

Plano Independent School District

Efficiency Audit

June 30, 2022

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**Report of Independent Auditors on an Efficiency Audit
Conducted in Accordance with *Government Auditing Standards***

To the Board of Trustees and Citizens
of Plano Independent School District

Weaver and Tidwell, L.L.P. conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for Plano Independent School District (the "District"). The purpose of this report is to communicate the results of the efficiency audit.

The purpose of our efficiency audit was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts before an election to adopt a Maintenance and Operations (M&O) property tax rate.

Our efficiency audit was conducted in accordance with the standards applicable to performance audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the performance audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our performance audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our performance audit objectives.

The procedures performed did not constitute an audit, a review, or a compilation of the District's financial statements or any part thereof, nor an examination of management's assertions concerning the effectiveness of the District's internal-control systems or compliance with laws, regulations, or other matters. Accordingly, the performance of the procedures did not result in the expression of an opinion or any other form of assurance on the District's financial statements or any part thereof, nor an opinion or any other form of assurance on the District's internal-control systems or its compliance with laws, regulations, or other matters.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
September 28, 2022

SECTION I- EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting the efficiency audit for the District, we gained an understanding of the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts. This was accomplished by analyzing data from the fiscal year ended June 30, 2021 and prior, maintained by the Texas Education Agency ("TEA") and the District. An overview of the objectives and approach performed during the efficiency audit are provided in Section III of this report. District data on accountability, students, staffing and finances, with peer districts and state comparisons are described in Section IV of this report.

SECTION II- KEY INFORMATION ABOUT THE DISTRICT

Plano Independent School District (the "District"), is exploring holding an election to increase the District's maintenance and operations property tax rate in tax year 2022 (fiscal year 2023). Maintenance and Operations (M&O) taxes are for the operation of public schools. The District has not held a voter-approved tax ratification election (VATRE) in the past.

The M&O tax rate for fiscal year 2023 is \$1.02235 and the rate will be further compressed for fiscal year 2024. District administration adopted an M&O rate above the voter approval tax rate, which triggered a voter approval tax rate election (" VATRE"). An efficiency audit, as required by law, is deemed necessary in order to provide full transparency to taxpayers. The District is projecting a budget shortfall of \$38.9 million for fiscal year 2023 and has implemented some cost efficiencies that have been factored into the fiscal year 2023 budget.

The estimated revenue from the proposed increase in tax rate is \$9.0 million and represents about 1.3 percent of the total 2022 - 2023 adopted budget of \$698.3 million.

The average home taxable value of a single-family residential property for tax year 2022 is \$409,354. The average tax bill as a result of the M&O rate change is \$5,160, or a \$129 increase compared to what the average resident would pay without an M&O tax rate change.

Even with the proposed M&O tax rate change the District administration will be proposing, the District will need to achieve further cost efficiencies and review program cost savings that would allow the District to adopt a balanced budget for fiscal year 2024.

Based on the outcome of the efficiency audit, the District will first address any cost inefficiencies reflected in the efficiency audit. Secondly, the District will determine if any other funds are available to cover General Fund needs in fiscal year 2023.

District can also determine if budget assumptions such as staffing ratios need adjusting in fiscal year 2023. If a VATRE is successful, the District intends to use the additional tax revenue to continue offering competitive teacher and staff salaries, continue offering quality student programs, and activities, and assist in reducing the budget deficit. The District will continue to identify opportunities for operational efficiencies within the budget in order to create capacity to accommodate future student growth and needs.

If the VATRE were not to pass, the District would offer less or no compensation increases for teachers and staff, consider reducing student programs and activities and not be able to reduce the budget deficit.

The District engaged Weaver and Tidwell, LLP to conduct the efficiency audit. Efficiency audits focus on informing voters about the District's fiscal management, efficiency, utilization of resources, and whether the District has implemented best practices. The information includes data and tools that the State of Texas currently utilizes to measure school district efficiency.

Some key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2021 totaled \$10,346 per student, while its peer districts average and State average totaled \$10,799 per student and \$11,504 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2021 totaled \$10,500 per student, while its peer districts average and State average were \$10,869 per student and \$11,103 per student, respectively.
- The District earned a Superior Rating for the School Financial Integrity Rating System of Texas (FIRST) for the last five years.

