STATISTICAL HIGHLIGHTS

INTRODUCTION

Snapshot 2000: 1999–2000 School District Profiles provides a detailed look at public education in the State of Texas for the 1999–2000 school year. Reflecting the diversity and vastness of the state, school districts in Texas vary widely on almost all measured characteristics: size, wealth, ethnic composition, and academic achievement. *Snapshot 2000* provides readers with the basic information needed to examine these differences and to assess the relative strengths and weaknesses of public school districts in Texas.

Published annually since 1987–88, *Snapshot* presents a broad range of information in a consistent format from year to year. Occasionally, items are added or modified, often as a result of reader input. An evaluation form, located just inside the front cover, provides an opportunity for readers to influence future editions.

ORGANIZATION OF THIS BOOK

Snapshot 2000 begins with *Statistical Highlights*, an overview of education at the state level. The *Highlights* section explains how the public education system in Texas is organized, describes student, staff, and financial characteristics, and provides other statistics for many aspects of public schools. This section focuses on the current year but also describes historical trends.

The opening narrative is followed by the predominant content of the book, *Detailed Statistics*. This section contains 87 different items of information for the state, regions within the state, and each of the 1,041 school districts in Texas. Information for the 142 charters operating in 1999–2000 is also included. The 87 data items provide information on student demographics and performance, staff characteristics, and school district finances. This year two items have been modified. The six-year longitudinal dropout rate has been replaced with a four-year longitudinal dropout rate, and the completion rate has been replaced with a four-year calculation of percent graduated. These items are both indicators that were reported in the Academic Excellence Indicator System (AEIS) in 1999–2000 as components of a completion rate/student status measure.

In the first part of the *Detailed Statistics*, summary tables show districts and charters categorized by size, by community type, by tax effort, by property wealth per pupil, and by Education Service Center (ESC) region. The summary tables conclude with statistical distributions of the 87 data items showing their highest, lowest, and median values, along with values at the 1st, 5th, 10th, 25th, 75th, 90th, 95th, and 99th percentiles.

In the next part of the *Detailed Statistics*, values for each of the 87 items are provided for every district and charter. This section is organized in alphabetical order by county name with districts listed alphabetically by name within each county. The 87 data items span six pages; therefore, a new set of districts is presented every sixth page. Data on the 1,041 independent school districts are provided in the *District Detail*, and data on all charters follow in the *Charter Detail*. A row of totals is provided which aggregates the charter data. Two totals for the state are shown: one that excludes charter data and a grand total that includes charter data.

Information found in the *Detailed Statistics* can be viewed and downloaded from the agency's website at http://www.tea.state.tx.us/perfreport. School-level data are not included in Snapshot; however, instructions regarding how to obtain school-level information are provided on page iv, of this publication, titled "For Additional Information."

Snapshot 2000 concludes with five appendices. Definitions for the 87 data items are listed in item number order in the *Item Definitions* appendix. A selected list of bibliographic sources follows in the second appendix, *Bibliography*. The third appendix, *Data Sources*, lists the sources of data in alphabetical order by the abbreviated labels used throughout the document. Each major source of data is described and accompanied by a listing of associated data items and exhibits.

Endnotes, the fourth appendix, is intended to clarify terms that are not thoroughly addressed

in other parts of the document. The final appendix, *District/Charter Listing*, lists school districts and charters in alphabetical order by name to help readers locate information in the *District Detail* or *Charter Detail* by linking district or charter name with the county name. One column in the *District/Charter Listing* shows the community type (urban, suburban, rural, charter, etc.) associated with each district or charter. Data for all entities of the same community type are aggregated and presented in the *Detailed Statistics*.

OVERVIEW OF DATA SOURCES

The level of detail provided in *Snapshot* is possible due to the extensive amount of public school data collected in Texas. In 1999–2000, the Texas Education Agency (TEA) collected a broad range of information on 1,183 districts/charters; 7,395 schools; almost 268,000 teachers; and nearly four million students through the Public Education Information Management System (PEIMS). Testing contractors provide the agency with results of a number of standardized tests that are administered to public school students in Texas. Additionally, the Property Tax Division of the Comptroller of Public Accounts (CPTD) provides information on school district tax rates and property values.

AGENCIES OF PUBLIC EDUCATION

TEXAS EDUCATION AGENCY

The Texas Education Agency is comprised of the commissioner of education and the agency staff. The TEA and the State Board of Education (SBOE) guide and monitor activities and programs related to public education in Texas.

The SBOE consists of 15 elected members representing different regions of the state. One member is appointed chair by the governor. Mr. Chase Untermeyer served as chair from January 1999 through January 1, 2001. Mrs. Grace Shore began her term as chair in January 2001. A map showing 1999–2000 SBOE district boundaries is included in the *Endnotes*.

Located in Austin, Texas, the TEA is the administrative unit for primary and secondary public education. Under the management of the commissioner of education, Jim Nelson, the TEA manages the textbook adoption process; oversees development of the statewide curriculum; administers the statewide assessment system; administers a data collection system on public school students, staff, and finances; rates school districts under the statewide accountability system; operates research and information programs; monitors for compliance with federal and state guidelines; and serves as a fiscal agent for the distribution of state and federal funds. The TEA operational costs are supported by both state and federal funds. In 1999–2000 the TEA employed 810 staff.

EXHIBIT 1

Number of Students by School Type

School Type	Total Number of Students	Number of Schools	Percent of Schools	Median School Size	Largest School Size
High School	1,066,077	1,638	22.2%	260	5,030
Junior High School	217,753	403	5.4%	570	2,314
Middle School	641,720	1,017	13.8%	607	2,045
Elementary School	1,986,814	3,880	52.5%	502	1,568
Elementary & Secondary Combined (K–12)	79,419	457	6.2%	104	2,968
State of Texas	3,991,783	7,395	100.0%	465	5,030

The largest school in the state is a high school with 5,030 students. Half of the schools in the state have fewer than 465 students and half have more than this amount. Elementary schools make up 52.5 percent of all schools in Texas and account for 49.8 percent of all students. In this exhibit, high schools include alternative education schools serving students in grades 9–12. Charters are included in these counts.

LOCAL SCHOOL DISTRICTS AND CHARTERS

While the SBOE and the commissioner of education provide leadership for education, much of the control of public schools resides with the local school districts. Statute grants any responsibilities not specifically assigned to the SBOE or the TEA to the local school districts and charters.

During the 1999–2000 school year there were 1,041 local school districts providing services to almost four million public schoolchildren in Texas. In addition to traditional schools, Texas statute allows the SBOE to authorize open-enrollment charter schools. The 142 charters in operation in the fall of the 1999–2000 school year served 25,687 students at 176 schools. Charters are subject to fewer state laws than other public schools and many are designed to serve students at risk of academic failure or dropping out of school. Like other public schools, they are required to instruct students in the state-mandated curriculum and to test them under the statewide assessment system. They are also monitored for compliance with state and federal regulations and rated under the standards of the statewide accountability system.

The nearly four million students enrolled in prekindergarten through grade twelve in Texas public schools in 1999–2000 were served in 7,395 schools. Of these, approximately 87 percent were traditional schools, 11 percent provided alternative education programs, and 2 percent were operated as charter schools. Over half of the schools in Texas—3,880 or 52.5 percent—are elementary schools.

The number of schools in a district varies greatly, depending primarily on the total number of students enrolled in the district. The majority of districts, 57 percent, have three or fewer schools—typically one elementary school, one middle school, and one high school. Over 26 percent of all districts operate only one school. *Exhibit 1,* on the previous page, presents school and student counts for each school type. Schools are categorized according to the range of grades they offer. *Exhibit C* in the *Endnotes* provides more information about the grades offered in each school category.

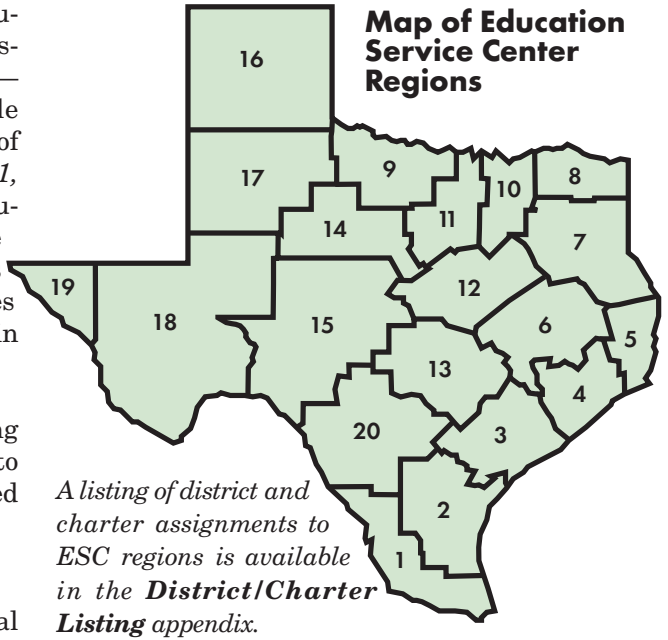
Districts and charters are classified according to governance structure and their ability to raise local revenue. The four types are defined as follows:

1) *Regular Foundation School Program* (FSP) *Districts*, or districts created under general statutory authority that are eligible for state funding assistance under the Foundation School Program. These districts may also tax property within their geographic boundaries. Most districts fall into this category—1,035 or 99 percent in 1999–2000;

2) *Special Statutory Districts*, or districts created by a special legislative act but not administered by a state government agency. These districts have no taxable property and are almost wholly supported with state and federal money. They include the public schools associated with military bases in the San Antonio area, and the Masonic Home in Fort Worth. There are six of these districts;

EXHIBIT 2

Map of Education Service Center Regions



A listing of district and charter assignments to ESC regions is available in the ***District/Charter Listing*** *appendix.*

3) *State-Administered Districts*, or districts created by a legislative act that are both funded and administered by a state government agency. Most of these ten districts are administered by the Texas Department of Mental Health and Mental Retardation, and;

4) *Open-Enrollment Charter Schools*, or charters granted by the SBOE to operate in a facility of a commercial or nonprofit entity or a school district. Like the special statutory districts, the 142 charters have no taxable property and are almost wholly supported with state and federal money.

