recognized or Exemplary status under the state accountability system.
  - All schools will meet Adequate Yearly Progress (AYP) standards under the Federal Accountability System.
6. We recognize the need to target resource investments into programming that supports achievement growth for all schools. This includes support for schools that are *Academically Unacceptable*, historically under-served schools in East Austin, dropout prevention programs, schools on the cusp of attaining *Recognized* and *Exemplary* status and already *Exemplary* schools that are striving for even greater success to evoke a culture of excellence across all our schools.
7. The budget process must be transparent and include sufficient opportunity for community engagement and feedback beyond statutory requirements.
8. The Board seeks to maintain competitive total compensation levels for all classes of employees and will consider such recommendations as long as they are sustainable.
9. Budgeted assumptions for staffing ratios must meet State standards unless a waiver is sought from the State.
10. The budget should be developed in a multi-year framework (minimum three years) to account for out-year implications of budget proposals and revenue estimates.



# AISD STRATEGIC PLAN 2010 - 2015

## FRAMEWORK

### What We Do

#### MISSION

In partnership with parents and our community, AISD exists to provide a comprehensive educational experience that is high quality, challenging, and inspires all students to make a positive contribution to society.

### Where We Want to Be

#### VISION

AISD will be nationally recognized as an outstanding school district, instilling a passion for life-long learning in all students.

### What We Believe In

#### VALUES

Focus on Children  
Excellence  
Integrity  
Equity  
Respect  
Health and Safety

### What We Want to Accomplish

#### GOALS

1. All students will perform at or above grade level.
2. Achievement gaps among all student groups will be eliminated.
3. All students will graduate ready for college, career, and life in a globally competitive economy.
4. All schools will meet or exceed state accountability standards, and the district will meet federal standards and exceed state standards.

### How We Will Achieve Our Goals

#### STRATEGIES

1. Provide a high-quality, well-rounded educational experience to all students that is rigorous, culturally relevant, healthful, and engaging.
2. Build strong relationships with students, families, and the community to increase trust and shared responsibility.
3. Ensure that every classroom has a high-quality, effective educator, supported by high-quality, effective administrators and support staff.
4. Align resources to accomplish priorities within a balanced budget.



# How We Will Check Progress on Our Goals

## MEASURABLE OUTCOMES

1. TAKS passing rates for students who have been in the district for at least three consecutive years
2. TAKS passing rates for students who have not been in the district for at least three consecutive years
3. Achievement gaps among ethnic groups
4. Achievement gaps between economic groups
5. Graduation rates – the number of students in a 9th grade cohort who graduate within four years of their enrollment in 9th grade
6. College readiness — the number of graduates who meet or exceed a combination of TAKS exit level, SAT, and ACT criteria
7. TAKS writing scores — the number of 11th graders scoring 3 or 4
8. Postsecondary enrollment — the number of seniors who enrolled in a four-year or two-year college or university or in a technical school within the first year after graduating
9. Enrollment in Advanced Placement (AP) courses — the number of students enrolled in AP courses and completing dual enrollment courses
10. Performance in AP courses — the number of students with AP test scores of 3, 4, or 5
11. District and campus accountability ratings — based on the district rating (i.e., Acceptable), the number of schools achieving Adequate Yearly Progress (AYP), and the number of *Acceptable*, *Recognized*, and *Exemplary* schools



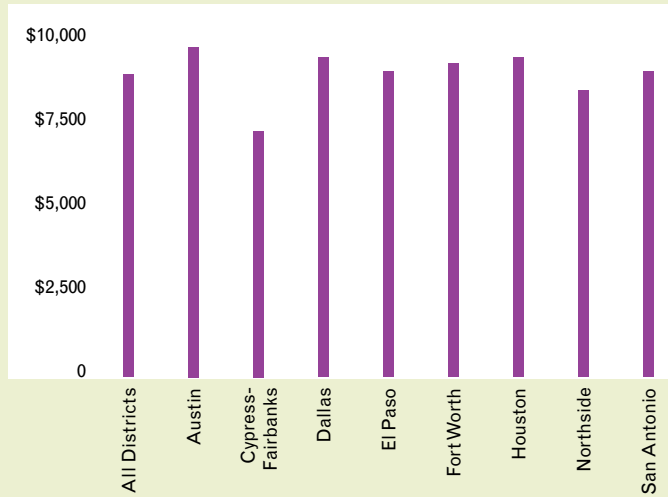
## AISD'S CONTINUED COMMITMENT TO STUDENTS & TAXPAYERS

**AISD is making academic progress, and stays focused on achieving greater student learning, eliminating the achievement gaps, and managing resources and tax dollars wisely.**

The Austin School District is making progress in reducing the achievement gap, creating a college-bound culture in more of our schools, and boosting the expectations for and the achievement of English Language Learners and Special Education students. The District compares favorably to our peers in Texas and nationally in a number of important areas:

- 109 Austin campuses—or 99 percent of regular campuses—met or exceeded the challenges of the state's increasing accountability standards for 2010. Among them, a total of 68 campuses earned Exemplary or Recognized ratings—more than ever before—as reported by the Texas Education Agency.
- From 2009 to 2010, 37 Austin campuses improved their ratings, with three advancing by two levels.
- Ninety-nine percent of AISD schools met or exceeded TAKS standards, up from 93 percent in 2009.
- Seven of eight *Academically Unacceptable* schools moved up to an *Acceptable* ranking, and there were no new AU campuses.
- AISD made gains on virtually every TAKS standard in 2010.
- A record number of 109 of the District's 118 campuses that are included under the federal accountability system—but not the District as a whole—met Adequate Yearly Progress, or AYP, in 2010.
- Eighty-nine Austin schools received 251 acknowledgements under the Gold Performance Acknowledgement (GPA) system of the Texas Education Agency. The acknowledgements recognize campuses for high performance and/or improvement in areas critical to the academic success of students. This represents an increase of 15 in the number of campuses receiving awards, and an increase of 33 in the total number of Gold Performance Acknowledgements compared to 2009.
- AISD leads Texas school districts in the number of National Board Certified teachers for the eighth year in a row. Currently, AISD has 189 National Board Certified Teachers, up from 169 in 2009.
- Results from the 2009 National Assessment of Education Progress show that AISD ranked either first or second in the nation in fourth and eighth grade math and science, and outscored charter schools.
- Austin students taking the SAT college entrance exam in 2010 exceeded both state and national overall average scores for the fourth year in a row.
- In Austin, 2,373 students took the SAT in 2010, an increase of 149 students, from the 2,224 students the previous year; while ACT test participation also increased, from 1,097 in 2009, to 1,160 in 2010.

## AUSTIN HAS THE HIGHEST PER PUPIL SPENDING (FY08-09)



## COMPARED TO TEXAS PEERS

When compared with other Texas school districts of similar size or demographics, Austin had the highest per pupil spending of \$9,575. In 2008-2009, the most recent year that comparable data is available, Houston and Dallas had per pupil spending of \$9,228 and \$9,274 respectively. Austin has been investing directly in its students, to ensure they have the competitive demands of a global economy. However, Austin ISD may have an opportunity to achieve more efficiency in pupil instruction.

## COMPARED TO NATIONAL PEERS

The Austin School District's 2009 Reading results from the National Assessment of Educational Progress (NAEP), also known as the Nation's Report Card, demonstrate that fourth and eighth grade Reading scores match the average scores of public school students nationwide, and exceed those of

## TEXAS BIG-8 SCHOOL DISTRICTS - 2010 STATE RATINGS

Number and Percentage of Schools by Category

Change from 2009	District	Overall Rating		Exemplary		Recognized		Academically Acceptable		Academically Unacceptable		Alternative Education Accountability: Acceptable		Alternative Education Accountability: Unacceptable	
		Rating	Use of Options	Number of Schools	% of Rated Schools	Number of Schools	% of Rated Schools	Number of Schools	% of Rated Schools	Number of Schools	% of Rated Schools	Number of Schools	% of Rated Schools	Number of Schools	% of Rated Schools
↔	Austin ISD	Academically Acceptable	Met Absolute Standard	32	28%	36	31%	41	35%	1	1%	6	5%	0	0%
↔	Corpus Christi ISD	Academically Acceptable	Met Absolute Standard	18	31%	29	49%	10	17%	1	2%	1	2%	0	0%
↔	Dallas ISD	Academically Acceptable	Met Absolute Standard	63	28%	62	27%	84	37%	15	7%	2	1%	0	0%
↑	El Paso ISD	Recognized	RI only	38	43%	41	46%	7	8%	0	0%	3	3%	0	0%
↔	Fort Worth	Academically Acceptable	Met Absolute Standard	12	10%	37	31%	62	52%	5	4%	3	3%	0	0%
↔	Houston ISD	Academically Acceptable	Met Absolute Standard	101	36%	105	38%	51	18%	7	3%	16	6%	0	0%
↔	San Antonio ISD	Academically Unacceptable		12	13%	34	37%	34	37%	2	2%	9	10%	1	1%
↑	Ysleta ISD	Recognized	RI only	19	33%	33	58%	3	5%	0	0%	2	4%	0	0%

Source: 2010 TEA District Summary Data Tables. Prepared by: Austin ISD CDA

## TEXAS BIG-8 SCHOOL DISTRICTS - AYP PRELIMINARY RESULTS

2010 Performance Measures

### Austin ISD

Missed AYP - Reading and Math Performance - School Improvement Plan Requirement - Stage 1

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
Austin ISD	83%	77%	78%	96%	76%	57%*	72%	80%	67%	75%	94%	72%	52%*	73%
TPM % Met	90%	86%	87%	98%	86%	62%	84%	85%	75%	81%	97%	78%	55%	78%

### Corpus Christi ISD

Missed AYP - Reading and Math Performance - School Improvement Plan Requirement - Stage 3

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
Corpus Christi ISD	86%	82%	84%	92%	82%	53%*	77%	77%	71%	75%	87%	73%	49%*	75%
TPM % Met	91%	86%	91%	95%	89%	59%	87%	85%	82%	84%	92%	82%	52%	82%

### Dallas ISD

Missed AYP - Reading and Math Performance - School Improvement Plan Requirement - Stage 2

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
Dallas ISD	81%	78%	82%	92%	80%	55%*	75%	76%	67%	78%	87%	75%	55%*	73%
TPM % Met	89%	86%	90%	95%	88%	63%	85%	83%	77%	84%	92%	82%	58%	78%

### El Paso ISD

Missed AYP - Reading and Math Performance

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
El Paso ISD	86%	87%	85%	93%	83%	61%*	76%	84%	79%	83%	91%	81%	59%*	79%
TPM % Met	93%	93%	92%	97%	91%	66%	87%	89%	85%	88%	94%	87%	62%	84%

### Fort Worth ISD

Meets AYP - School Improvement Plan Requirement - Stage 1 (read and math)

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
Fort Worth ISD	81%	75%	80%	92%	78%	56%	73%	74%	63%	75%	88%	72%	49%	72%
TPM % Met	89%	85%	90%	96%	88%	67%	84%	81%	72%	83%	92%	80%	54%	78%

\* % Missed AYP for this performance measure due to the 2% and/or the 1% federal caps

■ % Met AYP with Required Improvement

Source: 2010 TEA Preliminary AYP District Data Tables. Prepared by: Austin ISD CDA

**Houston ISD**

Missed AYP – Reading and Math Performance – School Improvement Plan Requirement – Stage 2

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
Houston ISD	84%	82%	82%	95%	81%	55%*	76%	81%	73%	81%	92%	79%	55%*	79%
TPM % Met	91%	89%	91%	97%	90%	62%	87%	86%	82%	87%	95%	85%	58%	83%

**San Antonio ISD**

Missed AYP: Reading Performance – School Improvement Plan Requirement – Stage 2 (read, math, grad rate)

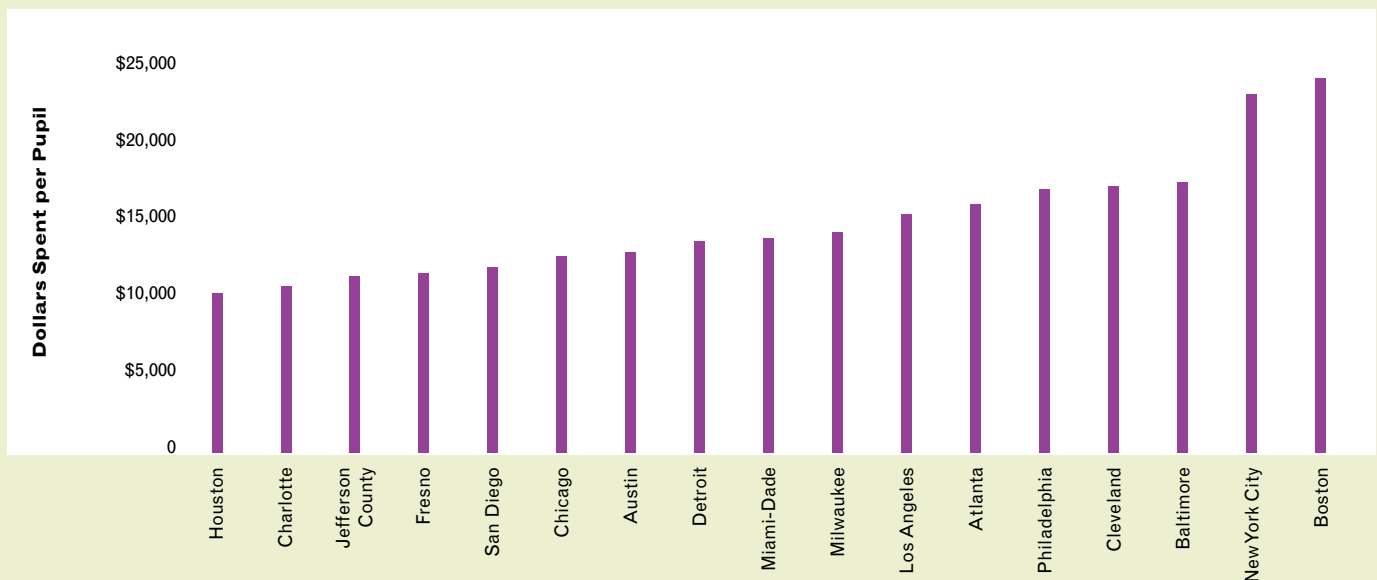
District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
San Antonio ISD	81%	80%	81%	88%	80%	56%*	74%	72%	66%	73%	81%	71%	51%*	71%
TPM % Met	89%	87%	89%	93%	89%	65%	84%	81%	76%	81%	88%	80%	56%	77%

**Ysleta ISD**

Missed AYP – Reading and Math Performance

District	READING							MATHEMATICS						
	All	AA	His	White	Eco	Sped	LEP	All	AA	His	White	Eco	Sped	LEP
Ysleta ISD	88%	90%	88%	94%	86%	62%*	80%	84%	82%	84%	89%	83%	57%*	81%
TPM % Met	93%	93%	93%	97%	93%	67%	90%	89%	90%	89%	93%	88%	60%	84%

**FY2008 PER PUPIL EXPENDITURES**



Source: National Center for Education Statistics (2008 most recent year available)

students from Large Central Cities (LCCs—cities with populations of 250,000 or more) and most of the 18 districts participating in the Trial Urban District Assessment (TUDA).