- The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The results are posted year-to-year. The District, as a whole, earned a "B" (89 out of 100 points) in 2021 - 2022, the last year accountability ratings were issued. The detail by campus for the 2021 - 2022 accountability rating is shown below:

Rating	# of Campus
A	34
B	27
C	10
Not Rated	2

Additional details and audit results are included in Section IV.

SECTION III- OBJECTIVES AND APPROACH

Objectives

The objective of our efficiency audit was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts.

Approach

In order to achieve the objectives, set forth above, Weaver and Tidwell, LLP performed the following procedures:

1. Selected peer districts, developed a simple average and used the same comparison group throughout the audit.
2. Reported on the overall accountability rating (A-to-F and a corresponding scale score of 1 to 100).
3. Compared the District's peer districts' average score and listed the following District's campus information:
 - a. Accountability rating count for each campus level within the district.
 - b. Names of the campuses that received an F accountability rating
 - c. Campuses that are required to implement a campus turnaround plan
4. Reported on the District's School FIRST rating. For a rating of less than A, listed the indicators not met.
5. Reported on student characteristics for the District, its peer districts and the State average including:
 - a. Total Students
 - b. Economically Disadvantaged
 - c. English Learners
 - d. Special Education
 - e. Bilingual/ESL Education
 - f. Career and Technical Education
6. Reported on the attendance rate for the District, its peer districts and the State.
7. Reported on the five-year enrollment for the District for the most recent school year and four (4) years prior, the average annual percentage change based on the previous five years and the projected next school year.
8. Reported on the following indicators related to the District's revenue, its peer districts' average and the State average and explained any significant variances.
 - a. Local M&O Tax (Retained) (without debt service and recapture)
 - b. State
 - c. Federal
 - d. Other local and intermediate
 - e. Total revenue
9. Reported on the following indicators related to the District's expenditures, its peer districts' average, and the State average and explained significant variances from the peer districts' average, if any. In addition, explained the reasons for the District's expenditures exceeding revenue, if applicable.
 - a. Instruction
 - b. Instructional resources and media
 - c. Curriculum and staff development
 - d. Instructional leadership
 - e. School leadership
 - f. Guidance counseling services
 - g. Social work services
 - h. Health services
 - i. Transportation
 - j. Food service operation
 - k. Extracurricular

- l. General administration
 - m. Plant maintenance and operations
 - n. Security and monitoring services
 - o. Data processing services
 - p. Community services
 - q. Total operating expenditures
10. Reported on the following indicators for payroll and select District salary expenditures compared to its peer districts' average and the State average and explained any significant variances from the peer districts' average in any category.
 - a. Payroll as a percentage of all funds
 - b. Average teacher salary
 - c. Average administrative salary
 - d. Superintendent salary
 11. Reported on the General Fund operating fund balance, excluding debt service and capital outlay, for the past five years and per student for the District and its peer districts. Analyzed unassigned fund balance per student and as a percentage of three-month operating expenditures and explained any significant variances.
 12. Reported the District's allocation of staff, and student-to-teacher and student-to-total staff ratios for the District, its peer districts and the State average. The following staff categories were used:
 - a. Teaching
 - b. Support
 - c. Administrative
 - d. Paraprofessional
 - e. Auxiliary
 - f. Students per total staff
 - g. Students per teaching staff
 13. Reported on the District's teacher turnover rate as well as its peer districts and the State's average. Reported on the following programs offered by the District, including the number of students served, percentage of enrolled students served, program budget, program budget as a percentage of the District's budget, total staff for the program, and student-to-staff ratio for the program.
 - a. Special Education
 - b. Bilingual Education
 - c. Migrant Programs
 - d. Gifted and Talented Programs
 - e. Career and Technical Education
 - f. Athletics and Extracurricular Activities
 - g. Alternative Education Program/Disciplinary Alternative Education Program
 - h. Juvenile Justice Alternative Education Program
 14. Described how the District maximizes available resources from state sources and regional education service centers to develop or implement programs or deliver services.
 15. Report on the District's annual external audit report's independent auditor's opinion as required by Government Auditing Standards.
 16. Explained the basis of the TEA assigning the District a financial-related monitoring/oversight role during the past three years, if applicable.
 17. In regards to the District's budget process, provided a response to each of the following questions:
 - a. Does the District's budget planning process include projections for enrollment and staffing?
 - b. Does the District's budget process include monthly and quarterly reviews to determine the status of annual spending?
 - c. Does the District use cost allocation procedures to determine campus budgets and cost centers?
 - d. Does the District analyze educational costs and student needs to determine campus budgets?