Snapshot 2000 includes data for the 1,035 regular FSP districts, the six special statutory districts, and the 142 charters. State-administered districts do not have the same reporting requirements and therefore, are not included.

REGIONAL EDUCATION SERVICE CENTERS

The 20 regional education service centers (ESCs) provide a variety of services to school districts and charters both within and outside their defined geographic boundaries. Differences exist among the ESCs in terms of the number and characteristics of their member districts. All ESCs furnish services that support improved student achievement in the districts and charters they support. Some service centers provide special services to districts statewide. *Exhibit 2*, on the previous page, and *Exhibit 3* show the locations and sizes of ESCs.

The ESCs collaborate with districts and charters to provide technical assistance in the areas of accreditation and curriculum, professional staff development and administrator training, and PEIMS reporting. Service centers also provide schools with instructional technology; information services; and assistance in program improvement in areas such as bilingual education, special education, gifted and talented education, and programs for at-risk students. A regional certification officer provides technical assistance on teacher certification issues to schools within the region.

Some functions of the TEA were decentralized to the education service centers beginning in 1991. Many technical assistance functions and the mentor networks, along with several statewide projects, are now assigned to the ESCs.

Assistance is targeted to those schools in the greatest need of improvement and support. To this end, funding is provided to staff field service agents in each region. The field service agents work closely with school districts to help solve problems related to low student achievement and to facilitate communication between districts and the agency.

Statistics for all 87 data items reported in *Snapshot* are summarized to the regional level in the *Detailed Statistics*. Additional information about the service centers is available from the agency's Education Service Center Support Unit.

The various agencies of public education work together to provide a successful system of instruction in an extremely diverse state. The Texas Education Agency, the local school districts and charters, the ESCs, and a number of other associations and organizations committed to educational excellence strive to meet the challenges of providing appropriate educational services to all the schoolchildren of Texas.

EXHIBIT 3

Number of Districts/Charters by Education Service Center Region

Region		Number of Districts	Number of Charters	Total
1	Edinburg	38	9	47
2	Corpus Christi	42	6	48
3	Victoria	40	0	40
4	Houston	54	38	92
5	Beaumont	30	3	33
6	Huntsville	56	4	60
7	Kilgore	96	6	102
8	Mount Pleasant	48	1	49
9	Wichita Falls	40	1	41
10	Richardson	81	24	105
11	Fort Worth	77	5	82
12	Waco	78	7	85
13	Austin	56	11	67
14	Abilene	43	1	44
15	San Angelo	43	1	44
16	Amarillo	65	0	65
17	Lubbock	59	4	63
18	Midland	33	3	36
19	El Paso	12	2	14
20	San Antonio	50	16	66
	Total	1,041	142	1,183

STUDENTS

DIVERSITY

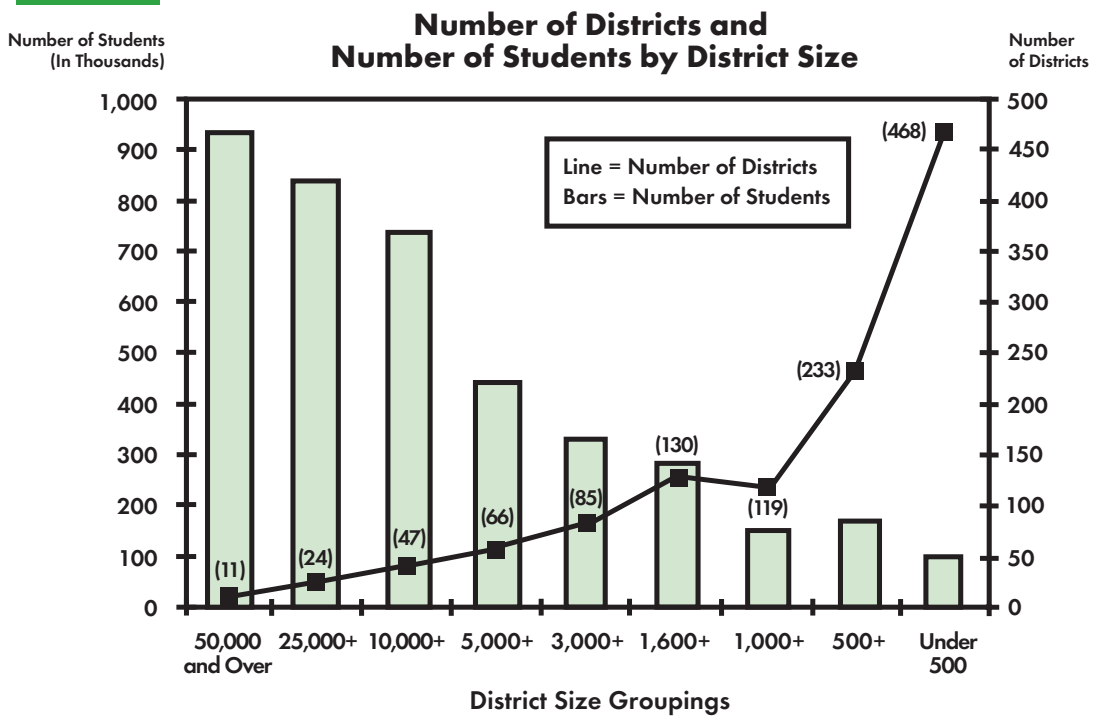
The 3.99 million public school students in Texas are served in markedly diverse school settings. For example, in 1999–2000 only seven students attended school in the Kelton Independent School District located in the Panhandle, while nearly 210,000 students received instruction at 293 school sites in the Houston Independent School District, the largest district in the state. The 11 largest districts, those with at least 50,000 students each, serve 23.3 percent of all Texas public school students, while the smallest districts (*i.e.*, districts with fewer than 500 students each) represent 39.6 percent of all districts but enroll only 2.6 percent of the state's students. The inverse relationship between the number of districts and the number of enrolled students is a defining characteristic of the Texas public school system. See *Exhibits 4* and *5*.

EXHIBIT 4

District Size at Selected Percentiles

Percentile	Number of Students
100th (Largest)	209,716 Houston ISD
95th	16,405
90th	6,962
75th	2,596
50th (Median)	903
25th	369
10th	168
5th	114
0 (Smallest)	7 Kelton ISD

EXHIBIT 5



The 11 largest districts have a combined enrollment of nearly 930,000 students while the 468 smallest districts serve a total of only 103,000 students. The largest districts are those with 50,000 or more students each; the smallest districts enroll fewer than 500 students each.

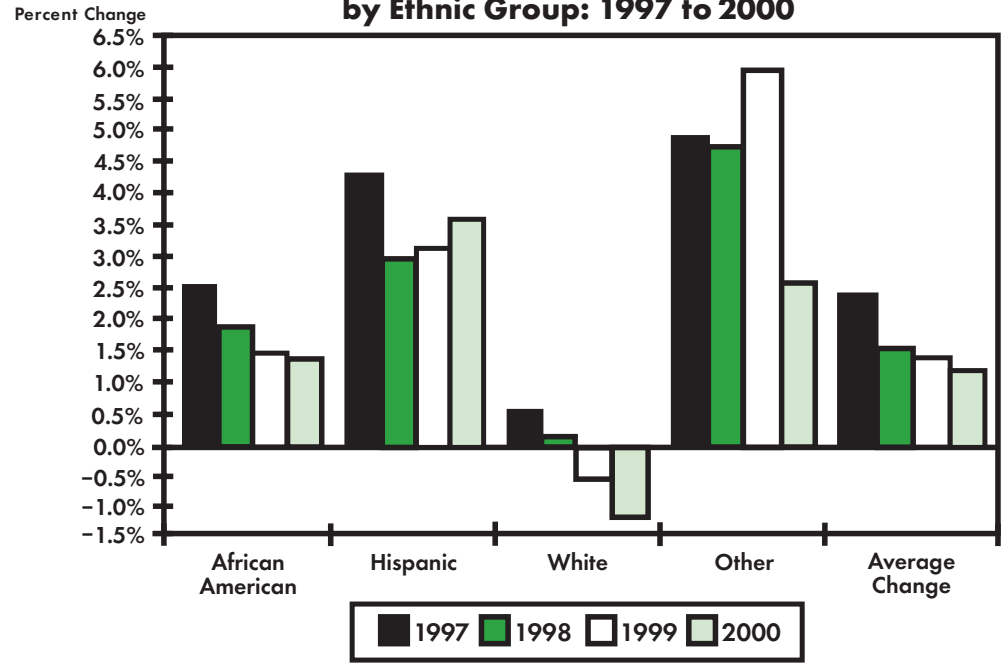
The ethnic distribution of students varies greatly across the state and depends in part on geography, size of the district, and type of community served. Statewide, 56.9 percent of all students are from minority ethnic groups. A minority student is defined as a member of the African American, Hispanic, Native American, or Asian/Pacific Islander ethnic groups. Districts in major urban areas serve a 79.9 percent minority student population while districts in rural areas serve a population that is only 33.3 percent minority.

By far the largest minority student group within the state is the Hispanic student population, which represents 39.6 percent of all students. The highest percentages of Hispanic students are found in the Edinburg ESC region at the southernmost tip of the state (95.4 percent), and in the El Paso region in far west Texas (84.9 percent). The largest percentage of African American students, 31.0 percent, is in the Beaumont region east of Houston. The eastern, northern, and north central parts of the state have the highest percentages of White students, varying between 59.7 and 74.3 percent in these areas.