Overall, Austin ISD's fourth graders outperformed students from Large Central Cities schools in 2009, and also outperformed their peers in 12 TUDA districts. They performed as well as students in national public schools and the remaining five other TUDA districts (Charlotte, Boston, Jefferson County, Miami-Dade, and New York City). Only one TUDA district (Charlotte) had a greater percentage of fourth grade students scoring at or above the Proficient level, although the difference was not significant.

AISD eighth graders improved significantly since 2005, and outperformed students in LCCs and 12 TUDA districts. They matched the performance of students in national public schools and performed as well as those from five other TUDA districts (Boston, Charlotte, Jefferson County, Miami-Dade, and San Diego). No TUDA district had a greater percentage of eighth grade students scoring at or above Proficient.

Overall, 65 percent of fourth graders tested scored at or above the basic level, and 32 percent scored at or above proficient. Austin's fourth grade English Language Learners, African American, and White students scored significantly better than their peers in LCCs and in national public schools, and students with disabilities outperformed their peers in LCCs.

Overall, 71 percent of eighth graders tested scored at or above the basic level and 30 percent scored at or above the proficient level, representing significantly greater percentages than those of LCC's and other TUDA districts, including Houston. Austin's eighth grade White students outperformed their peers in LCCs and in national public schools. For example, 55 percent of White students scored at or above the proficient level, compared with 42 percent of White students in LCCs and 39 percent of White students in public schools across the nation. In

addition, Hispanic students and students with disabilities outperformed their peers in LCCs, and scores for African Americans, Hispanics, students with economic disadvantage, and English Language Learners improved since 2007, and scores for students with disabilities improved since 2005.

### **SOUND BUDGETS AND STRONG FISCAL MANAGEMENT**

Despite budget constraints in recent years, AISD continues to use sound fiscal management practices, and prudently allocates its resources. Budgets have been developed and implemented with a focus on students' needs, without negatively impacting classroom instruction. The District's efforts at fiscal responsibility have helped produce the following results:

- One of the lowest overall property tax rates in Central Texas, with the Maintenance & Operations rate remaining the same for 2011-2012.
- AAA debt rating from Moody's Investors Service; AA+ from Standard & Poor's; and AA from Fitch Ratings, all among the highest ratings available by these agencies to Texas public schools, resulting in millions of dollars of savings for the District's bond program and Austin taxpayers.
- 2009 School FIRST (Financial Integrity Rating System of Texas) rating of Superior Achievement for the seventh consecutive year.
- The Texas Comptroller of Public Accounts' Leadership Circle Award for budget transparency, the first such award for the Austin School District.
- The Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for eight years in a row.
- Number one ranked school district in the nation for total amount of renewable energy purchased.
- Eighth largest purchaser of "green power" among all U.S. government entities.
- A Two-Star rating or higher received from the Austin Energy Green Building Program for new schools, classroom additions, and major renovations under the 2004 and 2008 bond programs.

The School District continues to look for opportunities to bring in additional resources. Those efforts yielded significant results recently when the District was informed that it was one of the 62 winning applicants of the \$442 million Teacher Incentive Fund (TIF) grant competition. AISD received \$62.3 million — the largest grant awarded in the nation — to expand the Strategic Compensation program, called AISD REACH, for the next five years.

Also, foundation support remains strong. For example, the Michael and Susan Dell Foundation awarded the District just over \$1 million to support the purchase, implementation, and evaluation of a district-wide curriculum delivery and Instructional Management System (IMS) for launch at the beginning of the 2011-2012 school year. The goals of the project are to improve instructional practices, increase student learning, and to prepare students for college, career, work and life in a global society. A critical component of the District's new technology and performance management system, the Tools

for Teaching Excellence II project, will deliver web-based access to AISD curriculum and short-cycle assessments within one teacher portal using an innovative cloud computing technology platform.

AISD is working with the federal Texas High School Project, the Gates Foundation and Austin Community College for development and support of the Early College High School programs at LBJ and Reagan high schools.

The District also has created the Office of Innovation and Development (see page 42) to secure funders and partners to support District work and operations, and to leverage productive partnerships.

And, even during difficult budget times, the District is working hard to maintain a healthy Fund Balance. This cash reserve enables the District to cover operating costs at all times. Ensuring an adequate reserve level is crucial to maintaining high bond ratings as well as supporting unplanned needs and emergencies.



## BUDGET CHALLENGES

**AISD's funding challenges  
are a dose of reality in  
hard economic times.**

### TOUGH TIMES/TOUGH CHOICES

Most of us know all too well the economic crisis that we are currently experiencing as a nation. Although the Austin area, and State of Texas as a whole, have been spared some of the worst downturn, the financial landscape ahead is bleak. While we pledge to remain focused on student success, we face tough times and tough choices.

Our revenue challenges are formidable:

#### Local Revenue:

- Residential property values are declining.
- Certified taxable values for 2010 declined 3.66 percent. The Travis County Tax Appraiser projects another 2.75 percent decline for 2011, with a very modest growth of less than one percent for 2012.

#### State Revenue:

- The initial proposed State Spending Bill, made public in January 2011 by the House Appropriations Committee, is devastating. Public education in Texas will bear the major brunt of the reductions in the proposed two-year spending bill, which could reach as high as \$10 billion. Foundation School funding, and virtually every grant program to assist public schools, as administered by the Texas Education Agency, are proposed for significant cuts, if not complete elimination.

- Based upon our preliminary analysis of the House's spending proposal, AISD's budget crisis has become significantly more challenging. No longer are we looking at a deficit of \$54 million, or even \$90 million, which some once thought was highly exaggerated.
- Based upon the proposed state funding cuts, it now appears that AISD must achieve reductions of approximately \$94.4 million, to balance spending with available revenue for School Year 2011-2012. Our analysis shows that it is unlikely that AISD will be able to absorb all of these costs in one year. Therefore, we are working to spread the reductions out over two years, whenever possible.
- In 2009, the State used Federal Stimulus funds to offset a shortfall. At that time, AISD received \$22.6 million from the State. For 2011-2012, there are no Federal Stimulus funds to shore up the State budget.
- Public education spending in Texas accounts for \$35.2 billion — 43.7 percent — of the \$80.6 billion in state discretionary General Revenue. Logic dictates that if the State bridges its budget deficit by cutting spending alone, education statewide — and in Austin — will be impacted substantially.
- The District is expected to lose \$4.6 million in State grants that fund full-day Pre-Kindergarten for low-income students.



### Federal Stimulus Funds:

- AISD received \$64 million in ARRA (American Recovery and Reinvestment Act) funding over two years; however, this funding ends in 2010-2011. Funding that is not restored by the local budget will result in ARRA-related position losses.

There are also several budget factors that are unique to Austin ISD:

- Under the State's "recapture" law, AISD must send \$127.8 million to the State for distribution to property-poor school districts in 2011. Under recapture, AISD must pay 45 percent of every penny of tax revenue generated locally. Since 2000, AISD has paid the State \$1.3 billion in recapture payments. All of this is from tax dollars generated in Austin.
- Austin ISD is one of fewer than 20 Texas school districts participating in the federal Social Security program. This costs AISD approximately \$44 million.

### AUSTIN-SPECIFIC CHALLENGES

The District also has challenges that are unique to Austin:

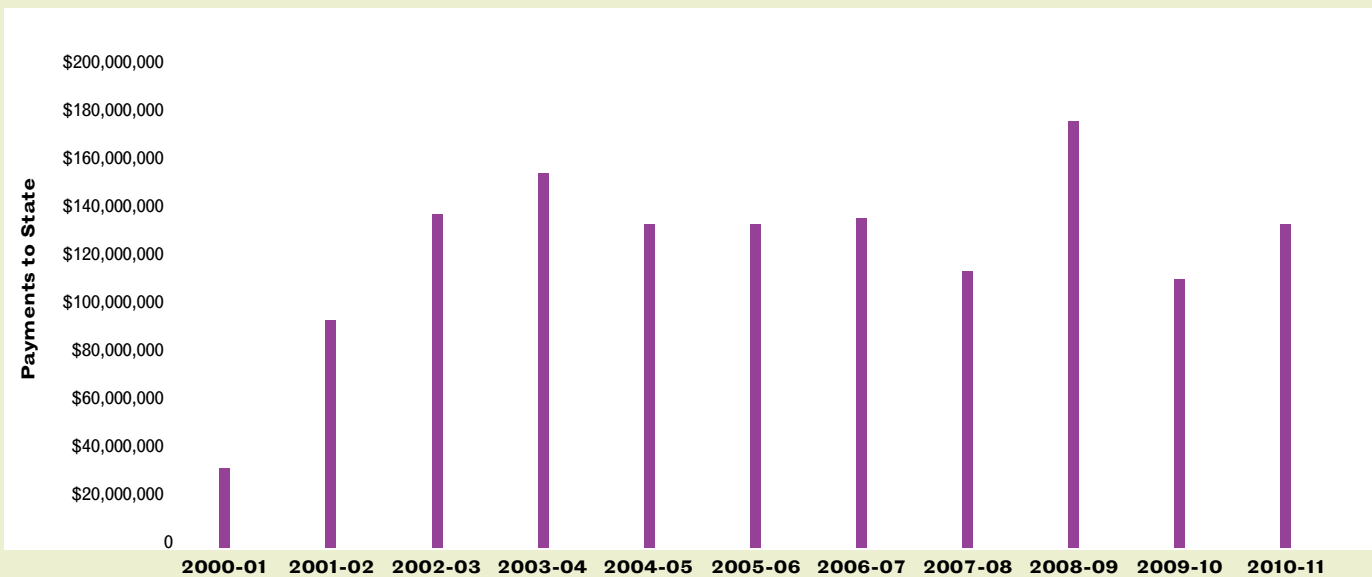
#### Challenge #1

AISD is one of just a handful of Texas schools districts required to participate in two retirement programs — the federal Social Security System, and the State's Teacher Retirement System of Texas.

#### The Impact of Social Security

- Of 1,000+ districts in Texas, Austin is one of less than 20 districts participating in Social Security for all employees.
- \$44 million in total cost to AISD.
- No cost to most other districts.
- Provides additional support to teachers; viewed favorably by teachers with more experience.
- Also comes out of teacher paychecks, viewed as a negative by teachers with less experience.

### AISD HAS PAID \$1.3 BILLION TO STATE IN CHAPTER 41 PAYMENTS SINCE 2000/2010



In FY2011, AISD must send \$127.8 million back to the State under Recapture. Under recapture, AISD must send approximately 45 percent of every penny of tax revenue generated back to the State. (See page 31.)

**Challenge #2**

Considered “property-wealthy” under the State’s “share-the-wealth” statutes, AISD is required to remit funds to the State for distribution to “property-poor” districts.

**AUSTERITY PLANNING**

Tough times, indeed, which lead us to tough choices. AISD has been austerity planning for the past two years. In 2010, we cut \$27 million from the Central Office budget by:

- Eliminating more than 100 positions and enacting a hiring freeze.
- Restricting travel and curtailing operating expenses.
- Eliminating paper pay checks.

- Moving towards self-insurance; and undertaking other cost-savings measures.
- No salary increase has been included in the proposed Preliminary 2011-2012 General Fund and Food Service Fund budgets. This is the second year a salary freeze will be in effect.

We also have plans for Central Office to operate on a 10-hour/four-day work week in July to save on energy costs, and other operational expenses.

Now, as we budget for 2011-2012, the choices will be tougher — and the cuts deeper. While the District was able to avoid impacting campus budgets during the past two years, that is not the case now. Cuts in services and programs to students and families are inevitable, and our challenge, while reducing spending, is to keep our focus on student success.





## BUDGET OVERVIEW

**AISD's Strategic Plan guides budget deliberations as the economic forecast points to declining revenue. In difficult times, even priorities must be prioritized.**

### **FY2011 PRELIMINARY BUDGET**

Developing the Preliminary Budget has proven to be one of the most challenging exercises that the District has faced in recent years. The fallout of the most severe financial crisis since the Great Depression has taken a toll on the global economy and unfortunately the school system is not immune to the financial turbulence that has severely weakened our economy. While faring better than most states over the last few years, Texas will now feel the brunt of the financial crisis as it grapples with an unprecedented revenue shortfall that is estimated anywhere from \$22.5 billion to 26.8 billion. And with public education representing about 44 percent of the State's General Fund revenue, logic dictates that public education is expected to be cut significantly.

### **DECLINING TAXABLE VALUES**

Austin ISD, like other school districts, is largely funded through property taxes. Revenue from local property taxes represents approximately 83 percent of Austin ISD's General Fund revenue. At the local level, property tax revenue, particularly for commercial property, is expected to decline over the next two biennia as a result of the overall economic downturn. Since property taxes are the primary source of income for AISD, declining property values are certain to have an effect on the District's "bottom line." And when property values begin to fall and there isn't sufficient state aid to make up that difference, school districts are forced to reduce their budgets.