18. Provided a description of the District's self-funded program, if any, and analyzed whether program revenues are sufficient to cover program costs.
19. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
20. In regards to the District's compensation system, provided a response to the following questions:
 - a. Does the District use salary bonuses or merit pay systems? If yes, explain the performance-based systems and the factors used.
 - b. Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?
 - c. Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?
 - d. Has the District made any internal equity and/or market adjustments to salaries within the past two years?
21. In regards to planning, provided a response for each of the following questions:
 - a. Does the District develop a District Improvement Plan (DIP) annually?
 - b. Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?
 - c. Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:
 - i. Does the District use enrollment projections?
 - ii. Does the District analyze facility capacity?
 - iii. Does the District evaluate facility condition?
 - iv. Does the District have an active and current energy management plan?
 - v. Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
22. In regards to District academic information, we will provide a response for each of the following questions:
 - a. Does the District have a teacher mentoring program?
 - b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
 - c. When adopting new programs, does the District define expected results?
 - d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
23. Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student test results.

SECTION IV- DISTRICT DATA ON ACCOUNTABILITY , STUDENTS, STAFFING AND FINANCES , WITH PEER DISTRICTS AND STATE COMPARISONS

1. Peer Districts

The Texas Education Agency's (TEA) Snapshot Peer Search identified a total of 20 peer district based on size (50,000 students and over). The District selected 10 out of the 20 peer districts and are shown below.

Figure 1
Peer Districts

District Name	County
Katy ISD	Harris
Austin ISD	Travis
Fort Bend ISD	Fort Bend
Aldine ISD	Harris
Norh East ISD	Bexar
Conroe ISD	Montegomery
Frisco ISD	Collin
Arlington ISD	Tarrant
Garland ISD	Dallas
El Paso ISD	El Paso

2. Accountability Rating

The Texas Education Agency (TEA) annually assigns an A-to-F rating and a corresponding scaled score (1 to 100) to each district and campus based on student assessment results and other accountability measures. To align with Senate Bill 1365, school districts and campuses received an A, B or C rating or were assigned a label of Not Rated: Senate Bill 1365. This Not Rated: Senate Bill 1365 label was applied when the domain or overall scaled score for a district or campus was less than 70.

Figure 2
Accountability Rating Comparison
2021-2022

	District Rating (A-F)	District Rating (1-100)	Peer District Average Score (1-100)
Rating/Score	B	89	88

The "F" accountability rating was not applicable for 2021 – 2022. The results for the District's 73 campuses that were assigned a rating are shown below.

Figure 3
Accountability Rating by Campus Level
2021-2022

	Elementary Schools	Middle Schools	High Schools
A	24	6	4
B	20	5	2
C	4	2	4
D	-	-	-
F	-	-	-
Not Rated	2	-	-

Campuses with a "F" Accountability Rating- N/A due to Senate Bill 1365

Campuses with Required to Implement a Campus Turnaround Plan- None Noted

Campuses assigned a label of Not Rated: Senate Bill 1365 were Memorial Elementary and Plano JJAEP.

3. Financial Rating

The State of Texas' school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

The School Financial Integrity Rating System of Texas (FIRST) holds school districts accountable for the quality of their financial management practices. The rating is based on five (5) critical indicators as well as minimum number of points for an additional ten (10) indicators. Beginning with 2015-2016 Rating (based on the 2014-2015 financial data), the Texas Education Agency moved from "Pass/Fail" system and began assigning a letter rating. The ratings and corresponding points are shown below:

Rating	Points
A=Superior	90-100
B=Above Standard	80-89
C=Meets Standards	60-79
F=Substandard Achievement	Less than 60

The District's 2021 - 2022 rating based on school year 2020 - 2021 data was an "A" (Superior). The District also earned a Superior Rating in 2018, 2019, 2020 and 2021.