The proportion of students from homes experiencing economic hardship also varies across the state. Although the State of Texas does not levy personal income taxes and has little information about family earnings, student eligibility to participate in the national free or reduced-price lunch program is the one indicator of student economic status available for all students. Over the past ten years, public school students in Texas have become increasingly economically disadvantaged. Between 1989–90 and 1999–2000, public school enrollment increased by 20 percent; however, the number of economically disadvantaged students increased by 60 percent. In 1999–2000, 49.0 percent of students were eligible to participate in this program.

EXHIBIT 6

Year-to-Year Percent Change in Number of Students by Ethnic Group: 1997 to 2000



The Hispanic student population continues to drive statewide enrollment growth. The number of Hispanic students increased by 55,198 between 2000 and 1999, compared to a decrease of almost 20,000 in the White student population. The Hispanic population's rate of growth increased even though the rate of growth for the state as a whole is slightly lower than the prior year (1.2 versus 1.4 percent).

Higher concentrations of economically disadvantaged students are found in major urban districts and in districts with high percentages of minority students. The lowest percentages of economically disadvantaged students are found in districts that are suburban to major urban areas and in districts considered to be non-metropolitan "fast growing." Generally speaking, districts with lower property wealth have higher percentages of economically disadvantaged students.

Student participation in special instructional programs differs by community type, district size, and geographic location. For example, rural districts have the highest percentage of students participating in career and technology courses—26.9 percent compared with 16.1 percent in major suburban districts. The highest percentages of students served in bilingual or English as a second language (ESL) programs are enrolled in the Edinburg and El Paso service center regions, with

36.2 percent and 25.3 percent, respectively. These figures are well above the state average of 12.5 percent for those programs. The largest districts also report above average percentages in bilingual or English as a second language (ESL) programs.

The statewide percent of students participating in special education programs is 12.1, the same percentage as in 1998–99. Districts identified 482,427 students receiving some type of special education service, compared to 476,712 students in 1998–99. There is little variation in the percent of special education students served across the various district grouping categories. The larger and more urban districts tend to show slightly lower percentages of special education students among their total student population than the smaller, rural districts do.

STUDENT POPULATION GROWTH

In 1999–2000, public schools in Texas served 3,991,783 students in pre-kindergarten through grade 12. This total student count represents a 1.2 percent increase from the prior year, the third consecutive year that the rate of growth has declined. The number of new charters in operation in Texas increased by 83 between the fall of 1998 and the fall of 1999. However, two existing charters closed, resulting in a net increase of 81, which brings the total to 142. Although the total membership in charters increased by over 110 percent to 25,687 in 1999–2000, the average school size decreased from 200 to 181 students per charter. Most charters operate only one school. Among the 142 charters, only 13 have more than one school site.

Of all students enrolled for the 1999–2000 school year, approximately 84 percent were served the previous year in Texas public schools and the remaining 16 percent (the same percentage as last year) were newly enrolled students. This 16 percent includes students entering school for the first time (*e.g.*, pre-kindergarten and kindergarten enrollees) as well as other students entering the Texas public education system, such as those from private schools or residents new to the state.

The majority of districts continue to show enrollment increases. In fact, the actual percentage of districts experiencing growth is slightly greater than in the previous year. In 1999–2000, 52.9 percent of districts reported enrollment growth compared to 51.7 percent with increases in 1998–99. Districts classified as "non-metropolitan fast growing" and districts located in areas that are suburban to major urban districts continue to demonstrate higher than average enrollment growth: 4.3 and 2.5 percent increases, respectively, compared to the state average of 1.2 percent. In contrast, rural districts as a group decreased 1.1 percent in size from the prior year.

As shown in *Exhibit 6*, growth in the minority student population continues to exceed non-minority growth. Minority students now comprise 56.9 percent of the public school population, compared with 55.9 percent in 1998–99. Overall, growth in the minority student population was 3.0 percent, with the greatest increase, 3.6 percent, occurring in the Hispanic population. Hispanic students now account for 39.6 percent of all students, compared to 38.6 percent the prior year.

The number of African American students grew by 1.4 percent, representing a net increase of 8,085 students, which is smaller than the increase of 8,290 experienced last year. The percent of African Americans among the total student population is 14.4 percent, the same percentage as in the prior two years.

In contrast, the White population declined by 1.1 percent or by 19,721 students. The percentage of White students statewide has consistently dropped, falling from 49.0 percent eight years ago to 43.1 percent this year. The falling percentage is influenced by both the declining number of White students and the increasing rates of growth among the minority populations.

GROWTH BY GRADE

At the state level, all grades except early childhood (early childhood programs other than state-approved pre-kindergarten and kindergarten) reported some growth for the 1999–2000 school year. When populations for the same grades are compared between this year and last, grades 9 and 12 demonstrated the highest rates of growth. Grade 9 grew 2.5 percent, contributing a gain of 8,625 students, and grade 12 experienced a 2.4 percent rate of growth, with an increase of 5,167 students. The state total enrollment for early childhood education decreased by 406 students to 13,463, a 2.9 percent decline.

By far the largest number of students new to the Texas public schools are children entering pre-kindergarten and kindergarten. Over 291,000 students entered public schools at these two grade levels in 1999–2000 and they represent 46.4 per-

cent of all new students. Other than pre-kindergarten and kindergarten, grades 1 and 9 also have a large percentage of new students. Almost 12.5 percent of all 1st graders and nearly 12 percent of all 9th graders are students who were not enrolled in Texas public schools the prior year. These grades are traditional entry points for students previously enrolled in private schools.

On average, pre-kindergarten and kindergarten have higher percentages of minority students, 66.6 percent, than the total student population (56.9 percent). Statutory requirements for pre-kindergarten education stipulate that limited English-proficient (LEP) or economically disadvantaged pupils are among those who must be identified and served in pre-kindergarten. These student characteristics are highly correlated with ethnicity in Texas. In grades 1 through 5, the ethnic distribution remains very similar to the state averages, while the secondary grades (grades 6–12) have slightly more White students, 46.3 percent compared with 43.1 percent statewide, and slightly fewer Hispanic students, 36.6 percent compared with 39.6 percent statewide.

DROPOUTS

Data for students who drop out of Texas public schools are collected in the fall following the year the students left school. Thus, dropout data reported in the 1999–2000 edition of *Snapshot* reflect students who dropped out either during the 1998–99 school year or during the summer of 1999. During that reporting period—August 1998 through October 1999—27,592 students in grades 7–12 were reported and counted as dropouts from Texas public schools. This is a very small increase of 42 dropouts over the count for the previous year. The annual dropout rate for 1999–2000 remains the same as the previous year, 1.6 percent. Dropout rates from these data were used as a base indicator in the 2000 accountability system. The accountability system definition of a dropout excludes some categories of students, such as those previously counted as a dropout or those found enrolled in public school elsewhere in Texas.

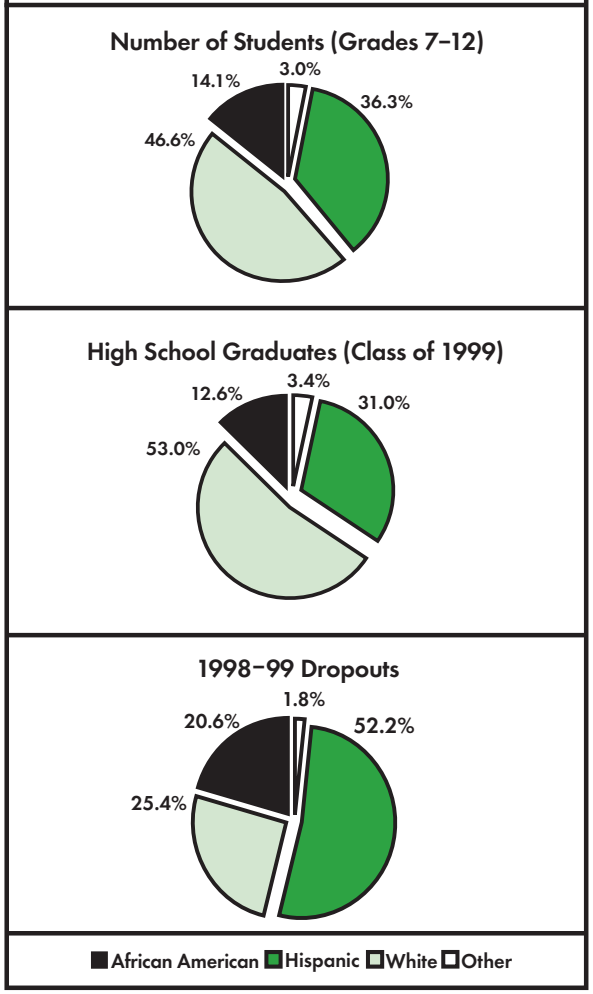
Both the Hispanic and African American student groups continue to be disproportionately represented among dropouts. As shown in *Exhibit 7*, 72.8 percent of all dropouts are either Hispanic or African American. Overall, the percent of total dropouts who are minorities increased to 74.6 percent, compared with 71.9 percent in 1997–98. Furthermore, dropout rates for both Hispanic and African American students remain higher than the state average of 1.6 percent. The Hispanic and African American annual rates were both 2.3 percent. The dropout rate for Asian/Pacific Islanders and Native Americans combined was 0.9 percent, and White students had a dropout rate of 0.8 percent.

The 12th grade dropout rate was highest, at 2.9 percent, followed by a rate of 2.0 percent for both 9th and 11th graders. In terms of raw numbers, however, more students drop out in 9th grade, 7,659 versus 6,716 in 12th grade and 5,014 in 11th grade. The 1998–99 dropout rate reported for 10th graders was 1.9 percent, which represents 5,497 dropouts.