### **LOSSES IN STATE FUNDING**

State Comptroller Susan Combs' Biennial Revenue Estimate for the Texas Legislature, released in early January, confirmed speculation that lawmakers will face a deficit of up to \$27 billion for the next biennium. This affects the State's financing of public education. In response, both the Texas House and Senate released their appropriations bills which propose cuts to education that range from \$4.5 to \$5 billion annually.

The initial House Appropriations Bill reduced spending on public education over the next two years by \$10 billion (FY2012 and FY2013), and does not provide for student growth or declining property values, which could increase the shortfall for public education by another \$5 billion. And, the Senate's budget bill includes similar cuts, but does allocate about half a billion dollars more for public education by giving the Texas Education Commissioner about \$200 million per year to allocate.

No time in history has public education faced possible cuts of this magnitude. Various scenarios have been developed to ascertain the impact to local school districts. And depending on the methodologies used, AISD could face a budget deficit a minimum of \$54.3 million that could also go as high, under some scenarios, as \$181 million, if the State chooses to use a wealth-based approach to allocating the cuts.

There are unique circumstances that affect Austin which need to be clear to the public. Under the state funding formulas, AISD is considered a property-wealthy school district. And because of that, AISD could fare far worse than some of its Texas counterparts, if the State so chooses to utilize a similar wealth-based approach like pro-ration or choose to reduce the District's target revenue. Scenarios presented by leading educational consultants in the State indicate that Austin ISD, as a result of its Chapter 41 status, could lose anywhere between \$98.9 million to \$181.9 million in State funding if the State reduced the foundation formula by \$5 billion.

There still remains much speculation about the range of cuts that public education will ultimately face by the time the 2011 Legislative Session ends. However, for the purposes of planning the FY2012 budget, AISD is projecting a budget shortfall of \$94.4 million, based upon an assumption of a \$4 billion State cut to public education and a loss of \$79.1 million in State funds.

With a State reduction of \$4 billion, there are three different possible scenarios for State cuts dependent upon possible methodologies that the legislature uses to reduce school district budgets; specifically:

1. Under an assumption of a 13 percent proportional cut for all school districts, AISD would lose \$79.1 million in State funds.
2. If the State decided to cap Target Revenue at \$4,760, AISD would lose \$174.2 million. Under this scenario, not all school districts would lose funding. However, AISD, as a Chapter 41 district, stands to lose significantly more than other school districts.
3. Under "Proration," a method that was first drafted in 1993, prior to the creation of Robin Hood, and still remains in the Education Code, AISD would lose \$152.6 million. Again, AISD would be disproportionately affected since it is a Chapter 41 district.

While the methodology may be uncertain at this time, we do know that we can expect State cuts as legislators have already warned school officials to "expect the worst." Therefore, for the purposes of developing the Preliminary Budget, the District has assumed the best-case scenario — a loss of \$79.1 million. State reductions beyond this amount will certainly cripple the organization. And if the State does impose further reductions beyond this amount, the Austin community will suffer greatly. Therefore, we are encouraging our legislators to apply reductions in a method that is fair and even across-the-board. Wealth-based approaches to delivering State cuts will always make Austin worse off than others, and do not take into account regional cost differences or the fact that school districts like Austin are already obligated to give over \$127.8 million in Austin taxpayer resources to the State to redistribute to other school districts outside of Austin.

#### **THE ARRA FUNDING CLIFF**

ARRA (American Recovery and Reinvestment Act of 2009) funding has enabled the District to sustain and implement programming in FY2010 and FY2011. The District will now face the stark reality of the loss of these funds in FY2012. Nearly every district across the nation is bracing itself for the inevitable end of Stimulus funds. The District received \$64 million in Stimulus funds. Considering looming State cuts and declining local revenue, AISD will not be able to support much of this programming once the funds expire.

#### **LOSSES IN FULL DAY PRE-K FUNDING**

The Texas Legislature created the Pre-Kindergarten Expansion Grant in 1999 to assist districts in providing a full-day pre-kindergarten program for eligible students. The Legislature has never allocated sufficient funds to cover all districts, so the same qualifying districts continued to receive the funds for the first nine years of the grant. Austin ISD was fortunate to receive those funds.

In 2009, the grant was restructured as the Pre-Kindergarten Early Start Grant, which adjusted the emphasis of the grant to that of teacher professional development and program quality, rather than just

provision of a full-day program. The new rules also established three tiers of eligibility, with the highest percentage of the funding awarded to districts that have not previously received this funding (Tier 1).

The two remaining tiers are for districts that have previously received funding. Tier 2 districts are those with third grade TAKS scores above the state average over the last three years, while Tier 3 is reserved for districts with third grade TAKS scores substantially below state average over the last three years. Tier 2 Districts can qualify for funds a period not to exceed three years, while Tier 3 districts can only qualify for funds for two years.

Austin ISD is currently a Tier 3 district and, thanks to our efforts in working with State administrators, the eligibility rules for Tier 3 districts have been modified and AISD is now eligible for Tier 3 funding in 2011-2012. However, as a Tier 3 district, funding is not guaranteed as it is based on availability.

All Texas school districts are eligible for half-day Pre-K funding based on the school finance formula that bases entitlements on the Average Daily Attendance (ADA) of Pre-K students. AISD invests a total of \$17.9 million to support full-day Pre-K. The Pre-K Early Start Grant currently provides \$4.6 million to support the District in offering a full-day program.

The funding from the State Pre-K grant currently covers 26 percent of the cost required to offer a full-day program, with the remaining funds made up from General Fund (67 percent) and ARRA funding sources (seven percent) which will need to be replaced when funds expire at the end of SY2010-11 to continue the program.

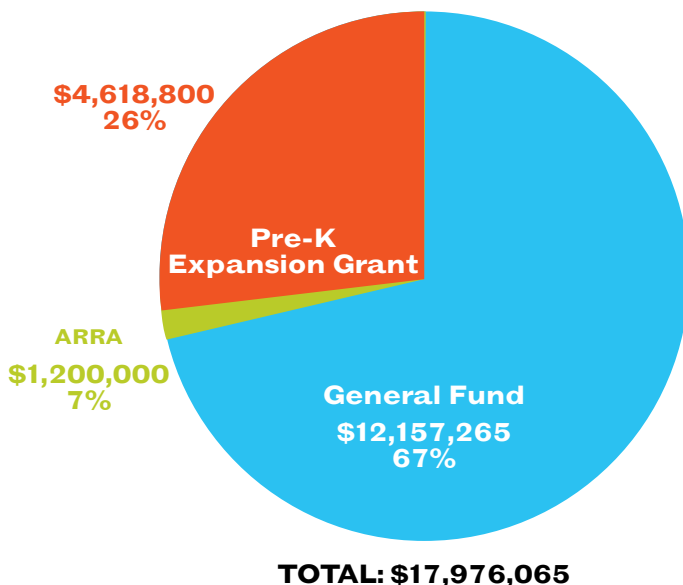
Without funding from the State and ARRA funding, the District is now faced with the decision of whether to only offer the half-day Pre-K program that is required by law, or to find the necessary funds from another source to continue to offer a full-day program for all eligible students. In doing so, the District would need to identify \$5.5 million in funds to continue the full day program. And considering the \$94.4 million budget gap, it is clear that the District will struggle to afford full-day Pre-K. However, understanding the importance of full day Pre-K, this Preliminary Budget includes a plan to maintain the full-day program.

#### TWO YEARS OF AUSTERITY PLANNING

AISD has been austerity planning for the last two years, and has considered its financial condition over the next five years. AISD has implemented \$27.7 million in reductions and savings in the last two budget years; and has done so without touching local campuses. Most of that skin came out of Central Office and tightening our efficiencies.

In FY2010, the District implemented \$14.6 million in budget reductions and leveraged the savings options presented in a management efficiency study that was commissioned by the Board of Trustees in 2009. To balance the budget for 2010-2011 and avert a projected structural deficit of \$7.1 million, the District cut and/or eliminated several programs that reduced the General Fund budget by \$8.3 million. The District also implemented additional cost savings measures to avert \$4.8 million in budget increases. The total \$13.1 million in budget savings, reductions, and reprogrammings coupled with a one-time draw-down on fund balance of \$2.3 million allowed the District to eliminate the deficit and provide a small down payment on mission critical Strategic Plan initiatives. To carry out these reductions, AISD eliminated 117 central office positions.

#### SOURCES OF PRE-K FUNDING



The savings generated by central reductions was the equivalent of more than 400 teaching positions.

Given the dire fiscal reality, the District will have to make some difficult decisions in order to balance the budget FY2012 budget. In this climate, it is clear that AISD will be unable to make superficial or painless cuts. Drastic service changes will be necessary if the District is to close the projected gap for FY2012.

### THE PROJECTED BUDGET SHORTFALL FOR FY2012

The District faces an estimated shortfall of \$94.4 million, taking into account baseline budget needs just to maintain:

- Continuity of services,
- The best case scenario for possible State funding losses and,
- Local funding needs to support mandated or critical programming that was once funded by one-time stimulus funds or reflects new mandates and requirements.

	State Cuts to Education \$4 Billion
Projected Expenditures	<b>\$842,252,602</b>
Projected Revenue	<b>\$830,870,300</b>
Shortfall	<b>(\$11,382,302)</b>
Projected State Cuts	<b>(\$79,118,408)</b>
Required Increases	<b>(\$3,871,304)</b>
Deficit	<b>(\$94,372,014)</b>

### ADDRESSING THE GAP

Facing the probability of drastic State cuts, the Preliminary Budget includes reductions to various programming that will affect the delivery of services. With such a considerable budget gap, it is unlikely that the District would be able to avoid cuts to local school campuses. Ultimately, this means reducing payroll costs, which comprise nearly 75 percent of the General Fund, if Chapter 41 funding is included and nearly 88 percent if Chapter 41 is excluded.

To maintain a balanced budget, the preliminary budget takes into account a number of expenditure reductions and revenue alternatives for the Board of Trustees to consider. The recommended options reflect significant feedback that the District received from stakeholders throughout Austin on how to address the budget deficit, as well as in the on-line budget survey that was issued to staff and parents. These options range in type and have varying affects on service levels. The proposals total \$77.8 million worth of cuts and savings to close the projected gap of \$94.4 million. These proposals result in drastic cuts that will be felt across the school system. At the campus levels, staffing reductions affect every campus from increases in class sizes from Pre-K through 4th grade and teachers will face a higher workload at middle and high schools. The District is also proposing changing its model for staffing librarians as well as a shared services model for parent support specialists. And while it is extremely difficult for our school community to contemplate, the District will need to accelerate its plans for consolidating and maximizing the use of its facilities to save an additional \$3 million to offset the gap and build capacity for future needs.

AISD employees will also feel the brunt of the District's financial burden. Employees will now need to make larger contributions towards a more robust health care plan that was once fully subsidized. The District is also proposing a reduction in the number of leave days for all employees as well as implementing two unpaid furlough days for every employee. These actions will require legislative and/or changes in local policy to realize the savings, but they are essential to the Districts if it expects to remedy a budget gap of \$94.4 million.

The proposals total \$77.8 million, of which, \$14.5 million represents efficiency and productivity savings; \$47.4 million reflects actual budget and staffing reductions that will impact on service levels across the system; and a savings to the General Fund from a revenue shift to grants of \$1 million and accessing \$15 million in Fund Balance reserves. The following presents these proposals in greater detail.

## BECOMING MORE EFFICIENT

Efficiency/Productivity are those savings that are realized as a result of increased use of technology, information, facilities, best practices and organizational alignment which leads increased cost-effectiveness without a significant impact to service levels. It also includes actions for cost avoidance measures. The following is a listing of those Efficiency/Productivity Savings which are expected to generate \$14.5 million in savings:

Options	Savings
Implement a 4 day/10 hour work week in July to save on energy costs	\$470,000
Implement an aggressive Energy Savings Program	\$500,000
Obtain Fixed Pricing for fuel to avoid annual projected increases	\$400,000
Reduce portable usage	\$600,000
Provide standard plan for health insurance coverage at 100 percent and offer an optional 'buy-up' plan with an employee contribution	\$8,800,000
Close and relocate Central headquarters (CAC) to realize savings in future years (2014)	\$0
Implement hub pick up for magnet student transportation	\$200,000
Hold the custodial supply allocation at 2010-2011 levels	\$250,000
Implement middle school standard bell time for transportations savings	\$250,000
Redesign up to five schools and two vertical teams, accelerate closures (up to 3), consolidations and boundary adjustments to improve quality of educational programs	\$3,000,000
<b>TOTAL</b>	<b>\$14,470,000</b>

## PROGRAMMATIC AND BASELINE BUDGET REDUCTIONS

The following are proposed reductions to the budget that will have some impact on service levels. These proposed programmatic budget reductions total \$17.7 million:

Options	Reduction
Reduce centrally-funded food	\$320,000
Reduce centrally-funded travel to mandatory requirements	\$600,000
Continue the current central office hiring freeze and impose a 30-day wait to fill vacant positions	\$1,500,000
Reduce summer school offerings and only offer mandatory programs	\$800,000
Implement across-the-board cuts and reduce central departments by at least 2 percent.	\$1,500,000
Reduce Athletics Program by 5 percent	\$599,173
Postpone/Cancel the opening of a Multiple Pathways School	\$1,450,000
Eliminate the Transition Fund program	\$270,000
Eliminate the Quality of Life program	\$170,000
Reduce District contribution to Austin Partners in Education (APIE) by two percent.	\$10,000
Reduce local funding for the Turnaround Initiative	\$400,000
Eliminate central support of the Read 180 program.	\$300,000
Eliminate Hardship Leave for employees	\$400,000
Reduce professional development pull-outs	\$1,100,000
Reduce Leave for all Employees by two days	\$750,000
Implement two unpaid furlough days for all Employees	\$4,200,000
Eliminate the Superintendent's performance-based incentive bonus	\$25,000
Eliminate performance-based incentive for principals	\$300,000
Reduce encumbrance carry-over	\$2,500,000
Eliminate the Dell Tech-know program	\$64,000
Reduce Strategic Compensation	\$400,000
<b>TOTAL</b>	<b>\$17,658,173</b>



## STAFFING REDUCTIONS

Feedback the District received from community and staff responses indicated that staffing cuts were some of the least favored options to address the gap but, the District will be unable to overcome the deficit without implementing staffing reductions as personnel accounts for nearly 87 percent of the General Fund budget. The following staffing reductions, which total \$27.9 million, are recommended in order to address the budget gap.