Figure 4 School FIRST Rating	
	District Rating (A-F)
Rating	A

4. Student Characteristics, Attendance, and 5-Year Enrollment

Student Characteristics

Every student is served differently in public schools based on their unique characteristics. Such data is captured by the Texas Education Agency on an annual basis. Figure 5 provides student counts for five (5) select student characteristics, which are described below:

Economically Disadvantage- This term has an identical meaning to educationally disadvantaged, which is defined by the Texas Education Code (TEC) §5.001(4) as a student who is "eligible to participate in the national free or reduced-price lunch program".

English Learners- The TEA defines an English Learner as a student who is in the process of acquiring English and has another language as the primary language; it is synonymous with English Language Learner (ELL) and Limited English Proficient (LEP).

Special Education- These are students with a disability as defined by Federal regulations (34 CFR §§ 300.304 through 300.311), State of Texas Laws (Texas Education Code §29.003) or the Commissioner's/State Board of Education Rules (§89.1040).

Bilingual/ESL Education- TEC §29.055 describes students enrolled in a bilingual education program as those students in a full-time program of dual-language instruction that provides for learning basic skills in the primary language of the students and for carefully structured and sequenced mastery of the English language skills. Students enrolled in an English as a Second Language (ESL) program receive intensive instruction in English from teachers trained in recognizing and dealing with language differences.

Career and Technical Education - Students enrolled in State approved Career and Technology Education programs.

**Figure 5
Selected Student Characteristics
2020-2021**

	Total Student Population Count	Percentage of Student Population	Peer District Average Percentage	State Average Percentage
Total Students	50,154	100.0%	N/A	N/A
Economically Disadvantaged	17,859	35.6%	54.2%	60.2%
English Learners	9,327	18.6%	23.9%	20.6%
Special Education	6,340	12.6%	10.8%	11.3%
Bilingual/ESL Education	9,101	18.1%	24.7%	20.9%
Career and Technical Education	N/A	N/A	N/A	N/A

Source: Texas Education Agency, Texas Academic Performance Reports

Data for the Career and Technical Education was not provided by the TEA in 2020 – 2021.

There are 5.4 million students served by public schools in the State of Texas. Of those students, 3.2 million or 60.2 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 35.6 percent, which is 18.6 percent and 24.6 percent less than the peer districts and State average, respectively. Aldine Independent School District had the highest economically disadvantaged student percentage of 91.6 percent, while Frisco Independent School District had the lowest percentage of 12.9 percent.

The peer districts average total student count was 64,905. Of the peer districts evaluated, Katy Independent School District had the highest total student count of 84,176, while El Paso Independent School District had the lowest student count of 50,661.

Attendance

**Figure 6
Attendance Rate
2019-2020**

	District Total	Peer District Average	State Average
Attendance Rate	99.0%	98.4%	98.3%

Source: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports.

A school district's State Funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District's attendance rate is 0.6 percent and 0.7 percent greater than its peer districts average and the State average, respectively. It should be noted that the District's 2019 – 2020 attendance rate has increased from the prior two years. The 2018 - 2019 attendance rate was 96.2 percent and 2017 - 2018 attendance rate was 96.3 percent.

Five-Year Enrollment

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District has experienced an average annual decrease over the last five years of 1.8 percent. When the current enrollment data for 2022 is incorporated, the average decrease in enrollment is 1.9 percent.

Figure 7
5-Year Enrollment
2017-2021

	Enrollment	% Change
2021	50,154	-4.7%
2020	52,629	-0.3%
2019	52,810	-1.7%
2018	53,748	-0.3%
2017	53,931	
Average annual percentage change based on the previous five years		-1.8%
2022 (1)	48,955	-2.4%
Average annual percentage change based on the previous five years and the 2022 fiscal year		-1.9%

Note: (1) Based on fiscal year 2022 PEIMS Data from the District.