Thirty-four percent of all dropouts are identified as economically disadvantaged, and 77.8 percent are overage for their grade. Consistent with data

EXHIBIT 7

Student Populations by Ethnic Group



Although minority students account for more than half the student population in grades 7–12, they are under-represented among the graduates and over-represented among the dropouts.

reported over the last ten years, more males than females dropped out during 1998–99 (54.5 percent versus 45.5 percent). See *Exhibit 8*.

Urban districts and districts with high percentages of minority students have the highest dropout rates. *Exhibit 9*, on the next page, depicts the relationship between community type and dropout rates. Both minority and economically disadvantaged students are found in greater numbers in urban areas, which may partially explain the higher than average rates exhibited in these areas.

In addition to the annual dropout rate, the TEA also computes a longitudinal dropout rate by using four years of PEIMS data collected at the individual student level. For example, this measure tracks a cohort of 9th grade students from 1995–96 through their expected graduation date with the class of 1999. The number of students in the cohort whose final status is a dropout is divided by the final number of students in the cohort after four years, allowing for in-and out-migration. For the class of 1999 the actual longitudinal four-year dropout rate was 8.5 percent, compared to a rate of 8.9 percent for the class of 1998. Among the student groups, Hispanic students demonstrate the highest longitudinal dropout rate, 13.1 percent, compared to a low of 4.2 percent for Asian/Pacific Islander students. The four-year longitudinal dropout rates for all districts are available as item 15 in the *District Detail* and *Charter Detail*.

GRADUATES AND COMPLETERS

As with the dropout data, information for graduates of Texas public schools is collected in the fall following the year of graduation. During the 1998–99 school year, 203,393 students graduated as the class of 1999 from Texas public schools. This count is an increase of 3.1 percent over the class of 1998 graduates. Of the class of 1999 graduates, 19,249 were identified as special education students. Statewide, White students accounted for 53.0 percent of all graduates, Hispanic students 31.0 percent, African American students 12.6 percent, and Asian/Pacific Islander and Native American students the remaining 3.4 percent. See *Exhibit 7* for a comparison of the ethnic group percentages for the 7th–12th grade student population, graduates, and dropouts.

Students in Texas public schools who exceed the minimum graduation requirements may graduate with a "Recommended High School Program," "Distinguished Achievement Program," "Advanced," or "Advanced with Honors" diploma. The requirements for each type of diploma are defined by the SBOE. The class of 1998 was the first graduating class for which the Recommended High School Program/Distinguished Achievement Program requirements were in place since their 9th grade year. Counts of participants in these programs continue to increase significantly as the older "Advanced" and "Advanced with Honors" diplomas are phased out. However, as of the class of 1999, 53,360 graduates were still reported with one of the "Advanced" diploma types. The number of students graduating under the Recommended High School/Distinguished Achievement Pro-

EXHIBIT 8

1998–99 Dropouts by Grade Level for Selected Student Characteristics

Grade Level	Total Dropouts	Male	Female	Special Education	Economically Disadvantaged	Not on Grade
7th	939	463	476	145	420	546
8th	1,767	848	919	309	885	1,121
9th	7,659	4,207	3,452	1,199	2,979	6,868
10th	5,497	3,084	2,413	1,035	2,002	4,912
11th	5,014	2,797	2,217	906	1,541	4,072
12th	6,716	3,648	3,068	731	1,564	3,939
Total	27,592	15,047	12,545	4,325	9,391	21,458

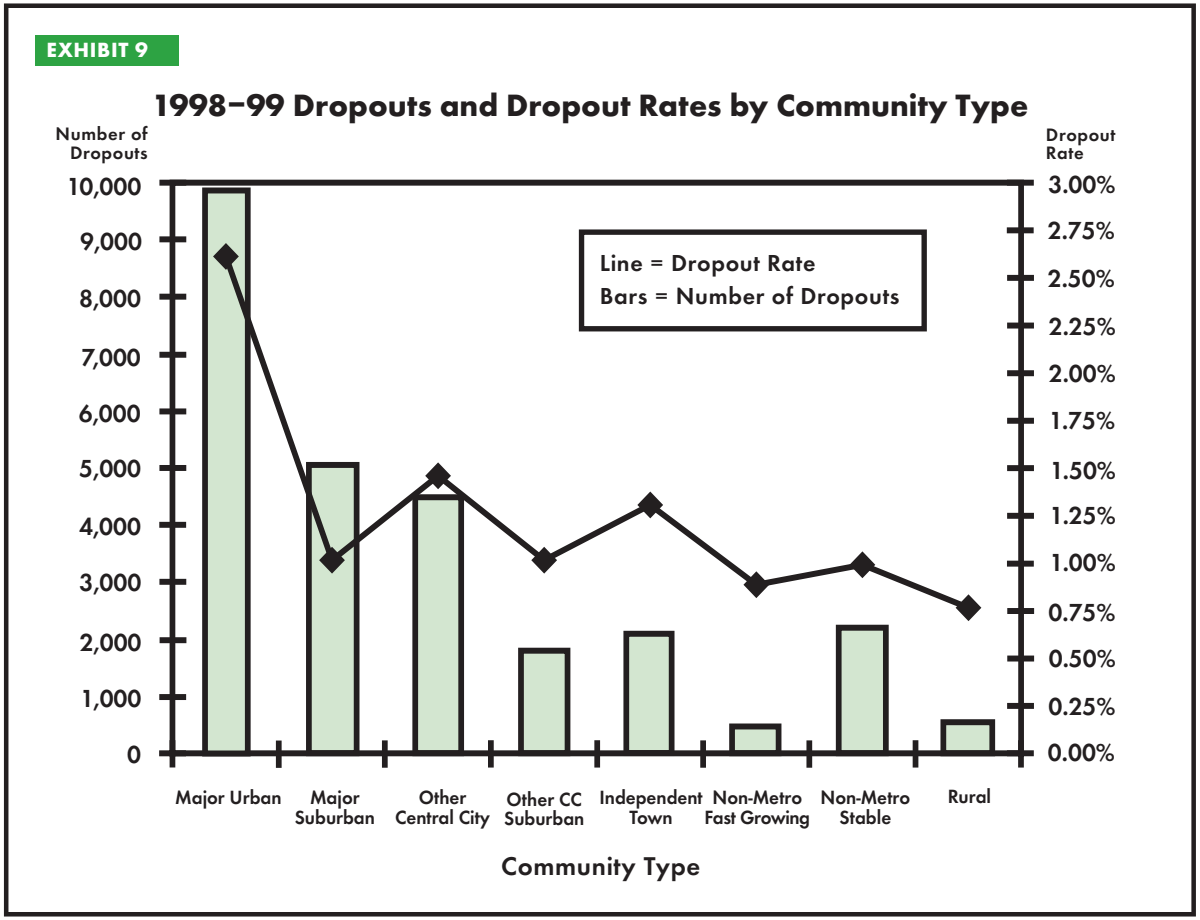
A Texas public school dropout is most likely Hispanic, male, overage for grade by at least one year, and in the 9th grade at the time of school departure. Seventy-eight percent of the students who dropped out were overage for their grade, indicating they were likely retained one or more times over their school careers.

grams was 30,560 for the class of 1999, an increase of approximately 13,000 students over the number who graduated under these programs from the class of 1998.

While the TEA does not compute an annual graduation rate, a longitudinal measure of percent graduating is now available and is included in the *District Detail* and *Charter Detail* as item 17. This measure is a component of a new Academic Excellence Indicator System (AEIS) indicator called Completion Rate/Student Status. For example, the percent graduated tracks the cohort of students who were first enrolled as 9th graders in 1995–96 through their expected graduation year of 1998–99. Students who graduate at any time during this span are included as graduates. For the class of 1999, 79.5 percent graduated, compared to 78.7 percent for the class of 1998.

The Completion Rate/Student Status shows that additional students in the cohort either complete or continue in public school. For the class of 1999, 4.0 percent received their GED and an additional 8.0 percent continued their education by enrolling in a Texas public school in 1999–2000. For more information about completion and dropout measures see the TEA publication, *Secondary School Completion and Dropouts in Texas Public Schools: 1998–99.*

EXHIBIT 9



The number of public school dropouts reported in 1998–99 is only 42 students higher than the number reported the previous year. The state annual dropout rate for 1998–99 is 1.6 percent, the same rate reported for the previous two years.

STUDENT PERFORMANCE

TEXAS ASSESSMENT OF ACADEMIC SKILLS

The Texas Assessment of Academic Skills (TAAS) program is a state-administered criterion-referenced testing program that draws its objectives from the state-mandated curriculum established by the State Board of Education. Begun in 1990–91, the TAAS emphasizes the assessment of academic skills and focuses on students' higher order thinking and problem-solving skills. A major rewrite of the curriculum, the Texas Essential Knowledge and Skills (TEKS), was completed in the summer of 1997 and the alignment of the TEKS with the TAAS began with the 1998–99 school year. In 1999–2000, those skills specified in the TEKS but not previously tested on TAAS were integrated into the assessment system.

Since 1994, the TAAS reading and mathematics assessments have been administered at grades 3–8, and 10 (exit-level) and the writing assessment has been administered at grades 4, 8, and 10. The TAAS program also includes science and social studies components given in grade 8, and a Spanish version given at grades 3 through 6. End-of-course examinations are administered to students upon completion of selected high school courses: Biology, Algebra I, English II and United States History.