Options	Reductions	FTEs Affected
Increase class size for Pre-K from 18:1 to 20:1	\$1,275,000	23
Increase class size at elementary by 2 pupils (1:24 for grades K thru 4)	\$9,810,000	234
Implement a Special Education Teacher case load of 15:1 for Resource and Inclusion	\$1,110,000	30
Change secondary staffing formula to allocate on 6 out of 8 courses, increase teacher workload to 174 and class size to 29 at secondary level	\$8,800,000	186
Realize addl. teacher scheduling efficiencies at the secondary level	\$2,200,000	40
Change the model for Librarians at the secondary level	\$1,300,000	34
Reduce various add-on positions at secondary campuses (LBJ, Homebound, International and Garza)	\$423,160	6.5
Reduce Allocation of Fine Arts Teachers	\$235,000	4.2
Implement Shared services model for Parent Support Specialists	\$1,350,000	35
Eliminate central office positions that assist schools with implementing Positive Behavior Support	\$480,000	6
Change the work schedule for newly-hired custodial staff from 12 months to 10 months	\$200,000	0
Reduce Warehouse Personnel	\$340,000	8
Reduce non-campus Professionals	\$1,086,300	22
Reduce non-campus Clerks	\$1,111,900	26
<b>TOTAL</b>	<b>\$29,721,360</b>	<b>655*</b>

\*The number of FTEs affected by the reduction-in-force is subject to change. Please see the District's website, [www.austinisd.org](http://www.austinisd.org), for the most up-to-date information.

The District will not be able to afford salary increases unless the Board is willing to consider additional budget reductions or propose a referendum for a tax rate increase. Conversely, in an effort to close the budget gap, the District is proposing two unpaid furlough days for all employees.

## RIGHTSIZING THE DISTRICT-TASB STAFFING ANALYSIS

To become more efficient with its use of resources and to more closely align with District peers, Austin contracted with the Texas Association of School Boards (TASB) to provide an analysis of District staffing issues. This analysis was commissioned to assist Austin ISD in refining its model for making staffing decisions, and to identify additional opportunities where the District could become more efficient with its staffing model. Many of the reductions being recommended to balance the budget were derived from the results of the TASB staffing analysis.

Key findings of the analysis indicate that when Austin ISD is compared to peer Districts and state averages; the District is overstaffed in the following areas:

- Teachers.
- Campus Administration, primarily APs and Directors as a result of small schools and add-ons for struggling and specialty campuses.
- Auxiliary staff, which includes transportation, food service, maintenance and custodial workers, secretaries and clerks at both central and campuses.
- Special Education Teachers.

And conversely, despite prevailing beliefs, the District is understaffed in the following areas in comparison to both peer District average and the State:

- Central Administration.
- Professional Support.
- Educational Aides.

## COMPARISON OF 2009-2010 AEIS DATA WITH PEER DISTRICTS

Criterion	Dallas	Cyprus Fairbanks	El Paso	Fort Worth	Northside	Austin	Average of Peers	State Average
Taxable Value per Student	\$501,673	\$335,871	\$229,345	\$318,328	\$349,652	\$734,752	\$346,974	\$361,580
M&O \$ per Student	\$9,281	\$7,058	\$8,819	\$9,068	\$8,028	\$9,585	\$8,451	\$8,399
Teachers per 1,000 Students (less special education)	61.3	56.4	65.1	56.7	56.1	62.0	59.1	62.4
Professional Support per 1,000 Students	14.5	9.4	19.5	16.4	15.2	11.7	15.0	12.1
Campus Administration per 1,000 Students	3.2	3.4	3.5	4.3	2.8	5.4	3.4	3.8
Central Administration per 1,000 Students	1.3	0.7	0.4	2.2	0.4	0.8	1.0	1.4
Education Aides per 1,000 Students	11.2	15.4	7.8	11.0	11.9	9.8	11.5	13.4
Auxiliary Staff per 1,000 Students	26.2	30.2	38.8	39.6	42.6	38.8	35.5	36.9
Total Staff per 1,000 Students	124.6	123.8	139.9	136.7	137.6	137.3	132.5	136.8
Bilingual Teachers per 1,000 Students	48.1	27.9	29.9	51.5	33.6	34.1	42.7	30.1
Special Education Students per 1,000 Students	91.0	116.3	57.8	90.3	72.1	94.7	86.3	73.6

All of these findings were taken into account to develop the reduction alternatives to address the budget gap.



## REVENUE ADJUSTMENTS/MAXIMIZATION

Revenue maximization options are those alternatives that will increase that amount of revenue generated for the District or provide relief to the General Fund budget. The following are the revenue options that the District is pursuing which total \$16 million.

Options	Reduction
Transfer Tactical Compensation costs from general fund to the TIF grant	\$1,000,000
Use of Fund Balance	\$15,000,000
<b>TOTAL</b>	<b>\$16,000,000</b>

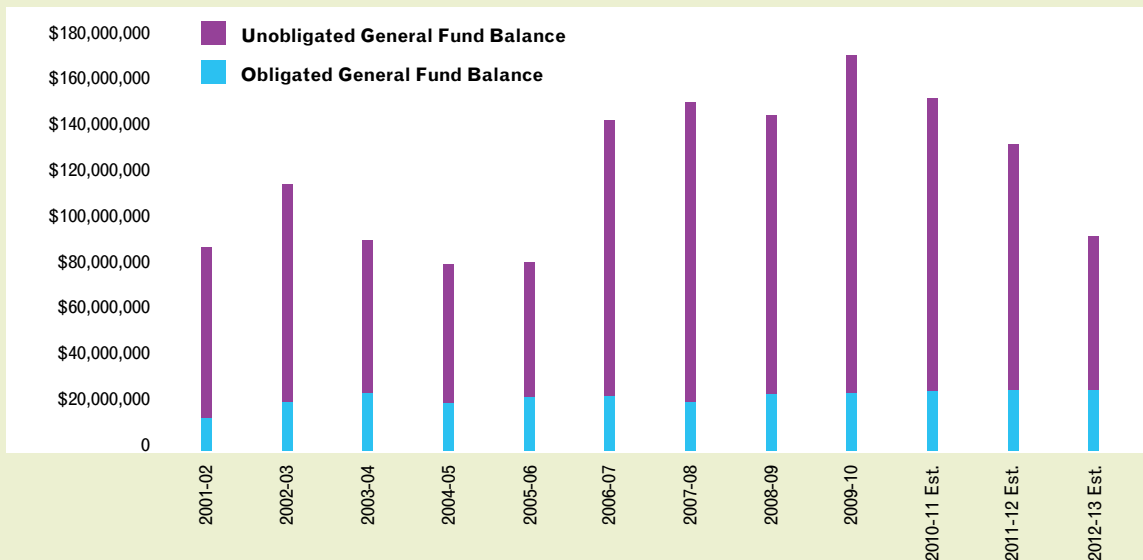
## THE USE OF FUND BALANCE AS A BRIDGE

The Preliminary Budget proposes the use of \$15 million in fund balance to offset the projected gap. This amount is based on the estimated unassigned fund balance that the District will retain in its reserves at the end of FY2011 beyond the 14 percent required by Board policy. Board policy requires that the District maintain an unassigned fund balance adequate for fiscal cash liquidity purposes (i.e. fiscal reserve) that will provide for sufficient cash flow to minimize the potential of short-term tax anticipation borrowing. This amount shall be equal to not less than 14 percent of the combined budgeted expenditures of the District General Fund. The State also requires school districts to maintain at least two and a half month of operating reserves in fund balance.

Accessing fund balance beyond this \$15 million level could make the District very vulnerable. The District's fund balance is not a "rainy day" fund as the State has. Rather, it is a cash reserve set aside to fund daily operations and meet cash flow requirements for important needs like payroll. And even though the District has proposed some aggressive cuts, AISD may need to use up to \$45 million in fund balance if State cuts reach the projected \$94.4 million level, since District reductions did not fully resolve the entire gap. Using the fund balance in this way necessitates a corrective action plan to cure the structural imbalance in the next year, so that the District does not hurt its "Triple A" bond rating. This would mean that AISD would need to make equal cuts in the next year and possibly consider changing its fiscal year to a July 1 start which would replenish the fund balance by adding \$35 to \$40 million. But this would only happen one time, and the District would still need to make equal reductions in FY2013.

Fund balance cannot be the perennial solution to the District's financial problem. However, accessing fund balance in FY2012 is a necessary action, as the District cannot implement \$94.4 million in reductions in one year. Utilization of the fund balance will buy the District some time to implement such substantial reductions.

## GENERAL FUND BALANCE



## FUNDING THE STRATEGIC PLAN

### ADDRESSING PRIORITIES IN THE FACE OF SEVERE BUDGETARY CHALLENGES

Throughout the budget development process, implementing the Strategic Plan is carefully considered. However, since the original adoption of the Strategic Plan in 2009, the budgetary climate has continued to become more austere — on the local, state, and national fronts — forcing school districts everywhere to consider multiple budget reductions and savings options. The low-hanging fruit has already been harvested, and we are now looking at cuts that will be more painful.

In the 2010-2011 budget, Year-One Strategic Plan priorities received more than \$10 million in funding. Although this funding was significant, other Year-One priorities totaling more than \$50 million were not funded. As we enter the second year of the Strategic Plan, it will be even more challenging to fully fund the plan. Our Strategic Priorities have not changed, but our means to devote resources to those priorities have changed considerably. Funding the Strategic Plan will remain a major goal in the budget development process, but fully implementing the plan will be difficult as we continue to be challenged to maintain the funding levels we currently have.

### MAINTAINING STRATEGIC INVESTMENTS

AISD has found the resource capacity to support critical investments that are important to our strategic plan efforts. Many of these efforts were previously supported by ARRA funds which are scheduled to expire at the end of this fiscal year. The following identifies the investments we plan to support in FY2012.

Item	Amount
Fund Project Lead the Way Programs at Ann Richards	\$25,500
Partially fund four person PPCD year round evaluation team	\$100,650
Meet mandatory requirements with IDEA part B and C for increasing auditory impaired students population	\$137,842
English Language Development Academy for Webb and Garcia Middle School. This program was previously funded by ARRA Funds	\$500,000
Transition to the one-way dual language program model at 70 out of 80 elementary campuses	\$189,997
Funds for retakes for students that fail end-of-course assessment	\$194,250
Sustain Gang Specialist School Resource Officer after grant funding ends in August 2011	\$64,149
Funds to support Title V losses for Alternative Academic Counselor, Invest and Positive Families Program, Palmer Drug Abuse Program	\$134,209
Mandatory Instructional Requirements for Education Services Provided in a Juvenile Residential Facility	\$110,000
Early College & Early College Start at LBJ	\$760,000
Funds to continue AVID program after ARRA expires	\$870,000
Development of new software tool to replace the impact system for drop-out prevention	\$120,000
Funds to support the Laying the Foundation Program as per Dell grand requirements	\$150,000
Support for expiring ACCESS grant to continue School to Community Liaisons and youth services mapping.	\$215,680
Maintenance Fee for curriculum and assessment mapping system	\$163,974
Seton Hall Nursing Services increase	\$135,053
<b>TOTAL</b>	<b>\$3,871,304</b>

Even at a time when the District must address an unprecedented budget shortfall, it must make a commitment to continue progress on its Strategic Plan. Continuing these efforts will ensure that the District does not lose ground on the substantial progress it has made to date.



## BUDGET ANALYSIS

Everything you want to know about AISD'S budget — where the money comes from and how it's spent to serve students' needs.

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

**GENERAL FUND** Used to pay for salaries and benefits, classroom resources, keeping schools clean and landscapes maintained, transporting students, paying utility bills, providing clerical and administrative support – all the things a school needs when it opens its doors.

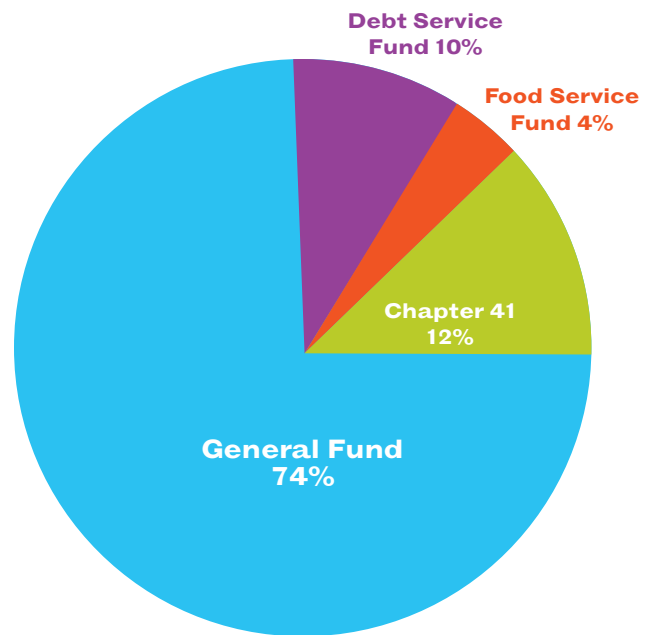
**FOOD SERVICE FUND** Used for the operation of the District's food service program.

**DEBT SERVICE FUND** Used to pay off bonds previously approved by District voters or building construction and renovation.