5. District Revenue

Figure 8
District Tax Revenue
2020-2021

	District		Peer District		State Average	
	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total
Local M&O Tax (retained) (1)	\$ 8,430	81.5%	\$ 5,704	53.5%	\$ 4,876	42.4%
State (2)	883	8.5%	3,461	31.6%	4,626	40.2%
Federal	886	8.6%	1,413	12.8%	1,661	14.4%
Other Local and Intermediate	147	1.4%	220	2.0%	341	3.0%
Total Revenue	\$ 10,346	100.0%	\$ 10,799	100.0%	\$ 11,504	100.0%

Note (1): Excludes Recapture

(2): Excludes TRS on-behalf

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

The financial data above includes all funds, except for the District's capital projects fund and debt service fund. Approximately \$26.2 million of the Teacher Retirement System (TRS) contributions made by the State of Texas on- behalf of the District were also excluded from the State revenues. In accordance with Governmental Accounting Standards Board, on-behalf contributions must also be recorded as expenditures. However, the source reports used for the analyses did not exclude these on-behalf expenditures. The on-behalf contributions of \$26.2 million equates to \$525 per student.

The District's receives less revenue per student compared to its peer districts average and the State average.

6. District Expenditures

Figure 9
District Actual Operating Expenditures
2020-2021

	District		Peer Districts Average		State Average	
	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total
Instruction	\$ 6,728	64.1%	\$ 6,393	59.0%	\$ 6,358	57.3%
Instruction Resources and Media	140	1.3%	117	1.1%	116	1.0%
Curriculum and Staff Development	232	2.2%	307	2.8%	253	2.3%
Instructional Leadership	109	1.0%	175	1.6%	186	1.7%
School Leadership	583	5.6%	638	5.9%	654	5.9%
Guidance Counseling Services	474	4.5%	481	4.4%	435	3.9%
Social Work Services	51	0.5%	47	0.4%	35	0.3%
Health Services	122	1.2%	143	1.3%	132	1.2%
Transportation	264	2.5%	308	2.8%	299	2.7%
Food Service Operation	330	3.1%	391	3.6%	479	4.3%
Extracurricular	141	1.3%	236	2.2%	293	2.6%
General Administration	213	2.0%	251	2.3%	361	3.3%
Facilities Maintenance and Operations	821	7.8%	953	8.8%	1,098	9.9%
Security and Monitoring Services	97	0.9%	134	1.2%	119	1.1%
Data Processing Services	133	1.3%	249	2.2%	228	2.1%
Community Services	62	0.7%	47	0.4%	57	0.4%
Total Revenue	\$ 10,500	100.0%	\$ 10,869	100.0%	\$ 11,103	100.0%

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

Capital outlay, debt service payments and other intergovernmental expenditures are not considered operating expenditures.

Overall, the District spends less per student than the peer district average and the State average. The percentage spent in Instruction is 5.1 percent and 6.8 percent more than the peer districts average and the State average, respectively. The District's percentage of expenditures spent in remaining areas in 1.0 percent or less that the peer districts.

The District's percentage of expenditures spent in Food Service is less than the State average by 1.2 percent, Extracurricular and General Administrative is less than the State average by 1.3 percent and Facilities Maintenance and Operations is less than the State average by 2.1 percent.

7. District Payroll Expenditures Summary

Figure 10
Payroll Expenditure Summary
2020-2021

	District	Peer District Average	State Average
Payroll as a Percentage of All Funds	84.6%	83.7%	79.6%
Average Teacher Salary	59,933	59,745	57,641
Average Administrative Salary	94,506	95,625	90,731
Superintendent Salary	313,712	334,282	155,070

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

The District spends more on payroll costs than its peer districts average and the State average. Also, the District, on average, spends more per teacher than its peer districts average and the State average.

The average administrative salary is higher than the two comparison groups. The Superintendent's salary is higher than the State average but not the peer district average. It is important to note that the data for the State average for the Superintendent is comprised of school districts across the State with enrollments ranging from 5 to 196,000 students.

8. Fund Balance

Figure 11
General Fund Balance
2017-2021

	District			Peer District Average		
	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of Operating Expenditures	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of Operating Expenditures	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures
2021	839	8.8%	35.4%	2,983	31.7%	126.7%
2020	804	8.9%	35.5%	2,827	32.2%	128.7%
2019	4,596	49.6%	198.5%	2,684	32.0%	128.2%
2018	4,211	47.4%	189.5%	2,362	28.3%	113.3%
2017	3,982	46.6%	186.3%	2,308	28.5%	113.8%

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

The General Fund is the operating fund in a governmental entity. Fund balance represents the current resources/assets available to the government less any current obligations/liabilities. Within fund balance there are five (5) categories: non-spendable, restricted, committed, assigned and unassigned. The categories are described below.