While various measures can be used to interpret test results, this document focuses on the percent passing, computed as the number of students passing a test divided by the number of students taking that test. The percent passing all tests taken is the number of students

EXHIBIT 10

Percent Passing TAAS by Grade and Subject
Spring 2000 Accountability Results

Grade	Number of Students Tested	Pct. Passing All Tests Taken	Pct. Passing Reading	Pct. Passing Writing	Pct. Passing Mathematics
3rd	250,475	77.1%	87.9%	n/a	80.6%
3rd Spanish	18,437	66.3%	75.7%	n/a	75.1%
4th	258,007	80.3%	89.9%	90.3%	87.1%
4th Spanish	11,514	52.2%	58.4%	73.8%	77.0%
5th	253,722	85.0%	87.8%	n/a	92.1%
5th Spanish	5,056	50.3%	52.6%	n/a	76.8%
6th	257,829	81.5%	86.0%	n/a	88.5%
6th Spanish	1,038	25.7%	28.2%	n/a	52.9%
7th	258,575	79.3%	83.5%	n/a	88.1%
8th	260,288	78.2%	89.6%	84.3%	90.2%
10th	226,323	80.4%	90.3%	90.7%	86.8%
All Grades	1,803,918	79.9%	87.4%	88.2%	87.4%

In the spring of 2000, 2,109,405 students in grades 3–8 and 10 (exit-level) were tested—the results for 1,803,918 were used in the 2000 statewide accountability system. The accountability results are reported in this publication. They include tested non-special education and special education students as well as students who took the Spanish version of TAAS in grades 3 through 6. In addition, results include (as passers) 2,654 students in 2000 and 1,892 students in 1999 who met the testing requirement for graduation by passing end-of-course examinations prior to the spring of their sophomore year. Only students enrolled in the district as of late October who tested in the same district in the spring are included.

passing all the tests they attempted, divided by the number of students tested. Generally, results reported in this publication are the percent of students passing tests in the subject areas of reading, writing, and mathematics by grade or summed across grades 3–8, and 10. When the percent passing all tests taken is reported, reading, writing, and mathematics are included at grades 4, 8, and 10, but only reading and mathematics are included at grades 3, 5, 6, and 7. Note that for grade 8, science and social studies results are excluded from the "all tests taken" calculations reported here.

TAAS results reported here are those used in the 2000 statewide public education accountability system. These are results for students served in both regular and special education, and those taking the Spanish version of TAAS in grades 3 through 6. To allow for valid comparisons to 2000, the 1999 TAAS results reported in this publication have been recomputed to include the performance of students served in both regular and special education, and students taking the Spanish version of TAAS in grades 3 through 6. Therefore, the 1999 TAAS results reported in this publication will not match those reported in last year's edition of *Snapshot*. For both 1999 and 2000, an adjustment for student mobility is made by including only those examinees enrolled in the district at the end of October of the school year being reported. Beginning in 1999, students eligible to take the spring exit-level TAAS at grade 10 may have chosen not to take the test if they had already met their testing requirement for graduation by passing end-of-course examinations prior to the spring administration of the exit-level test. Students in this category were credited as grade 10 passers in calculating district and school passing rates for accountability rating purposes in both 1999 and 2000.

These TAAS results were reported in the 2000 data tables for accountability, the 1990–2000 Academic Excellence Indicator System (AEIS), the 1999–2000 School Report Cards, and *Pocket Edition: 1999–2000 Texas Public School Statistics*. Readers wishing to review TAAS results for all students tested should request the TEA publication, *Texas Assessment of Academic Skills: Student Performance Results, 1999–2000*, or visit the Texas Education Agency's web site at http://www.tea.state.tx.us/student.assessment.

Over 1.8 million of the 2.1 million students who were tested during the spring semester of 2000 in grades 3–8, and 10 are included in the accountability results. Reading and mathematics tests were given at all these grades. Over 727,000 students took the writing test statewide in grades 4, 8, and 10. Science and social studies tests were administered to over 251,000 students in grade 8. During 1999–2000, end-of-course examinations were administered to over 262,000 Biology students in grades 9–12 and to over 299,000 Algebra I students in grades 7–12. In grades 9–12, over 239,000 students took the English II end-of-course examination, and over 205,000 high school students took the U.S. History end-of-course examination.

Exhibit 10, on the previous page, shows spring 2000 TAAS results by grade and subject. Among the subjects tested, the percent passing is highest for writing, followed by reading and mathematics, a pattern that has held for the past seven years. The lowest pass rates by subject and grade are: the Spanish version of reading in grade 6 (28.2) and the Spanish version of mathematics in grade 6 (52.9). The highest pass rates by subject and grade are in grade 10 writing (90.7) and reading (90.3), and grade 5 mathematics (92.1). Statewide in 2000, 79.9 percent of the students in all grades tested passed all the tests they took. This is an improvement of 1.8 percentage points over the spring of 1999 when 78.1 percent of the students passed all tests taken. Note that this comparison is based on 2000 and 1999 accountability results which include additional students in both years, *i.e.*, students served in special education and students taking the Spanish version of TAAS in grades 3 through 6, in addition to regular education students. The results also include, as passers, the 2,654 students in 2000 and the 1,892 students in 1999 who met the testing requirement for graduation by passing end-of-course examinations by the time of their spring 10th grade exit-level examination, and who did not take the exit-level TAAS.

As shown in *Exhibit 11,* all student groups show performance gains in all subjects, with one exception. In writing, Hispanic students had a slight decline from 82.4 percent passing in 1999 to 82.3 percent passing in 2000. For the sixth consecutive year, the greatest gains in performance occurred in mathematics. *Exhibit 11* shows that performance in mathematics improved from 85.6 percent passing in 1999 to 87.4 percent passing in 2000. The greatest gains in mathematics, 4.2 percentage points, were made by African American students who improved from 72.8 percent passing in 1999 to 77.0 percent passing in 2000. Reading overall increased 1.1 points, from 86.3 percent passing

in 1999 to 87.4 percent in 2000. Again, African American students demonstrated the greatest gains, moving from 78.2 percent passing in 1999 to 80.8 percent passing in 2000, a gain of 2.6 percentage points. Writing results increased slightly from 87.9 percent passing in 1999 to 88.2 percent passing in 2000, with White students gaining the most at 0.9 percentage points.

By law, districts must offer remediation to students failing to pass a test in a subject area. Statewide, in grades 3–8 and 10, over 360,000 students (20.1 percent) required remediation after the 2000 TAAS administrations. The state compensatory allotment provides the financial support for this remediation, although it is allocated to districts based on counts of economically disadvantaged students, not the number of students requiring these services.

EXHIBIT 11

Percent Passing TAAS by Subject and Student Group
Comparison of 1999 and 2000 Accountability Results

		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Reading	Spr. 2000	87.4%	80.8%	80.7%	94.3%	93.3%	79.8%
	Spr. 1999	86.3%	78.2%	79.0%	93.7%	92.9%	77.8%
Writing	Spr. 2000	88.2%	82.4%	82.3%	94.0%	92.5%	81.3%
	Spr. 1999	87.9%	81.9%	82.4%	93.1%	92.3%	80.9%
Math	Spr. 2000	87.4%	77.0%	82.9%	93.6%	95.0%	81.1%
	Spr. 1999	85.6%	72.8%	80.5%	92.5%	94.4%	78.6%
All Tests	Spr. 2000	79.9%	68.0%	71.8%	89.3%	89.6%	70.0%
	Spr. 1999	78.1%	64.0%	69.5%	87.9%	89.1%	67.5%

For the sixth consecutive year, the greatest gains in performance over the prior year occurred in mathematics. For reading, mathematics, and all tests taken, African-American students improved the most among the student groups. Results shown are those used in the 2000 accountability system as described in the caption for ***Exhibit 10****. For comparability purposes, 1999 results in this exhibit include non-special education students, special education students, and students who took the Spanish version of TAAS in grades 3 through 6.*

To graduate, a student must meet a state testing requirement which is most commonly fulfilled by passing sections of the exit-level TAAS, initially administered to students in the spring semester of their sophomore year. However, as an alternative to the 10th grade exit-level test, students may meet their testing requirement for graduation by passing the end-of-course examinations for both Algebra I and English II, plus either U.S. History or Biology. Since 1997 local school districts in Texas have had the option to offer certificates of completion for students failing to meet the testing requirement if they have met all other graduation requirements.

Among sophomores taking the March 2000 TAAS exit-level test, over 44,000 (19.6 percent) failed one or more of the subject areas. These students will have seven more opportunities to master the exit-level TAAS test before the end of their senior year as the class of 2002.

Beginning with the class of 1996, a measure of the cumulative pass rate on the exit-level test has been reported in the Academic Excellence Indicator System. Results for the class of 2000 are based on the percent of students who first took the exit-level test in the spring of 1998 and finished testing in the same school district by May 2000. Results for this measure are directly comparable to cumulative pass rates reported in editions of *Snapshot* from 1995–96 to date, but are not comparable to the proxy measures reported in previous editions. Statewide results indicate that 19,209 students expected to graduate with the class of 2000 did not pass one or more sections of the exit-level TAAS test. This represents an estimated cumulative pass-

ing rate of 91.6 percent for the class of 2000 and an improvement over the cumulative passing rate of 90.0 percent for the class of 1999.

District-level passing rates for science and social studies are not provided in this publication. As shown in *Exhibit 12*, statewide results for 2000 show that 88.2 percent of 8th grade students passed the science assessment and 71.8 percent passed social studies. These are improvements over statewide results for 1999, where 87.1 percent of 8th graders passed science and 70.1 percent passed social studies. In social studies, economically disadvantaged, Hispanic and African American students have significantly lower passing rates than Asian/Pacific Islander, Native American and White student groups. The percent of students passing the grade 8 social studies assessment will be included as part of the statewide accountability rating system beginning in 2002.