**SPECIAL REVENUE FUND** Used to account 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.

**CONSTRUCTION FUND** Used for construction and renovation projects in District facilities.

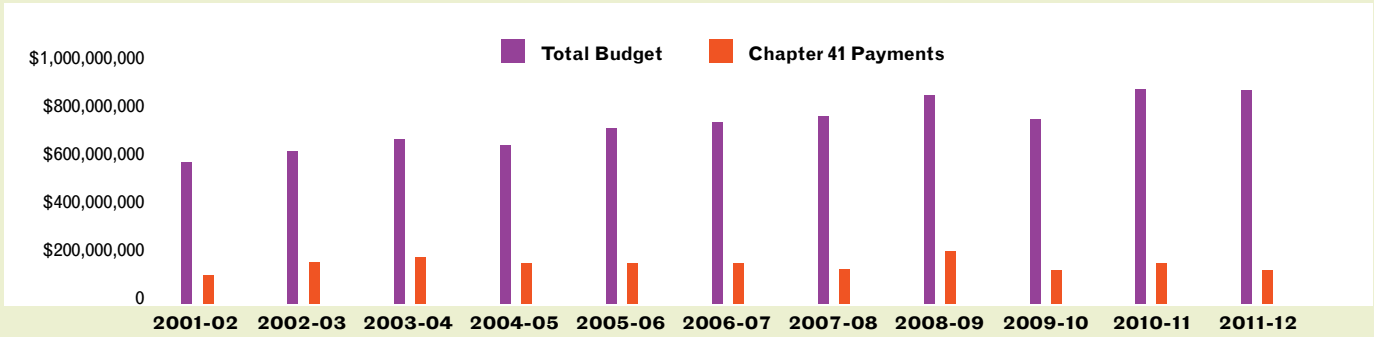
### FY2012 PRELIMINARY BUDGET: ALL FUNDS



The expenditure budget for the three primary funds, General Fund, Food Service Fund and Debt Service Fund total \$931,500,414. Fund balance has been used to make up for shortfalls in revenue across all primary funds.

Fund	Revenue	Expenditures
General Fund	752,873,635	796,243,743
Food Service	39,203,890	39,849,762
Debt Service	93,772,974	95,406,909
<b>TOTAL</b>	<b>\$885,850,499</b>	<b>\$931,500,414</b>

## AISD HAS PAID \$1.3 BILLION TO STATE IN CHAPTER 41 PAYMENTS SINCE 2001-2002



Over the past ten years, AISD had paid the State of Texas more than \$1.3 billion in recapture payments.

**Recapture**, which represents 12 percent of the AISD’s gross funds (as shown on page 30) is a function of Chapter 41 of the Texas Education Code, which equalizes wealth for educational spending. The Chapter 41 provision is intended to “recapture” local tax dollars from “property-rich” districts and redistribute the funds to “property-poor” districts. Under this law, golden pennies represent the six cents that property-rich school districts like AISD are allowed to retain in revenue above the one-dollar tax that is assessed on all taxable property values. Any revenue collected on property taxes above these six cents is subject to recapture by the State. In other words, nearly 40 percent of the revenue generated beyond the six cents is sent to the State to redistribute to property-poor school districts.

In FY2011, it is projected that AISD will submit \$127.8 million to the State in recapture funds. This amount is expected to decrease in FY2012 by \$19.9 million for a total of \$107.9 million as a result of declines in the 2010 taxable base of nearly four percent. As a result of more students qualifying for free and reduced lunch, the District’s WADA (Weighted Average Daily Attendance) is projected to increase which also decreases the amount AISD must submit in recapture to the State. Although the recapture payment to the State will decrease, the other revenue AISD collects will decrease to a much larger degree. Property tax income from Travis County is expected to decrease by \$3.3 million and projected State cuts are expected to be around \$79.1 million for FY2012.

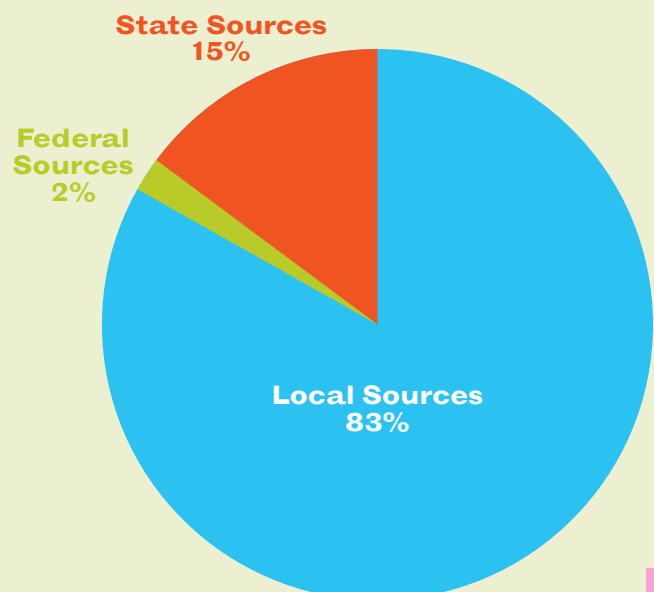
### GENERAL FUND: WHERE THE MONEY COMES FROM

Out 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, grants, and school bonds.

**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.

### FY2012 GENERAL FUND REVENUE with Proposed State Reduction Less Recapture



**Federal Funding** reflected in the General Fund are earnings from indirect cost from federal grant expenditures, and revenues received for school health and related services (SHARS), a Medicaid reimbursement program. The District has limited flexibility on how it spends federal revenue (and a portion of the state revenue). For instance, funds that are borrowed to construct school buildings cannot be spent on books for students.

The projected revenue for the FY2012 General Fund will decrease by 10.2 percent and totals \$752.9 million if the state imposes a \$79.1 million reduction in revenue. The decrease is attributable to decreased local property taxes, decreased state revenue, and the loss of Federal ARRA (American Recovery and Reinvestment Act of 2009) funds of \$23.7 million. Although there is an estimated \$19.9 million decrease in the Chapter 41 liability to the state, the total operating revenue AISD retains is projected to decline \$65.2 million. When recapture is excluded, the total amount of revenue available to AISD for operating purposes is \$645 million dollars, representing a decrease of \$65.2 million or nearly nine percent from 2011 levels. Approximately \$107.9 million, or 14.3 percent of the general fund revenue is subject to recapture.

Revenue Source	FY2011 Adopted Budget	Preliminary FY2012 Budget	\$ Change	% Change
Local	628,727,327	626,307,193	(2,420,134)	-0.38%
State	172,890,382	111,279,442	(61,610,940)	-35.64%
Federal	36,357,018	15,287,000	(21,070,018)	-57.95%
<b>Total</b>	<b>837,974,727</b>	<b>752,873,635</b>	<b>(85,101,092)</b>	<b>-10.16%</b>
Less:				
Recapture	127,815,376	107,884,251	(19,931,125)	-15.59%
<b>Operating Revenue</b>	<b>710,159,351</b>	<b>644,989,384</b>	<b>-65,169,967</b>	<b>-9.18%</b>

**LOCAL REVENUE**

As the chart above illustrates, the vast majority of our funds come from local sources mainly derived from local tax collections. Local revenue is expected to decline by 0.4 percent or roughly \$2.4 million as

a result of expected declines in property tax values. The tax collections from local property values are the largest source of income for the District. 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 bonds approved by taxpayers. The tables below illustrate the structure of the M&O rate and projected rates for 2011-2012.

**TAX RATES**

The District continues to recognize the current economic times and burdens currently placed on taxpayers. This is the reason that no M&O tax rate increase is being proposed for 2011-2012. The I&S tax rate will increase by 1.5 cents from \$0.148/\$100 to \$0.163/\$100 of taxable value to cover the costs of debt service associated with previously approved bonds.

**MAINTENANCE & OPERATIONS TAX RATE**

- \$1.00** = Compressed rate
- 0.04** = Golden pennies
  - no voter approval required
  - not subject to recapture
- 0.02** = Silver Pennies
  - voter approval required
  - not subject to recapture
- 0.11** = Copper pennies
  - voter approval required
  - subject to recapture
- \$1.17** = **Max. Rate Allowed**

**PROJECTED YEAR TAX RATE**

	FY2011 M&O	FY2012 Preliminary M&O	FY2011 I&S	FY2012 Preliminary I&S
Rates	\$1.079	\$1.079	\$0.148	\$0.163
One Cent Yields	\$5.8 million	\$5.7 million	\$5.8 million	\$5.7 million

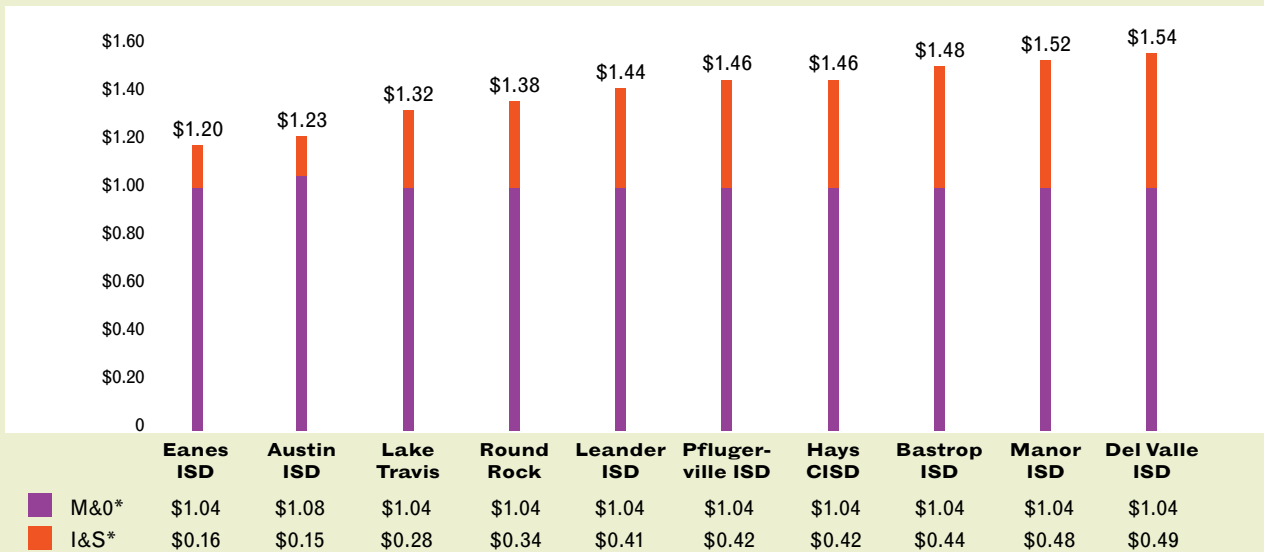
Note: Recapture claims 40% of M&O taxes above \$1.06. Any increase in M&O requires voter approval.



Historically, AISD has maintained one of the lowest tax rates in the Central Texas area, and expects to continue to do so with the proposed budget. AISD has the second lowest tax rate when compared to other local school districts in the metro area.



### 2010-2011 CENTRAL TEXAS SCHOOL DISTRICT PROPERTY TAX RATES



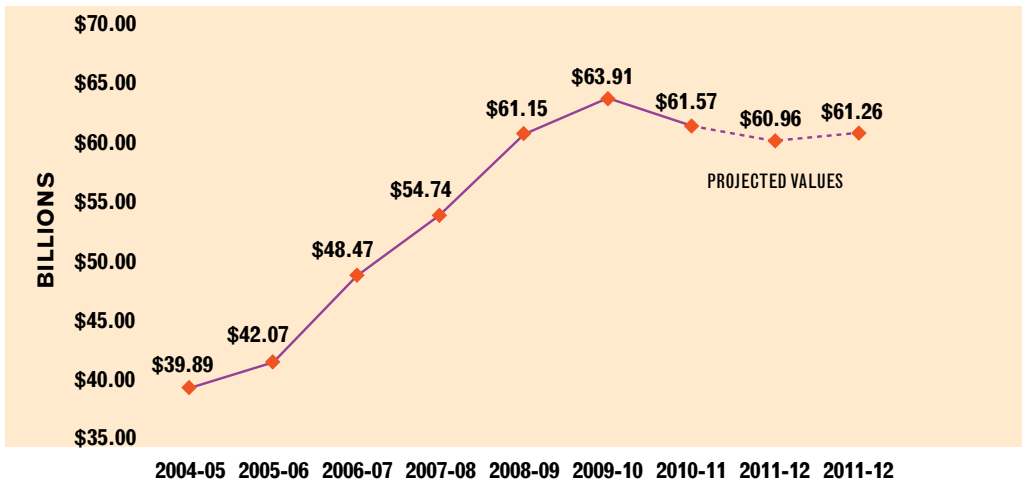
\* Maintenance & Operations  
 \*\* Interest & Sinking

### HOW TAXABLE VALUES AFFECT LOCAL REVENUE

A key component of revenue estimation is taxable values. The chart on page 34 depicts the historical and projected taxable values for the District. Taxable value is expected to decrease next year, 2011-2012, by one percent and increase in 2012-2013 by 0.5 percent. Preliminary taxable values will not be available until early May and the actual certified taxable values will not come from the appraisal district until late July. To calculate property tax revenues for the preliminary

2011-2012 budget, a one percent decrease to the 2011 certified value was assumed to derive the estimate of the taxable value for 2012. Since the 2011-2012 preliminary budget is being prepared in advance of the certified values, it is expected that any variances between the present estimate and the preliminary taxable value in May and/or the certified value in July will require a re-calculation of local property tax revenues if necessary to reflect the real tax collection for 2011.

## PROJECTED TAXABLE VALUES 2004-2005 THROUGH 2011-2012



### LOSSES IN STATE FUNDING

As discussed in the Budget Overview, State Comptroller Susan Combs' revenue estimates indicate that lawmakers will face a deficit of up to \$27 billion for the next biennium. This greatly impacts the State's financing of public education. In response, both the Texas House and Senate have released their appropriations bills which propose cuts to education of nearly \$10 billion for 2012-2013 biennium. Various scenarios have been developed to ascertain the impact to local school districts; and depending on the methodologies used, AISD could face a budget deficit a minimum of \$54.3 million that could also go as high, under some scenarios, as \$181 million, if the State chose to use a wealth-based approach to allocating the cuts.