- Non-spendable fund balance cannot be spent because it is either (a) not in a spendable form, such as inventory or (b) legally or contractually required to be maintained intact.
- Restricted fund balance is net resources that are restricted as to use by an external party, such as a federal grantor.
- Committed fund balance is set aside for a specific purpose as resolved by the Board of Trustees.
- Assigned fund balance is fund balance that has been set aside by management for a specific purpose.
- Unassigned fund balance is the remaining amount that is not restricted, committed, or assigned for a specific purpose.

The Texas Education Agency evaluates unassigned fund balance by comparing it to three-months (25 percent) of annual operating expenditures. If the District does not meet goal of three-months, the percentage is shown as less than 100 percent. Amounts that exceed three (3) months are reflected as percentage greater than 100 percent. The District did not meet the three-month average goal. The table below shows the amount by which the District did not meet the three-month goal.

	General Fund Unassigned Fund Balance (Actual)	General Fund Unassigned Fund Balance 3 Month Goal	Difference between Actual Unassigned Fund Balance and Three Month Goal in Dollars	Difference between Actual Unassigned Fund Balance and Three Month Goal in Percentage
2021	41,908,561	118,443,482	(76,534,921)	-64.6%
2020	42,108,211	118,598,023	(76,489,812)	-64.5%
2019	242,718,107	122,275,137	120,442,971	98.5%
2018	226,358,260	119,476,916	106,881,344	89.5%
2017	214,764,507	115,269,805	99,494,702	86.3%

The District's unassigned fund balance as of June 30, 2021 totaled \$41.9 and General Fund operating expenditures for the year ended June 30, 2021 totaled \$473.8 million. Three months average operating expenditures would equate to \$118.4 million, which is a \$76.5 million (or 64.6 percent) more than the District's actual unassigned fund balance. It is important to note that the District has a significant assigned fund balance. The fiscal year 2021 assigned fund balance totaled \$232.7 million. The fiscal year committed fund balance totaled \$9.1 million. The figure on the next page reflects the assigned fund balance for the last five years.

	Assigned Fund Balance
2021	232,709,847
2020	223,383,620
2019	5,826,658
2018	15,302,688
2017	11,331,903

In reviewing the District's 2021 annual comprehensive financial report, the General Fund reflected a total of \$232.7 million in assigned fund balance. As defined by the Fiscal Management Goals and Objectives Policy, fund balance can be assigned by the District's Board, the Superintendent, or the Associate Superintendent of Business Services. It should also be noted that unassigned fund balance should be used for one-time expenditures or for emergencies related to an unforeseen event. However, fund balance should not be relied upon for on-going operational expenditures.

9. District Staffing Levels

Figure 12
Staff Ratio Comparison
2020-2021

	District	Peer District Average	State Average
Teaching Staff (Percentage of Total Staff)	56.5%	50.0%	49.5%
Support Staff (Percentage of Total Staff)	11.1%	11.7%	10.7%
Administrative Staff (Percentage of Total Staff)	4.3%	3.3%	4.2%
Paraprofessional Staff (Percentage of Total Staff)	9.6%	9.0%	10.7%
Auxiliary Staff (Percentage of Total Staff)	18.5%	26.0%	25.0%
Students Per Total Staff	7.5	7.3	7.2
Students Per Teaching Staff	13.2	14.5	14.5

Source: Texas Education Agency, Public Education Information Management System District Staff Information Reports

The District's total staff for the year ended June 30, 2021 was 10,668 compared to that of its peer districts average of 9,130. The District has 0.1 less students per total staff than its peer districts average and the same number of students per total staff as the State average. The District's students per teaching staff ratio is greater than its peer districts average and the State average by 0.9 students and 0.7 students, respectively. The District is maximizing efficient use of staffing resources to serve students while achieving high accountability ratings as peer districts.

10. Teacher Turnover Rates

Figure 13
Teacher Turnover Rates
2020-2021

	District Turnover Rate	Average Peer District Turnover Rate	State Turnover Rate
Teachers	13.6%	12.6%	14.3%

Source: Texas Education Agency, Public Education Information Management System District Staff Information Reports

While the District's turnover rate is 1.0 percent higher than the average peer districts turnover rate, it is 0.7 percent less than the State average. The highest turnover rate within the peer districts was 15.4 percent while the lowest turnover rate was 10.5 percent.