District-level passing rates for end-of-course examinations are not provided in this publication: however, statewide results for end-of-course examinations are shown in *Exhibit 13*. Two years of results are provided. As shown in the exhibit, the lowest percent passing among the subjects was for Algebra I. Although the passing rate improved slightly from 43.4 percent in 1999 to 43.9 percent in 2000, the results clearly indicate that much improvement is needed in this area, across all student groups. Changes in statute, resulting from the legislative session in 1999, mandate that a new exit-level test be created and administered to 11th graders beginning in 2003. In order to graduate, students in the classes of 2005 and beyond will be required to pass state assessments in four subject areas: mathematics, English language arts, social studies and science. The statute specifies that the assessments are to test content in Algebra I, Geometry, English III, Early American and U.S. History, Biology, and integrated Chemistry and Physics. Results for end-of-course assessments are currently the best predictor of performance on the future 11th grade exit-level test. As shown in *Exhibit 13*, the 2000 end-of-course results indicate that many students in Texas are not currently prepared to meet this more rigorous exit-level requirement. For more details on the results of the science and social students assessments, as well as for the end-of-course examinations, see the agency publication, *Texas Assessment of Academic Skills: Student Performance Results, 1999–2000*.

EXHIBIT 12

Percent Passing TAAS Science and Social Studies Comparison of 1999 and 2000

Grade 8 Only		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Science	Spr. 2000	88.2%	78.9%	81.3%	95.5%	95.2%	80.2%
	Spr. 1999	87.1%	74.4%	79.5%	95.4%	92.4%	77.9%
Soc. Studies	Spr. 2000	71.8%	58.1%	57.8%	85.2%	86.1%	56.5%
	Spr. 1999	70.1%	53.6%	56.1%	83.6%	83.8%	54.4%

Science and social studies assessments are administered to 8th grade students. Beginning in 2002, the percent of students passing the grade 8 social studies assessment will be evaluated as part of the statewide accountability rating system.

ACCOUNTABILITY RATING SYSTEM FOR TEXAS PUBLIC SCHOOLS

Since 1994, ratings for Texas public schools and school districts have been based on a consistent set of mandated indicators. These indicators are performance on the reading, writing, and mathematics portions of the TAAS; dropout rates; and attendance rates. As required by statute, overall performance of all students as well as the performance of student groups (African American, Hispanic, White, and Economically Disadvantaged) is evaluated. Student groups must meet minimum size requirements to be included in the evaluation.

In 2000, districts could receive a rating of *Exemplary*; *Recognized*; *Academically Acceptable*;

Academically Unacceptable; or *Suspended: Data Inquiry*. Districts may also be rated as *Academically Unacceptable: Special Accreditation Investigation (SAI)*, for reasons other than student performance. Individual schools are also rated. In 2000, schools could be rated *Exemplary*; *Recognized*; *Acceptable*; *Low-Performing*; *Alternative Education: Commended*, *Alternative Education: Acceptable*, *Alternative Education: Needs Peer Review*, or *Alternative Education: Not Rated*.

Districts and schools were also evaluated on a number of measures for which they could receive additional acknowledgment. These measures, which do not affect the rating for a school or district, are: the results of college admissions participation and performance; the percent of students meeting the TAAS/TASP equivalency; the percent of students graduating under the SBOE's Recommended High School Program; and Comparable Improvement in Reading or Comparable Improvement in Mathematics (see *Endnotes* for brief descriptions of several of these measures).

Specific details regarding how accountability ratings and additional acknowledgments are calculated are contained in the *2000 Accountability Manual: The 2000 Accountability Rating System for Texas Public Schools and School Districts*, which is accessible through the agency's web site. The distributions of district and school ratings for 2000 are shown in *Exhibit 14* on the next page. State-level rewards and sanctions are linked to these rating categories.

In 2000, over half (58.3 percent) of the districts achieved either *Exemplary* or *Recognized* status, the categories with the highest performance standards. The remainder were rated *Academically Acceptable* (41.2 percent) or *Academically Unacceptable* (0.5 percent, or 5 districts). At the time of publication, no districts were rated *Academically Unacceptable: SAI* or *Suspended: Data Inquiry*.

In 2000, 1,296 schools were rated *Exemplary*. This is an increase of 176 schools over the number rated *Exemplary* in 1999. The number of *Low-Performing* schools increased from 96 in 1999 to 146 in 2000. Of the 146 schools rated *Low-Performing* in 2000, 119 received this rating due to poor performance on TAAS, (49 on mathematics, 7 on reading, 35 on writing and 28 on a combination of subjects); 21 received the rating due to a high dropout rate; and the remaining six received the rating due to a combination of a high dropout rate and poor performance on TAAS. The increase in

EXHIBIT 13

Percent Passing End-of-Course Examinations
Comparison of 1999 and 2000

		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Algebra I	Spr. 2000	43.9%	26.5%	32.7%	56.7%	68.9%	31.3%
	Spr. 1999	43.4%	24.9%	31.0%	57.2%	68.8%	30.2%
Biology	Spr. 2000	80.3%	69.0%	69.4%	91.2%	86.7%	68.2%
	Spr. 1999	76.4%	61.7%	64.0%	89.1%	83.7%	62.5%
English II	Spr. 2000	77.7%	68.4%	71.1%	84.4%	85.8%	68.6%
	Spr. 1999	72.7%	59.5%	62.6%	82.5%	79.9%	60.0%
U.S. History	Spr. 2000	72.1%	58.1%	58.3%	84.0%	81.1%	54.9%
	Spr. 1999	69.8%	55.0%	53.9%	83.3%	79.8%	51.5%

End-of-course assessments are administered to students upon completion of Algebra I, Biology, English II, and U.S. History. Performance across all student groups is lowest for Algebra I. Beginning in 2003, a new exit-level test will be administered to 11th graders. Results for end-of-course assessments are currently the best predictor of performance on the future 11th grade exit-level test.

the number of schools rated *Low-Performing* was due to two changes in the accountability system in 2000: the standard to be rated *Acceptable* was raised from 45.0 to 50.0 percent passing on the TAAS measures, and more students were included in the accountability results. The latter change increased the number of student groups evaluated in the system.

Exhibit 15 shows the changes in performance on the accountability indicators between 1994 and 2000. Over the past seven years, the disparities in TAAS performance among the major ethnic groups in Texas have narrowed. This is true for all three subjects, with the most dramatic improvement occurring for minority students passing the mathematics portion of the TAAS. In addition, the dropout rate has declined

EXHIBIT 14

2000 Accountability Ratings

Districts				Schools			
Accountability Rating	Number of Districts	Percent of Districts	Number of Students	Accountability Rating	Number of Schools	Percent of Schools	Number of Students
Exemplary	168	16.1%	182,404	Exemplary	1,296	18.8%	662,052
Recognized	439	42.2%	1,538,528	Recognized	2,009	29.1%	1,137,647
Academically Acceptable	429	41.2%	2,243,577	Acceptable	2,916	42.2%	2,026,971
Academically Unacceptable	5	0.5%	1,587	Low-Performing	146	2.1%	79,937
				Not Rated			
				Kindergarten & Earlier	135	2.0%	36,154
				New Charter	62	0.9%	7,174
				Charter (Insufficient Data)	12	0.2%	263
				Alternative Education			
				Commended	5	0.1%	402
				Acceptable	273	4.0%	22,652
				Needs Peer Review	33	0.5%	4,710
				Not Rated	16	0.2%	449
Total	1,041	100.0%	3,966,096	**Total**	6,903	100.0%	3,978,411
New Charters	142	n/a	25,687	Not Applicable*	492	n/a	13,372
Total Districts/Charters	1,183	100.0%	3,991,783	**Total Schools**	7,395	100.0%	3,991,783

*Special Accreditation Investigation

*Schools with insufficient data to evaluate.

Districts and campuses are placed into a rating category annually based on performance on a selected set of indicators. Campuses classified as ***Not Rated*** *are the pre-kindergarten, kindergarten, or early education centers; first year charter schools; or schools with insufficient data to evaluate. Campuses classified as* ***Alternative Education*** *are evaluated separately and are categorized as* ***AE: Commended***, ***AE: Acceptable***, ***AE: Needs Peer Review***, *or* ***AE: Not Rated****. Totals may not sum due to rounding.*

and the attendance rate has risen slightly over the same period. The statewide accountability system holds districts and schools responsible for student group performance in order to focus attention on the performance of all students and reduce disparities in achievement among the major student groups in Texas. These improvements reflect the concerted efforts of educators, parents, and students statewide to meet the expectations of the accountability system.

COLLEGE ADMISSIONS TESTS

In Texas, 61.8 percent of public high school graduates in the class of 1999 participated in college admissions testing, a very slight increase from the 61.7 percent participating for the class of 1998. The number of students participating in college admissions testing increased to nearly 114,000 for the class of 1999, compared to over 110,000 for the class of 1998. These numbers are counts of graduating seniors who took either the SAT I, the ACT, or both tests. The ACT Assessment is administered by ACT, Inc. (formerly the American College Testing Program). The SAT I is the SAT I: Reasoning Test of the College Board's SAT Program. It is a revised but comparable test that was introduced in March 1994 to replace the Scholastic Aptitude Test.

Nationwide, the testing companies report that approximately 43 percent of all graduates took the SAT I and 36 percent took the ACT. In Texas, 50 percent of all graduates took the SAT I, and 31 percent took the ACT. For both Texas and the nation, the "all graduates" number reported by the testing companies includes public and nonpublic school students.