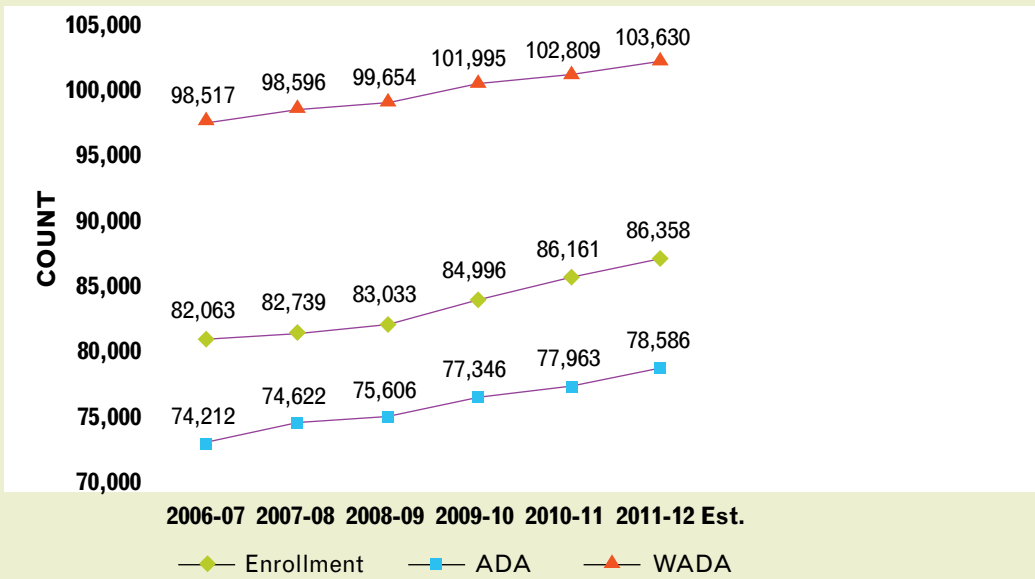
With a better understanding of the severity of the State cuts, and for the purpose of planning the Preliminary 2011-2012 budget, the District is anticipating cuts of \$4 billion statewide, which would mean Austin would lose \$79.1 million in State funds if cuts are passed down to school districts proportionally and face a total gap of \$94.4 million.

### HOW ATTENDANCE AFFECTS STATE REVENUE

A key factor in generating State revenue is the 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). The District's ADA, plus special program funding, are converted into WADA. WADA is multiplied times 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 generates revenue of \$6.3 million for every one percent increase in attendance (based on no change to the Target Revenue.)

The chart on page 35 reflects the historical and projected enrollment as of 1) the end of the 1st six weeks period, 2) the annualized average daily attendance and 3) weighted average daily attendance from 2006-2007 to 2011-2012.

## HISTORICAL AND ESTIMATED ENROLLMENT, ADA AND WADA



### FEDERAL REVENUE

With the reduction in ARRA funds, Federal revenue will comprise only about two percent of General Fund revenue. These funds represent the allowable operating costs associated with overseeing federal grants or indirect costs, impact aid and Medicaid collections. We are projecting a slight increase of about \$1.7 million in the amount of Medicaid revenue for FY2012.

### REVENUE FORECAST FOR FY2012 AND BEYOND

The table on page 36 models the impact of certain revenue and expenditure assumptions on the ending undesignated fund balance through fiscal year 2012-2013. By defining and applying certain assumptions, the model produces a “what if” fiscal impact scenario. This process is useful in understanding the implications of potential revenue streams and spending decisions.

The forecast model is based on assumptions regarding economic trends, student enrollment growth estimates, potential legislative actions, and other pertinent data. Expenditure growth has been severely limited due to the lack of any major revenue growth over the next several years.



## AI SD GENERAL FUND FORECAST

Forecast for School Year 2011-2012 through 2013-2014

Combined Statement of Revenues, Expenditures by Function, and Changes in Fund Balance

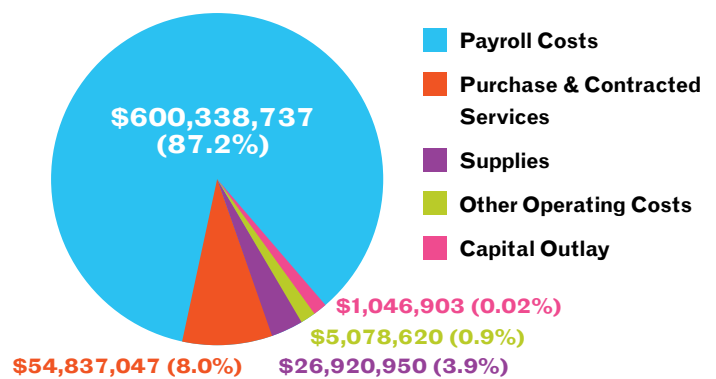
	2010-2011 Adopted	2011-2012 Preliminary Budget	2012-2013 Forecast	2013-2014 Forecast
Total Revenues	\$837,974,727	\$752,873,635	\$746,461,189	\$750,265,506
Less: Recapture	(\$127,815,376)	(\$107,884,251)	(\$96,316,930)	(\$96,316,930)
Net Revenue	\$710,159,351	\$644,989,384	\$650,144,259	\$653,948,576
Total Expenditures	\$716,415,351	\$688,359,492	\$688,359,288	\$688,559,288
Net Other (Sources) Uses	(\$44,000)	(\$30,000)	(\$44,000)	(\$44,000)
Total Expenditures and Other (Sources) Uses	\$716,459,351	\$688,389,492	\$688,403,288	\$688,603,288
Net Change in Fund Balances	(\$6,300,000)	(\$43,400,108)	(\$38,259,029)	(\$34,654,712)
Reduce Encumbrance Carryover		\$2,500,000		
Fund Balances – September 1 (Beginning)	\$172,135,096	\$165,835,096	\$124,934,988	\$86,675,959
Fund Balances – August 31 (Ending**)	\$165,835,096	\$124,934,988	\$86,675,959	\$52,021,247
Less Reserved Fund Balance	(\$25,768,806)	(\$26,000,000)	(\$26,000,000)	(\$26,000,000)
Ending Fund Balance – Unreserved	\$140,066,290	\$98,934,988	\$60,675,959	\$26,021,247

### WHERE THE MONEY GOES

AI SD continues to ensure that resources are spent primarily on supports for schools and students. Approximately 59 percent of the general fund revenue is allocated directly towards instruction (next page). A significant portion of AI SD's budget is also spent on maintenance and facilities. General Administration just represents 2.5 percent of the general fund budget.

### GENERAL FUND BY MAJOR OBJECTS

2011-2012 Preliminary Budget  
(Recapture not included)



Functional Area	FY2012 Preliminary Budget	% of Budget
Instruction	406,216,915	59.0%
Instructional Resources & Media Services	11,305,346	1.6%
Curriculum & Staff Development	15,213,631	2.2%
Instructional Administration	8,763,708	1.3%
School Administration	46,541,443	6.8%
Guidance & Counseling Services	19,065,887	2.8%
Attendance & Social Work Services	3,156,238	0.5%
Health Services	5,947,967	0.9%
Pupil Transportation	24,301,216	3.5%
Co-Curricular Activities	13,263,004	1.9%
<b>Subtotal Instruction and Student Support</b>	<b>553,775,355</b>	<b>80.4%</b>
General Administration	17,336,384	2.5%
Community Services	4,433,664	0.6%
<b>Subtotal Central &amp; Community Services</b>	<b>21,770,048</b>	<b>3.2%</b>
Plant Maintenance	77,478,180	11.3%
Security & Monitoring Services	9,858,914	1.4%
Data Processing Services	17,158,446	2.5%
Facilities Acquisition & Construction	1,320,204	0.2%
Payments-Shared Services Arrangements	1,233,902	0.2%
Debt Services	1,046,903	0.2%
Other Intergovernmental Charges	4,717,540	0.7%
<b>Subtotal Operations &amp; Infrastructure</b>	<b>112,814,089</b>	<b>16.4%</b>
<b>GRAND TOTAL</b>	<b>688,359,492</b>	<b>100.0%</b>

## A BUSINESS OF PEOPLE

The school system is an enterprise that is highly dependent on human capital. When recapture is excluded, 87 percent of the budget is spent on personnel costs and eight percent of the budget is spent on essential contracted services. Even with the proposed decrease in funding and proposed reduction in force, the percent spent on the major objects does not significantly change.

As shown below, the District's efficiency and budget reduction strategies are apparent when the budget is analyzed by Major Object. Object Class categories provide insight on the type of expenditures that are planned for the upcoming budget year. Payroll costs are the largest expenditure within the general fund. In order to absorb the state-legislated cuts in funding, AISD will need to decrease the payroll budget substantially. All of the other categories will be decreased as well. The AISD staff, leadership, and Board of Trustees will be analyzing and preparing a budget that aligns the strategic goals with the available funding. As discussed throughout this document, AISD is going to have to make some tough choices over the next few years.

## GENERAL FUND BY MAJOR OBJECTS

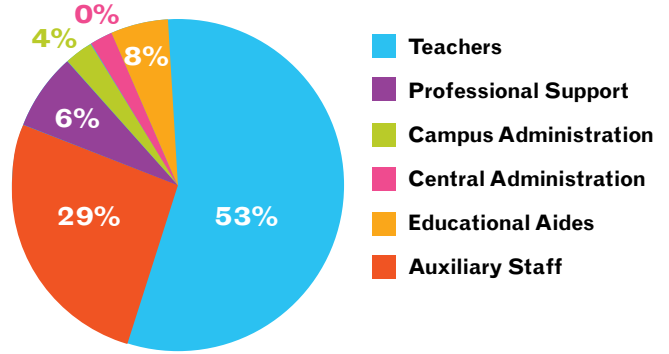
	2010-11 Adopted Budget	2011-2012 Preliminary Budget	\$ Change	% Change
Payroll Costs	\$631,658,630	\$600,338,737	\$(31,319,893)	-4.96%
Purchased and Contracted Services (excludes Chapter 41)	\$68,836,124	\$54,837,047	\$(13,999,077)	-20.34%
Materials and Supplies	\$25,392,828	\$26,920,950	\$1,528,122	6.02%
Misc Operating Expenses	\$7,728,351	\$5,078,620	\$(2,649,731)	-34.29%
Debt Service	\$1,194,300	\$1,046,903	\$(147,397)	-12.34%
Capital Outlay	\$1,920,891	\$137,235	\$(1,783,656)	-92.86%
Other Uses	\$95,000		\$(95,000)	-100.00%
<b>TOTAL Expenditures and Uses</b>	<b>\$736,826,124</b>	<b>\$688,359,492</b>	<b>\$(48,466,632)</b>	<b>-6.58%</b>

**STAFFING**

In order to absorb the enormous state funding cuts, AISD will implement a Reduction in Force for the 2011-2012 school year. The Board of Trustees approved new staffing formulas during the January 24, 2011, board meeting. The adjusted staffing formulas will slightly increase class size (in most cases by two students) and decrease one planning period per day for secondary teachers. The 2011-2012 AISD staffing formulas are available on the Budget & School Finance link at [www.austinisd.org](http://www.austinisd.org). The new staffing formula is in line with both regional and national school districts.

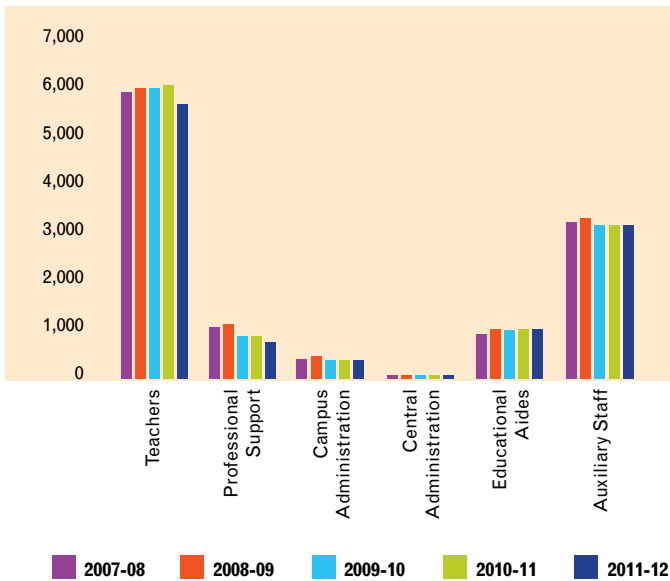
The current FY2012 budget accounts for over 10,371 Full Time Equivalents (FTEs). This represents a decrease of 655 FTEs when compared the FY2011 11,026 FTEs. At the time this booklet was printed, these were preliminary staffing decreases. The numbers may change based on upcoming community discussions, Board of Trustees' recommendations, and changes to the legislative funding.

**FY2011 POSITIONS BY TYPE**



AISD's workforce is mainly comprised of teachers, representing over 53 percent of all positions. Educational Aides represent the second largest portion. Central administration staff represent less than one percent of the total workforce.

**TYPES OF POSITIONS FY2008-2011**



AISD will be decreasing the number of school administrators and is evaluating the necessity of all employee positions throughout the District. The Reduction in Force is a last resort; however, the District cannot maintain current staffing levels given the proposed state funding. Page 25 in the Budget Overview section details the preliminary staffing reductions for 2011-2012. These reductions could change as the Board of Trustees evaluates the fluid situation with state funding. AISD is committed to a transparent process and will continue to post information as it becomes available on the AISD website. Board of Trustees meetings are broadcast live on cable channel 22 and webcasts are available on [www.austinisd.org](http://www.austinisd.org).

**FINANCIAL TABLES**

The following section provides detailed financial tables for the General, Food, and Debt Service Funds.

**GENERAL FUND**

The following report reflects three years of actual data, the current year amended budget and the projected 2011-2012 budget. The percentages by each amount reflect their relative value to the total expenditures.