11. Special Programs

Figure 14
Special Programs Characteristics
2020-2021

	Number of Students Served	Percentage of Enrolled Student Served	Program Budget Per Students Served	Program Budget as a Percentage of District Budget	Total Staff For Program	Students Per Total Staff For Program
Total Students	50,154	100.0%	491,898,659	100.0%	6,706	7.5
Economically Disadvantaged	17,859	35.6%	7,048,394	1.4%	128	139.5
English Learners	9,327	18.6%	3,710,468	0.8%	1,414	6.6
Special Education	6,340	12.6%	73,411,815	14.9%	1,216	5.2
Bilingual/ESL Education	9,101	18.1%	3,620,561	0.7%	1,755	5.2
Athletics and Extracurricular Activities	38,600	77.0%	6,401,806	1.3%	550	70.2
Alternative Education Programs/Disciplinary Alternative Education Programs	548	1.1%	3,444,792	0.7%	45	12.2
Juvenile Justice Alternative Education Program	39	0.1%	50,000	0.0%	-	-
Career and Technical Education	N/A	N/A	N/A	N/A	N/A	N/A

Source: Information provided by the district

SECTION V- ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District uses the states Available School Fund allotment to fund state mandated programs. Additionally the District takes advantage of the Regional Educational service centers expertise when needed. The District continuously explores all options for funding, including state and federal sources and local grant sources. All funding, state, local or federal, is tied directly to the District Strategic Plan and student performance.

2. Reporting

For the year ended June 30, 2021, Weaver and Tidwell, LLP issued an unmodified opinion on the financial statements. There are three possible opinions: unmodified, modified (e.g. scope limitation or departure from generally accepted accounting principles: or a disclaimer of an opinion. An unmodified opinion is considered a clean opinion.

3. Oversight

Not Applicable

4. Budget Process

**Figure 15
Budget Process**

<u>Question</u>	<u>Yes/No</u>	<u>Not Applicable</u>
Does the District's budget planning process include projections for enrollment and staffing?	Yes	
Does the District's budget process include monthly and quarterly reviews to determine the status of annual spending?	Yes	
Does the District use cost allocation procedures to determine campus budgets and cost centers?	No	
Does the District analyze educational costs and student needs to determine campus budgets	Yes	

5. Self-funded Programs

The District's self-funded unemployment, insurance claims and workers' compensation program are accounted for and reported in the District's internal service funds. At June 30, 2021, the insurance claims and workers' compensation funds reported net position of \$1.2 million and \$28 thousand, respectively, which was a increase in net position from the prior fiscal year of \$757 thousand and \$16 thousand, respectively. At June 30, 2021, the unemployment fund reported a deficit of \$388 thousand, which was a decrease in net position from the prior fiscal year of \$432 thousand. In the prior five fiscal years, the District reported a net position in the unemployment fund.

6. Staffing

All District administrators are evaluated annually by the end of the District's fiscal year end, June 30th. Evaluations help to ensure that highly qualified and effective administrators lead campuses and departments and focus on student achievement.

7. Compensation System

Figure 16
Compensation System

Question	Yes/No	Not Applicable
Does the District use salary bonuses or merit pay systems?	No	
Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?	Yes	
Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?	Yes	
Has the District made any internal equity and/or market adjustments to salaries within the past two years?	Yes	

8. Planning

Figure 17
Operational Information

Question	Yes/No	Not Applicable
Does the District develop a District Improvement Plan (DIP) annually?	Yes	
Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?	Yes	
Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:	No	
Does the District use enrollment projections?		N/A
Does the District analyze facility capacity?		N/A
Does the District evaluate facility condition?		N/A
Does the District have an active and current energy management plan?	Yes	
Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?	No	

9. Programs

Figure 18
Academic Information

Question	Yes/No	Not Applicable
Does the District have a teacher mentoring program?	Yes	
Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?	No	
When adopting new programs, does the District define expected results?	Yes	
Does the District analyze student test results at the District and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?	Yes	
Does the District modify programs, plan staff development opportunities, or evaluate staff based on analyses of student test results?	Yes	