EXHIBIT 15

State Performance on Accountability Indicators: 1994, 1999, and 2000

Indicator	1994	1999	2000	Change 1994–2000
TAAS Results (All Grades Tested)				
Reading				
All Students	76.5%	86.5%	87.4%	+10.9%
African American	60.2%	78.2%	80.8%	+20.6%
Hispanic	64.9%	79.5%	80.7%	+15.8%
White	87.2%	93.7%	94.3%	+7.1%
Economically Disadvantaged	62.9%	78.2%	79.8%	+16.9%
Mathematics				
All Students	60.5%	85.7%	87.4%	+26.9%
African American	38.1%	72.8%	77.0%	+38.9%
Hispanic	47.1%	80.7%	82.9%	+35.8%
White	73.3%	92.5%	93.6%	+20.3%
Economically Disadvantaged	45.0%	78.7%	81.1%	+36.1%
Writing				
All Students	79.0%	88.2%	88.2%	+9.2%
African American	65.8%	81.9%	82.4%	+16.6%
Hispanic	69.6%	83.1%	82.3%	+12.7%
White	87.6%	93.1%	94.0%	+6.4%
Economically Disadvantaged	67.7%	81.4%	81.3%	+13.6%
Annual Dropout Rate (Grades 7–12)				
All Students	2.8%	1.6%	1.6%	-1.2%
African American	3.6%	2.1%	2.3%	-1.3%
Hispanic	4.2%	2.3%	2.3%	-1.9%
White	1.7%	0.9%	0.8%	-0.9%
Economically Disadvantaged	2.9%	1.6%	1.5%	-1.4%
Attendance Rate (Grades 1–12)				
All Students	94.9%	95.3%	95.4%	+0.5%

Performance over time shows dramatic improvement. The percent of students passing TAAS increased significantly for all subjects and all student groups between 1994 and 2000. Reductions in the annual dropout rate also occurred. Results shown are those used for accountability for a given year. In years prior to 2000, data have not been recomputed to include the expanded set of students included for accountability in 2000.

The SAT I consists of verbal and mathematics components. Scores on the verbal and mathematics sections of the SAT I range from 200 to 800 and sum to the SAT I total score, which ranges from 400 to 1600. The ACT includes tests of reading and science reasoning in addition to English and mathematics. Each subject area component of the ACT has a score ranging from 1 to 36. The ACT composite is the average of these four scores.

Beginning with the class of 1996, SAT I scores have been reported on a recentered scale by the College Board. SAT scores reported in editions of Snapshot prior to 1996–97, because they are based on the original scale, cannot be directly compared to recentered scores reported for the class of 1996 and beyond.

Exhibit 16 shows the average SAT I and ACT scores for all graduates for Texas and the nation. In addition, the averages for just the public school graduates in Texas are shown. Performance of Texas public school graduates declined on both the SAT I and the ACT from the prior year. However, the numbers of all Texas graduates tested increased over the past year—up 3.7 percent for the SAT I and 1.6 percent for the ACT. In Texas, a record number of graduates took one of the two examinations; there were 104,144 SAT I-tested graduates and 65,094 ACT-tested graduates.

An additional data element derived from the college admissions testing program is the percentage of public school examinees scoring at or above a specified accountability criterion score (1110 on the SAT I and 24 on the ACT).

EXHIBIT 16

Class of 1999 SAT I and ACT Scores for Texas and the Nation

	Texas Public School Graduates	All Texas Graduates	All U.S. Graduates
SAT I			
Verbal	492	494	505
Mathematics	498	499	511
Total	989	993	1016
ACT			
English	19.5	19.7	20.5
Mathematics	20.1	20.2	20.7
Reading	20.4	20.6	21.4
Science Reasoning	20.3	20.4	21.0
Composite	20.2	20.3	21.0

The average SAT I score for all Texas graduates declined from 995 to 993 between 1998 and 1999 while the national average declined from 1017 to 1016. The ACT Composite scores held steady for all U.S. and Texas graduates between 1998 and 1999. Total SAT I scores may not sum due to rounding.

This standard of excellence was met or exceeded by 27.2 percent of the class of 1999, the same percent as for the class of 1998.

An additional indicator of how well Texas students are being prepared for college is the percent of students completing the SBOE Recommended High School Program. This program defines requirements in language arts, mathematics, science, social studies, languages other than English, fine arts, health and physical education that should prepare students for employment and post-secondary education. Statewide, 15.0 percent of the class of 1999 was reported as having completed the Recommended High School Program or the more rigorous Distinguished Achievement Program. The percent completing these programs ranged across student groups from 9.4 for economically disadvantaged, to 9.9 percent for African American, 10.9 for Hispanic, 13.6 for Native American, 17.9 for White, and 28.9 percent for Asian/Pacific Islander students. The class of 1998 was the first class statewide that had the SBOE's Recommended High School and Distinguished Achievement Programs defined for all four years of high school. Increases in participation in these programs are expected as more graduating classes have the opportunity to complete these more challenging course sequences.

DISTRICT STAFF

STAFF COUNTS

TEACHERS

Teachers represent the largest single category of employees of public school districts, accounting for 82.6 percent of the professional staff and 51.3 percent of the total staff. See *Exhibit 17*. Since 1998–99, teacher full-time equivalent (FTE) counts increased by 3.2 percent, compared to a student enrollment increase of 1.2 percent. Student growth rates vary across districts and grades, requiring districts at times to hire additional teachers for less than full classrooms. Statewide, a new teacher FTE is added for every 5.7 new students.

Rates of teacher increases vary with the size of the district. Districts in all size categories, except the 471 smallest districts, hired teachers at a rate greater than their respective average enrollment growth rates, thereby reducing their average student/teacher ratios. The smallest districts with enrollment less than 500 hired new teachers at the lowest rate, one new teacher for every 14.2 new students. The hiring behavior of this group of districts is due to the addition of many new charters that are staffing classrooms for the first time. Districts with enrollment between 3,000 and 5,000 hired new teachers at the highest rate, one for every 1.6 new students.

EXHIBIT 17

Staff by Category

Category	FTEs	Percent of Total Staff	Average Salary (Regular Duties Only)	Average Salary (Including Supplements)
Teachers	267,922	51.3%	$37,567	$38,287
School Administrators	13,345	2.6%	$56,226	$56,496
Central Administrators	4,596	0.9%	$67,463	$67,846
Professional Support	38,365	7.3%	$44,698	$45,066
Total Professionals	324,227	62.1%	$39,602	$40,258
Educational Aides	53,747	10.3%	$13,612	$13,688
Auxiliary Staff	144,448	27.6%	$16,811	$16,811
Total Staff	522,422	100.0%	$30,624	$31,038

The average salary for teachers (including supplements) is 9.6 percent greater in 2000 than it was in 1999, an increase largely due to a state-mandated $3,000 teacher pay raise. Supplements are amounts paid in addition to an employee's regular duties and include payments for coaching, club sponsorships, and band or orchestra assignments. See ***Exhibit D*** *in the* ***Endnotes*** *for a list of positions assigned to each of these categories. Totals may not sum due to rounding.*

SUPPORT AND ADMINISTRATIVE STAFF

The combined categories of administrators and professional support staff increased by 5.1 percent between 1998–99 and 1999–2000, a higher rate than the 3.2 percent rate of growth demonstrated in the teacher population. School administrative staff grew by 3.8 percent and central office administrative staff increased by 6.7 percent. Professional support staff increased by 5.4 percent.

Central office administrative growth rates exceeded enrollment growth rates in all but two of the nine district size categories. The greatest growth, 20 percent, occurred in the 24 districts with enrollment between 25,000 and 50,000. School administrative growth rates exceeded enrollment growth rates in all district size categories, except the smallest districts, with the largest growth rate occurring in the districts with enrollment between 5,000 and 10,000.

Professional support staff, a category that includes counselors, school psychologists and educational diagnosticians, increased at more than twice the rate of enrollment growth within all district groups, except the smallest districts. The smallest districts,

those with fewer than 500 students each, experienced the greatest growth rate in professional support staff—15 percent. However this growth equated to less than 0.2 additional professional support FTEs per district. The 130 districts with 1,600 to 3,000 students experienced the lowest growth rate, 4 percent, averaging less than 0.7 new professional support FTEs per district.

PARAPROFESSIONAL STAFF

The number of educational aides increased by 3.7 percent this year. In 1999–2000, aides employed at high schools increased by more than 5 percent over the previous year. On the other hand, the category of elementary and secondary combined (K–12) schools lost educational aide staff—5.5 percent fewer were employed in 1999–2000 than in 1998–99. Historical analyses show that only a small portion of the staff employed as educational aides will advance to teaching positions. In 1999–2000 only 843 teachers (less than 0.5 percent of the total teaching staff) had been employed as aides sometime between 1996 and 1999.

Auxiliary staff, the second largest category at 27.6 percent of all staff, increased by 3.2 percent this year. Auxiliary staff includes secretaries, bus drivers, maintenance workers, and cafeteria workers. Excluding new charters, the largest increase occurred in the 66 districts with enrollment between 5,000 and 10,000 students. In the districts with the greatest enrollment, the number of auxiliary staff continues to decline.

The ethnic composition of school district employees changed only slightly from the previous school year. Minority staff increased by 0.7 percent to 37.2 percent of all staff employed in Texas public schools. This can be disaggregated to 25 percent Hispanic, 11.2 percent African American and 0.9 percent Asian/Pacific Islander and Native American. Among teachers, 26.1 percent are minorities, an increase from the 25.4 percent minority reported for the previous academic year. Given that ethnic minorities account for nearly 57 percent of the student population, ethnic minority recruitment into education careers merits continued emphasis.

TEACHER EXPERIENCE

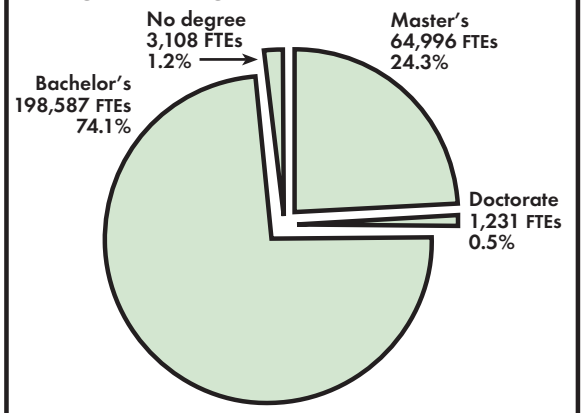
Teachers employed in Texas in 1999–2000 averaged 11.9 years of total experience. Over 21 percent of all teachers have more than 20 years experience and almost 45 percent have between one and ten years of experience. In 1999–2000, new teachers accounted for 7.6 percent of the total, a slight decrease from the previous year. Teachers at high schools continue to be more experienced—12.9 years on average—compared to elementary school teachers with an average of 11.6 years of experience. The lowest average years of teacher experience exists in junior high schools—10.9 years. Districts with increasing enrollment continue to have lower average teacher experience, indicating that new, rather than experienced, teachers are more often hired to meet the increased demand.