# AISD GENERAL FUND FOR SCHOOL YEAR 2011-2012 WITH COMPARATIVE DATA FOR PRIOR YEARS

## Combined Statement of Revenues, Expenditures by Function, and Changes in Fund Balance

	2008-2009 Actual	% of Total Exp	2009-2010 Actual	% of Total Exp	2010-2011 Adopted	% of Total Exp	2010-2011 Amended	% of Total xp	2011-2012 Preliminary	% of Total Exp
<b>Revenues</b>										
Local Sources	\$640,980,066	82.0%	\$664,832,840	85.1%	\$628,727,327	74.5%	\$639,446,597	75.7%	\$626,307,193	78.7%
State Sources	216,153,232	27.7%	126,019,476	16.1%	\$172,890,382	20.5%	\$166,084,999	19.7%	111,279,442	14.0%
Federal Sources	3,243,970	0.4%	16,409,387	2.1%	\$36,357,018	4.3%	\$36,367,502	4.3%	15,287,000	1.9%
<b>Total Revenues</b>	<b>860,377,268</b>	<b>110.1%</b>	<b>807,261,703</b>	<b>103.3%</b>	<b>837,974,727</b>	<b>99.3%</b>	<b>841,899,098</b>	<b>99.7%</b>	<b>752,873,635</b>	<b>94.6%</b>
<b>Expenditures by Function: Current</b>										
Instruction	387,020,716	49.5%	\$379,317,104	48.5%	\$424,440,753	50.3%	\$424,621,198	50.3%	406,216,915	51.0%
Instructional Resources & Media Services	14,574,490	1.9%	\$12,506,488	1.6%	\$12,481,072	1.5%	\$12,830,125	1.5%	11,305,346	1.4%
Curriculum & Staff Development	14,692,642	1.9%	\$16,689,456	2.1%	\$16,402,676	1.9%	\$21,691,305	2.6%	15,213,631	1.9%
Instructional Administration	11,041,578	1.4%	\$10,756,425	1.4%	\$11,310,923	1.3%	\$11,710,316	1.4%	8,763,708	1.1%
School Administration	45,466,644	5.8%	\$45,517,597	5.8%	\$46,773,859	5.5%	\$47,375,624	5.6%	46,541,443	5.8%
Guidance & Counseling Services	18,421,332	2.4%	\$18,849,598	2.4%	\$20,419,601	2.4%	\$20,161,187	2.4%	19,065,887	2.4%
Attendance & Social Work Services	2,739,634	0.4%	\$2,887,804	0.4%	\$3,145,130	0.4%	\$3,280,648	0.4%	3,156,238	0.4%
Health Services	5,372,537	0.7%	\$5,096,091	0.7%	\$5,817,447	0.7%	\$5,825,236	0.7%	5,947,967	0.7%
Pupil Transportation	25,575,256	3.3%	\$25,474,229	3.3%	\$24,737,748	2.9%	\$24,778,789	2.9%	24,301,216	3.1%
Co-Curricular Activities	13,656,295	1.7%	\$14,564,142	1.9%	\$13,886,468	1.6%	\$14,160,180	1.7%	13,263,004	1.7%
General Administration	18,325,386	2.3%	\$17,124,548	2.2%	\$17,390,323	2.1%	\$17,926,357	2.1%	17,336,384	2.2%
Plant Maintenance	81,774,182	10.5%	\$78,866,435	10.1%	\$78,821,960	9.3%	\$85,934,486	10.2%	77,478,180	9.7%
Security & Monitoring Services	9,615,305	1.2%	\$9,270,804	1.2%	\$9,643,313	1.1%	\$9,751,398	1.2%	9,858,914	1.2%
Data Processing Services	18,816,393	2.4%	\$17,806,023	2.3%	\$17,212,469	2.0%	\$21,518,817	2.5%	17,158,446	2.2%
Community Services	5,886,756	0.8%	\$5,474,157	0.7%	\$5,765,867	0.7%	\$5,848,471	0.7%	4,433,664	0.6%
Debt Services	1,122,270	0.1%	1,129,300	0.1%	\$1,194,300	0.1%	\$1,194,300	0.1%	1,046,903	0.1%
Facilities Acquisition & Construction	5,214,762	0.7%	\$2,528,017	0.3%	\$1,320,000	0.2%	\$2,566,245	0.3%	1,320,204	0.2%
Contracted Instructional Svc.-Public Schools	177,664,513	22.7%	\$111,937,679	14.3%	\$127,815,376	15.1%	\$126,617,442	15.0%	107,884,251	13.5%
Payments-Shared Services Arrangements	1,244,061	0.2%	\$1,700,441	0.2%	\$1,233,902	0.1%	\$1,233,902	0.1%	1,233,902	0.2%
Other Intergovernmental Charges	3,843,994	0.5%	\$3,953,241	0.5%	\$4,417,540	0.5%	\$4,417,540	0.5%	4,717,540	0.6%
<b>TOTAL EXPENDITURES</b>	<b>862,068,746</b>	<b>110.3%</b>	<b>781,449,579</b>	<b>100.0%</b>	<b>844,230,727</b>	<b>100.0%</b>	<b>863,443,566</b>	<b>102.3%</b>	<b>796,243,743</b>	<b>100.0%</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,691,478)</b>	<b>-0.2%</b>	<b>25,812,124</b>	<b>3.3%</b>	<b>(6,256,000)</b>	<b>-0.7%</b>	<b>(21,544,468)</b>	<b>-2.6%</b>	<b>(43,370,108)</b>	<b>-5.4%</b>
<b>Other Financing Sources (Uses)</b>										
Other Resources	64,129	0.0%	196,725	0.0%	51,000	0.0%	51,000	0.0%	51,000	0.0%
Other Uses	(3,876,837)	-0.5%	(109,050)	0.0%	(95,000)	0.0%	(95,000)	0.0%	(81,000)	0.0%
<b>Total Other Financing Sources (Uses)</b>	<b>(3,812,708)</b>	<b>-0.5%</b>	<b>87,675</b>	<b>0.0%</b>	<b>(44,000)</b>	<b>0.0%</b>	<b>(44,000)</b>	<b>0.0%</b>	<b>(30,000)</b>	<b>0.0%</b>
<b>Net Change in Fund Balances</b>	<b>(5,504,186)</b>	<b>-0.7%</b>	<b>25,899,799</b>	<b>3.3%</b>	<b>(6,300,000)</b>	<b>-0.7%</b>	<b>(21,588,468)</b>	<b>-2.6%</b>	<b>(43,400,108)</b>	<b>-5.5%</b>
Reduce Encumbrance Carryover	-	0.0%	-	0.0%	-	0.0%	-	-	2,500,000	-
<b>Fund Balances – September 1 (Beginning)</b>	<b>151,739,483</b>	<b>19.4%</b>	<b>146,235,297</b>	<b>18.7%</b>	<b>172,135,096</b>	<b>20.4%</b>	<b>172,135,096</b>	<b>20.4%</b>	<b>165,835,096</b>	<b>20.8%</b>
<b>Unobligated Fund Balances – August 31 (Ending)</b>	<b>146,235,297</b>	<b>18.7%</b>	<b>172,135,096</b>	<b>22.0%</b>	<b>165,835,096</b>	<b>19.6%</b>	<b>150,546,628</b>	<b>17.8%</b>	<b>124,934,988</b>	<b>15.7%</b>

## FOOD SERVICE FUND

The Food Service budget encompasses year round meal services to students. During the regular school term the District's food service staff in 116 locations serves over 61,000 lunches daily or \$10.7 million per year. The Food Service Department operates a significant summer meal program after the end of the regular school year.

The District's meal prices will remain constant for 2011-2012. Utility costs for school building kitchens and salary for warehouse staff whose primary responsibilities are to support the food

service functions are budgeted here, totaling \$1.6 million. Previously these items were charged to the General Fund budget. However, the MGT Efficiency Study suggested that they should be charged to the Food Service Fund. This action has caused a deficit of \$645,872 in the 2011-2012 Food Service budget and will have to be made up from the fund balance reserves of this fund.

Federal rules limit the Food Service fund balance to no greater than three months of operating expenses. The District adheres to this guideline in its operation of the Food Service Fund.

## AI SD FOOD SERVICE BY FUNCTION FOR SCHOOL YEAR 2011-2012 WITH COMPARATIVE DATA FOR PRIOR YEARS

Combined Statement of Revenues, Expenditures by Function, and Changes in Fund Balance

	2007-2008 Actual	% of Total Exp	2008-2009 Actual	% of Total Exp	2009-2010 Actual	% of Total Exp	2010-2011 Adopted	% of Total Exp	2011-2012 Preliminary	% of Total Exp
<b>Revenues</b>										
Local Sources	\$8,262,862	25.1%	\$8,139,688	23.3%	\$7,827,956	21.5%	\$8,274,821	21.4%	\$8,226,536	20.6%
State Sources	1,146,327	3.5%	1,151,292	3.3%	1,063,672	2.9%	1,146,327	3.0%	1,146,327	2.9%
Federal Sources	24,360,504	74.1%	26,398,493	75.5%	28,338,890	78.0%	28,770,826	74.3%	29,831,027	74.9%
<b>Total Revenues</b>	<b>33,769,693</b>	<b>102.7%</b>	<b>35,689,473</b>	<b>102.1%</b>	<b>37,230,518</b>	<b>102.4%</b>	<b>38,191,974</b>	<b>98.7%</b>	<b>39,203,890</b>	<b>98.4%</b>
<b>Expenditures by Function: Current</b>										
Food Services	32,889,053	100.0%	34,953,290	100.0%	35,552,459	97.8%	37,164,636	96.0%	38,297,927	96.1%
Plant Maintenance	-	-	-	-	789,975	-	1,543,773	4.0%	1,551,835	3.9%
<b>Total Expenditures</b>	<b>32,889,053</b>	<b>100.0%</b>	<b>34,953,290</b>	<b>100.0%</b>	<b>36,342,434</b>	<b>97.8%</b>	<b>38,708,409</b>	<b>100.0%</b>	<b>39,849,762</b>	<b>100.0%</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>880,640</b>	<b>2.7%</b>	<b>736,183</b>	<b>2.1%</b>	<b>888,084</b>	<b>2.4%</b>	<b>(516,435)</b>	<b>-1.3%</b>	<b>(645,872)</b>	<b>-1.6%</b>
<b>Other Financing Sources (Uses)</b>										
Other Resources	-	-	-	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>880,640</b>	<b>2.7%</b>	<b>736,183</b>	<b>2.1%</b>	<b>888,084</b>	<b>2.4%</b>	<b>(516,435)</b>	<b>-1.3%</b>	<b>(645,872)</b>	<b>-1.6%</b>
<b>Fund Balances – Sept. 1 (Beginning)</b>	<b>7,045,955</b>	<b>21.4%</b>	<b>7,926,595</b>	<b>22.7%</b>	<b>8,662,778</b>	<b>23.8%</b>	<b>9,550,862</b>	<b>24.7%</b>	<b>9,034,427</b>	<b>22.7%</b>
<b>Fund Balances – Aug. 31 (Ending)</b>	<b>\$7,926,595</b>	<b>24.1%</b>	<b>\$8,662,778</b>	<b>24.8%</b>	<b>\$9,550,862</b>	<b>26.3%</b>	<b>\$9,034,427</b>	<b>23.3%</b>	<b>\$8,388,555</b>	<b>21.1%</b>



**DEBT SERVICE FUND**

The Debt Service Fund includes the annual payments for commercial paper and the fixed rate debt. The District is proposing a 1.5 cent increase to the debt service tax rate from \$0.148/\$100 to \$0.163/\$100 of taxable value. The District will still need to utilize the fund balance of \$1.6 million to offset the shortage of revenues over anticipated expenditures.



**AI SD DEBT SERVICE FUND FOR SCHOOL YEAR 2011-2012  
WITH COMPARATIVE DATA FOR PRIOR YEARS**

Combined Statement of Revenues, Expenditures by Function, and Changes in Fund Balance

	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Adopted	2011-2012 Preliminary
<b>Revenues</b>					
Local Sources	\$66,403,833	\$72,588,538	\$75,424,057	\$85,618,820	\$93,772,974
<b>TOTAL REVENUES</b>	<b>66,403,833</b>	<b>72,588,538</b>	<b>75,424,057</b>	<b>85,618,820</b>	<b>93,772,974</b>
<b>Expenditures</b>					
Principals, Interests, and Fees	62,562,400	69,593,871	80,202,659	91,058,764	95,406,909
<b>TOTAL EXPENDITURES</b>	<b>62,562,400</b>	<b>69,593,871</b>	<b>80,202,659</b>	<b>91,058,764</b>	<b>95,406,909</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,841,433</b>	<b>2,994,667</b>	<b>(4,778,602)</b>	<b>(5,439,944)</b>	<b>(1,633,935)</b>
<b>Other Financing Sources (Uses)</b>					
Other Resources	-	-	10,723,850	-	-
Other Uses	-	-	(10,611,457)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>112,393</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,841,433</b>	<b>2,994,667</b>	<b>(4,666,209)</b>	<b>(5,439,944)</b>	<b>(1,633,935)</b>
<b>Fund Balances – September 1 (Beginning)</b>	<b>18,435,234</b>	<b>22,276,667</b>	<b>25,271,334</b>	<b>20,605,125</b>	<b>15,165,181</b>
<b>Fund Balances – August 31 (Ending)</b>	<b>\$22,276,667</b>	<b>\$25,271,334</b>	<b>\$20,605,125</b>	<b>\$15,165,181</b>	<b>\$13,531,246</b>

## STRATEGIC PARTNERSHIPS AND DEVELOPMENT

**The newly-established Office of Innovation and Development will create a coherent and strategic infrastructure to bring in the highest possible yield of both public and private funds, enabling the District to carry out the plans and realize the goals outlined in the District Strategic Plan.**

In this time of dwindling public resources, AISD is looking outside the box for funding necessary to support the Strategic Plan Goals.

The Office of Innovation and Development was established in 2010 to explore all possible sources of government, private, corporate, individuals, and foundation funding, and work to garner those funds to supplement district resources and to target priorities set forth the district's Strategic Plan. The Office of Innovation and Development will leverage existing resources and bring significant new external resources to the school district to support initiatives deemed crucial to the progress of the district by AISD leadership.

The Office brings the formerly separate functions of the Corporate and Foundation Development function of the Office of Planning and Community Relations and the State/Federal Grants function of State and Federal Accountability. The Office is responsible for all resource development efforts, and is directly involved with the implementation of the District Strategic Plan. The Office of Innovation and Development currently secures and provides management oversight for over \$44 million dollars in public and private competitive funding, and \$81.8 million in state and federal entitlement dollars.

As a first step, the Office of Innovation and Development conducted a Needs Assessment/ Gaps Analysis to provide information on AISD's communication, processes, effectiveness, strengths, and areas for improvement regarding external investments and resource development. The reports concluded that the District is poised for a partnership and investment renaissance if it can leverage its relationship strengths, reduce confusion and duplication of effort, and improve shared accountability.

Key findings suggest that the District should:

- Develop and consistently follow a resource development and decision-making process.
- Create a unified resource development and management support system within AISD, including training and resources for campuses/ programs seeking and managing external funding.
- Ensure that the District has the staff and departmental capacity to meet its resource development needs, coordinate partnerships, and provide internal support to campuses and departments, and create regular opportunities to share district priorities, key issues, and successes to internal staff and external partners.



The Office of Innovation and Development will create a coherent and strategic infrastructure to bring in the highest possible yield of both public and private funds, enabling the District to carry out the plans and realize the goals outlined in the District Strategic Plan.

To accomplish this, the Office of Innovation and Development will:

1. Coordinate all systemic funding and sponsorship requests to local and national foundations and other public and private philanthropic organizations.
2. Facilitate the development of successfully funded projects using local and national best practice development and fundraising models.
3. Identify and advise staff on funding and strategic partnership opportunities.

4. Provide support and coaching to all grant managers and administrators to implement, manage, and report on externally-funded activities and outcomes.

The Office of Innovation and Development will provide a menu of funding development and management supports and services to district, campus, and individual staff and external partners. This will include a comprehensive approach of:

- Creating opportunities to share innovative program investments to external partners.
- Identifying and sharing funding opportunities to district, campuses and teacher.
- Facilitating and writing strategic funding proposals.
- Providing technical assistance for grant writing and grants management; trainings, workshops and individual professional development; and online funding resources and training.

## GOING FORWARD

**Multiple factors point to a 2012-2013 budget that results in the District falling short on funding by approximately \$20-30 million. But there is hope ahead.**

### A SLOW RECOVERY

Certainly, the next few budget cycles will prove to be extremely challenging. The State's financial condition — coupled with an eroding tax base — will create severe budget pressures in developing the 2012-2013 budget. All of these factors point to an FY2013 budget that results in the District falling short on funding by approximately \$20-30 million. But there is hope ahead.

Austin is often touted as a premier city leading the national economic recovery. Austin leads in business-cycle performance, employment rates, and housing starts, according to the Federal Reserve Bank of Dallas and Reed Construction Data. The Central Texas area has experienced steady growth in employment. Since December 2009, jobs were added at a 3.1 percent rate — the highest growth rate in the state. Austin's population is growing and that trend is expected to continue. National news reports suggest several factors account for the emergence of Austin and Texas as recovery leaders, among them:

- Austin's position as a capital city and center for higher learning. The University of Texas at Austin and state government provide greater economic stability than other places.
- Austin's role as the leading technology center in the Southwest.
- Texas' largely recession-proof energy industry.
- Texas didn't see the same spikes in home prices or unchecked real estate speculation that led to a burst in housing prices seen elsewhere.

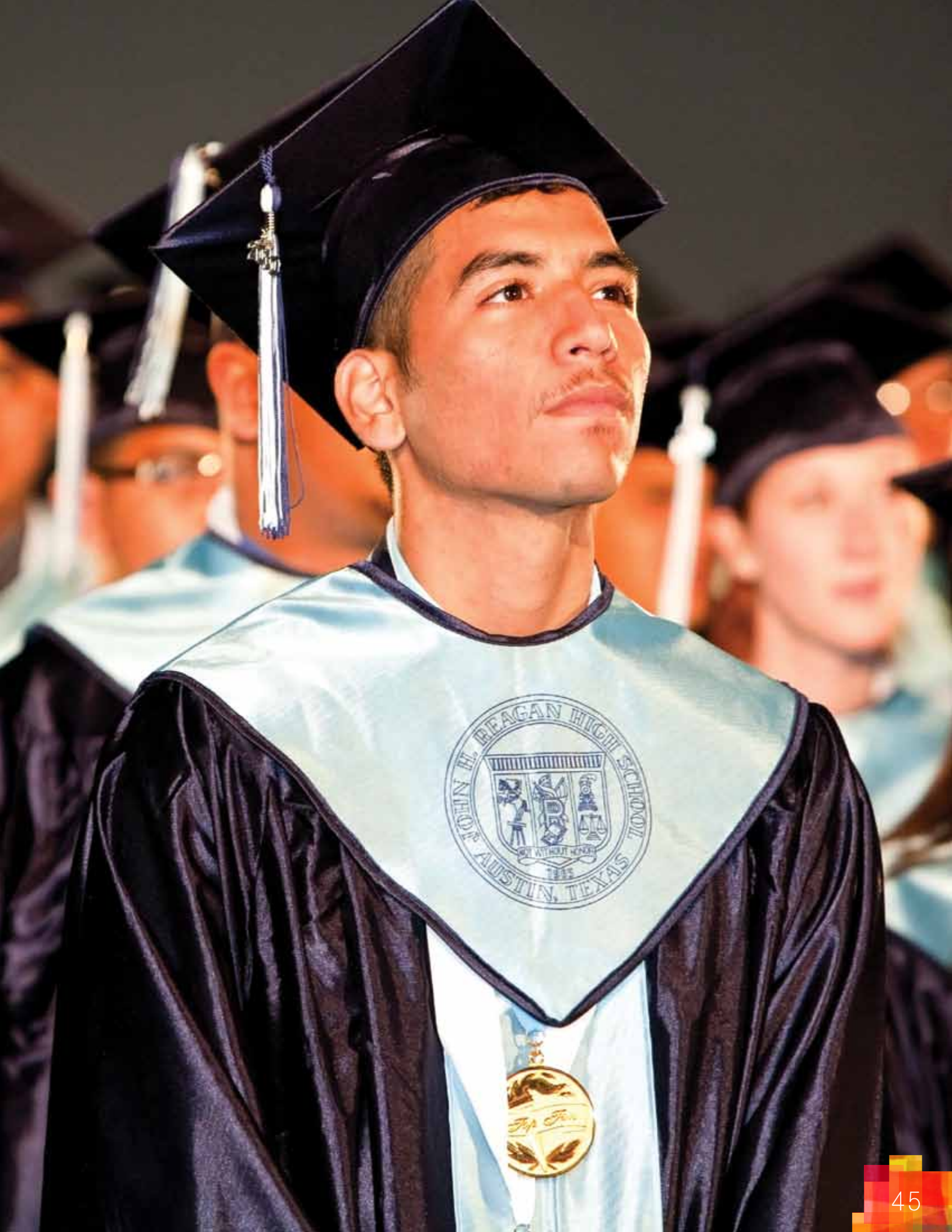
- Texas' increasing role as a global economic powerhouse.

The Texas economy also continues to improve. Several of the economic indicators continue to suggest that Texas is on a stable path and will work its way to recovery within the next few years.

While there will be improvement, we can't expect too much too soon. The Travis County Chief Tax Appraiser expects property values to stabilize in 2012, with moderate growth in 2013 — even better news. The pace of recovery will not be swift enough to restore all the painful cuts we have made over the past three years, but, hopefully, it will allow us to break even and avoid having to make more painful reductions in the years ahead.

Demographers tell us the 2010 census will predict a continued increase in Hispanic and Asian students over the next decade. We have seen, and will continue to see increased expenses to meet these students' needs.









## MILESTONES OF THE 2011-2012 BUDGET PROCESS

<b>Sept 2010</b>	Board Budget Parameters Adopted.	<b>Mar 2011</b>	Community Conversation on the Preliminary Budget at Reagan High School.
<b>Oct 2010</b>	Budget On-line Survey Posted on District Website.  Board Approves 2011/12 Budget Calendar.		Community Conversation on the Preliminary Budget at Bowie High School.
<b>Nov 2010</b>	Board Reviews Assumptions, Staffing Formulas, Enrollment Projections, Staffing Guidelines and Fund Balance Condition.  Superintendent Holds Staff 2011/12 Conversation at Travis High School.  Superintendent Holds Community 2011/12 Conversation at Lanier High School.	<b>May 2011</b>	Travis Central Appraisal District Provides Preliminary Appraisal Values.
<b>Dec 2010</b>	Budget Survey via Telephone Poll and On-line.  Superintendent Holds Staff 2011/12 Conversation at the Delco Center.  Revised Financial Forecast Received.	<b>Jun 2011</b>	Board Reviews Recommended 2011/12 Budget.  Board Conducts Public Hearing on Proposed Budget and Tax Rate.  The Texas 82nd Legislature Finalizes State Funding for 2011/12 and 2012/13.  Board Adopts Budget.
<b>Jan 2011</b>	The Texas 82nd Legislature Regular Session Convenes.	<b>Jul 2011</b>	Travis Central Appraisal District Certifies Appraisal Values.
<b>Feb 2011</b>	Superintendent to Present the Preliminary 2011/12 to the Board, Public and Media.	<b>Aug 2011</b>	Board Adopts Tax Rate.  Board Approves Budget Amendments for FY2012.

# AI SD AT A GLANCE

## AI SD BASIC DATA, 2010-2011

### Our Students

African American	8,140	9.5%
Asian	2,817	3.29%
Hispanic	51,630	60.28%
Native American/Pacific Islander/Two or More	2,234	2.6%
White	20,828	24.32%
<b>TOTAL</b>	<b>85,649</b>	<b>100.0%</b>
Economically Disadvantaged = 63.79%		
Limited English Proficiency (LEP) = 28.62%		

### Our Schools

Elementary Schools	79
Middle Schools	18
High Schools	15
Special Campuses	6
<b>TOTAL</b>	<b>118</b>

### Our Employees

Teachers	6,052
Administrators	481
Other Professionals	938
Classified	4,628
<b>TOTAL</b>	<b>12,099</b>

Average Teacher Salary = \$46,443  
 Average Years' Experience = 11.1  
 AISD is the third-largest employer in  
 the Metropolitan Statistical Area (MSA)

### Our Budget

Operations*	\$844,325,727
Food Service	38,708,409
Debt Service	91,058,764
<b>TOTAL</b>	<b>\$974,092,900</b>

Tax Rate = \$1.227/\$100 valuation  
 (among lowest in Central Texas)

Taxable Value = \$56,280,681,272

Bonded Debt = \$759,708,806

Bond Rating = Moodys: Aaa  
 S & P: AA+  
 Fitch: AA+

Recapture (Chapter 41) Payment = \$127,815,376

\*Net Operational Budget (after Recapture) = \$716,510,351

Net Operational Expenditure per Student = \$8,339



# AUSTIN ISD BOARD OF TRUSTEES



(From left) Robert Schneider, District 7; Tamala Barksdale, At Large 9; Lori Moya, Secretary, District 6; Cheryl Bradley, District 1; Mark Williams, President, District 5; Vincent M. Torres, Vice President, District 4; Christine Brister, District 3; Annette LoVoi, At Large 8; Sam Guzman, District 2.

# GLOSSARY OF SCHOOL BUDGET & FINANCE TERMS

**ADA.** Students in 'Average Daily Attendance' generate much of the state revenue for the district.

**AMENDED BUDGET.** Adopted budget plus/minus budget revisions.

**BUDGET.** A plan of financial operation which includes proposed revenues and expenditures for a given period. In the case of the District, the budget cycle is currently September 1 – August 31 of a given year.

**CHAPTER 41 DISTRICT.** Equalization provision in the Texas Education Code that requires school districts with property wealth that exceeds \$319,500 per WADA to send part of its local tax revenue to the state.

**CITIZENS BUDGET REVIEW COMMITTEE (CBRC).** A citizens' task force appointed by the Board of Trustees to advise and make recommendations related to the budget development process.

**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.

**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, which is similar but not identical to equity or accumulated savings.

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

**GOVERNMENTAL FUNDS.** Funds generally used to account for tax-supported activities. There are different types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

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

**RESERVED FUND BALANCE.** The portion of a district fund's net assets that is not available for appropriation.

**UNOBLIGATED FUND BALANCE.** The portion of a district fund's net assets that is available for appropriation if in excess of one month's worth of operating expenses, which is the minimum amount required by the State.

**WADA.** Weighted Average Daily Attendance, an adjusted student count that compensates for student and district characteristics as defined by statute. Students in special programs such as special education or those that are economically disadvantaged, for example, are 'weighted' by a factor ranging from 1.1 to 5.0 times the 'regular' program weight in order to fund their special needs.





1111 W. 6TH STREET

AUSTIN, TX 78703

512.414.1700

WWW.AUSTINISD.ORG

This 2011-2012 Preliminary Budget Guide was developed by staff from the Division of Finance and the Communications Services Department.

Photos by David Omer; Design by BAH! Design.

$$\pi = 3.14159265$$

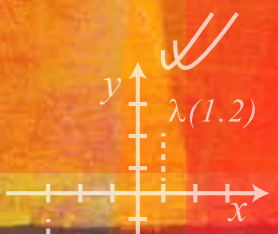


$$\mu = \sin x + \cos y$$

$$e^{x^2} = e^{2x+3} \Rightarrow x^2 = 2x + 3$$

$$c_i = \int c_i' dx = \int (-1) dx = -x + C_i$$

$$y^2 + 2y = \frac{1}{\sin 2x} \quad ab_s(x-y) \quad |x-y| = ?$$



$$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$

$$D = \begin{vmatrix} \cos 2x & o \\ 1 & zyx \end{vmatrix}$$

$$\frac{x^2 - 3x + \lim_x}{2x^2 - 1}$$

$$\left. \begin{aligned} x^2 + y^2 - 1 &= z \\ 3x^2 + 2y^2 - 3 &= 2z \end{aligned} \right\}$$