TEACHER CREDENTIALS

To teach in public schools in Texas, individuals must earn appropriate certification by satisfying a combination of education, experience, and test requirements that vary depending upon the certification route pursued. Information about

EXHIBIT 18

Highest Degree Held for Teachers



Percentages may not match text due to rounding.

Most Texas teachers, 74.1 percent, hold a bachelor's degree. Fewer and fewer of the staff employed as teachers have graduate level degrees—24.7 percent in 1999–2000, compared with 32.1 percent with this level of education a decade ago.

teacher certification, testing requirements, and the Alternative Certification Program (ACP) is available from the State Board for Educator Certification. This agency, created in 1996 by the 74th Texas Legislature, oversees nearly 268,000 practicing educators across the state and is responsible for all functions related to the preparation, assessment, certification, continuing education, and investigation and sanctioning of education professionals.

EDUCATION

As shown in *Exhibit 18*, the highest degree obtained by the majority of teachers in Texas (74.1

percent) is a bachelor's degree. An additional 24.8 percent have earned master's or doctoral degrees. The percent of teachers with advanced degrees decreased in each district size category, with the largest decrease occurring in the 66 districts with enrollment between 5,000 and 10,000 students, a 0.9 percentage point decline. Overall, the percentage of Texas teachers with advanced degrees continues to decrease. Since 1989–90, this percentage has declined from 32.1 to 24.7 percent, with a 0.4 percent decline occurring between 1998–99 and 1999–2000. Larger districts continue to employ a larger proportion of teachers with advanced degrees; in fact, the gap between large and small districts increased slightly this year. Of the teachers with advanced degrees, 53.1 percent are employed in the 72 urban and major suburban districts; 46.9 percent work in the 1,111 remaining school districts.

PERMITS

Educators who have not yet earned the appropriate certification may be granted one of five types of permits in order to perform their assigned duties: nonrenewable, temporary classroom assignment, temporary exemption, emergency, and district teaching. Each of these permits allows a person to be employed in the public school system for varying lengths of time. All but the district teaching permit are for individuals who seek to achieve the appropriate certification but are currently lacking in some credential. The district teaching permit, which must be approved by the commissioner of education, is for degreed individuals who do not hold any type of teaching credential. The district teaching permit remains valid as long as the requesting district continues to employ the individual.

Statewide, districts report that 4.8 percent of teachers hold one or more active permits of some type. The number of teaching permits issued varies by subject area and student population served. Excluding the area of regular education, the three areas with the greatest number of teaching permits are special education, English as a second language (ESL), and bilingual education. The U.S. Department of Education currently includes bilingual/ESL and special education among the designated teacher shortage areas in Texas. Other designated shortage areas are science, mathematics, foreign languages, and technology applications. Teachers in these areas may be eligible for loan deferments or loan cancellation benefits under federal loan programs. These benefits depend on several factors, such as the type of loan (*i.e.,* Stafford, Perkins), the loan's origination date, and other considerations.

PROFESSIONAL SALARIES

TEACHER SALARIES

In 1999–2000, average teacher salaries (for regular duties) increased by 9.4 percent to $37,567, largely due to a state-mandated $3,000 pay raise. Total average teacher salaries, including reported supplements, climbed to $38,287, a 9.6 percent increase. "Total salaries" refers to pay for regular duties plus any supplemental pay employees earn for additional duties such as coaching, club sponsorships, and band or orchestra assignments. Pay for regular duties is not the same as the state-mandated minimums, as regular duty pay does include local enrichment amounts districts pay above the minimum salaries specified in statute.

A minimum salary schedule for classroom teachers and full-time librarians, counselors, and school nurses is specified in statute. This schedule requires that minimum salaries rise as the years of experience of the employee increase. In 1999–2000, the minimums required ranged from $2,424 per month for those with no experience to $4,080 per month for those with 20 or more years of service. These monthly salary amounts are based on a standard 10-month contract.

NATIONAL COMPARISONS

According to the *2000 Digest of Education Statistics*, Texas average teacher salaries ranked 33rd among the states in 1998–99, up from 35th the prior year. The average salary for Texas teachers was 13.7 percent below the national average of $40,582. However, the salary that Texas teachers earn is closely linked to their years of teaching experience. Because the average experience level of teachers varies from state to state, average salaries will likely be higher in states with more experienced teachers.

In addition to differences in teacher experience among states, cost-of-living differences explain some of the national variation. According to the American Federation of Teachers, in 1998–99 Texas ranked 37th in teacher salaries, but rose to 28th when cost-of-living was considered.

As reported in the *2000 Digest of Education Statistics*, the pupil-teacher ratio in Texas remains lower than the national average—15.2 compared with 16.5 nationally in 1998–99. Texas law mandates a maximum class size of 22 to 1 in kindergarten through grade 4. The expense

of maintaining smaller class sizes appears to limit the ability of Texas districts to compensate teachers with higher salaries. Of the 32 states with salaries higher than those in Texas, 22 (69 percent) also had higher pupil-teacher ratios in 1998–99.

SALARIES BY DISTRICT TYPE

Analysis of teacher salaries by size and type of district indicates the greatest increase in teacher salaries occurred in districts with enrollment between 1,600 and 3,000 students. Rates of increase in teacher salaries were lower than the state average in districts with enrollment under than 1,000 students and in districts with between 10,000 and 25,000 students.

Major urban districts continue to pay teachers more on average than do rural districts. In 1999–2000, teacher salaries in urban districts were 10.8 percent higher than in rural districts. Cost-of-living differences between urban and rural areas explain some of this variation. Excluding charters, districts classified as non-metro "fast growing" pay the least among all district types, perhaps because they have the least experienced teachers on average.

OTHER STAFF SALARIES

Central office administrator salaries exhibited a 4.5 percent increase in 1999–2000, while school administrator salaries increased by 5.2 percent, and professional support staff salaries increased by 7.3 percent. Including supplements, central office administrators earn an average of $67,846, school administrators earn $56,496, and professional support staff earn $45,066.

Overall, the combined regular duty salaries for all categories of professional staff (teachers, professional support, and administrators) increased by 8.8 percent, to $39,602, from the 1998–99 school year. Total salaries, including reported supplements, climbed to $40,258, a 9 percent increase. *Exhibit 19* depicts trends in professional salaries by category of staff since 1995–96.

EXHIBIT 19

Between 1995–96 and 1999–2000 the average teacher salary in Texas rose nearly 20 percent to $38,287. All salaries in this exhibit include pay for supplemental duties.

FINANCES

Funding for public education in Texas comes from three major sources: local, state, and federal. Local funding is derived from taxes on district property value. State funding is based on legislative appropriations determined through a finance system defined in statute. Congress appropriates federal funds, usually for specific purposes.

STATE FUNDS

State funds are awarded to school districts through a formula structure, the majority of which are distributed through a system known as the Foundation School Program (FSP). A small percentage of state funds are distributed to districts by programs outside of the FSP. In 1999–2000 state funds accounted for 39.4 percent of all receipts for public education in Texas, compared with 39.2 percent the prior year. Local sources account for a larger proportion of receipts, 42.7 percent in 1999–2000, the same percent as in 1998–99. Another significant portion of receipts comes from the issuance of debt. In 1999–2000, debt issuance represented 10.3 percent of all receipts.

There is significant variation in the ability of districts to raise local funds to finance education costs. A multi-decade history of litigation has addressed the state response to this disparity. Following the *Edgewood v. Kirby* lawsuit filed in 1984, a series of legislative actions to establish a constitutional method for funding Texas public schools evolved. Legal challenges to these legislative solutions all resulted in some form of redistribution of public funds for education. Only the last, Senate Bill 7, passed in the legislative session of 1993, was declared constitutional by the Texas Supreme Court. The finance system in place in 1999–2000, though slightly modified by subsequent legislation, is primarily based on the provisions contained in this statute.

The FSP uses statutory formulas to determine education costs for each district. The financing of these costs is shared between the state and the local district. A two-tiered system of formulas determines how most state funds for public education are to be distributed. Under the provisions in effect in 1999–2000, as in prior legislation, the distribution of most state aid to school districts is governed by two basic components; tier 1 state aid, and the guaranteed yield program, known as tier 2. In addition, two new programs designed to assist districts in making debt service payments are significant features of the system. The Instructional Facilities Allotment (IFA) and the Existing Debt Allotment (EDA) begun in 1997–98 and 1999–2000, respectively, are not part of the Foundation School Program, but do provide equalizing state aid for direct support of debt service.

TIER 1

The first tier of the FSP is a financing system comprised of a series of allotments designed to ensure that each school district can provide instructional programs suitable to meet the basic educational needs of its students. The basic allotment increased from $2,396 to 2,537 for each student in average daily attendance (ADA) between the 1998–99 and 1999–2000 school years. This represents the largest basic allotment amount ever supported and significantly exceeds the previous high value of $2,400 from 1993. The basic allotment is adjusted by a cost of education index designed to reflect geographic variations in resource costs across the state that are beyond the control of local school districts. A small district or mid-size district adjustment may further increase the basic allotment.

A district receives supplemental funding over and above the adjusted basic allotment for serving students in special instructional programs such as bilingual education, career and technology, and gifted/talented education. Special education and compensatory education allotments are also provided. Allotments are calculated using various student counts. These include both ADA and full-time equivalent (FTE) student counts. Pupil counts are weighted by factors that adjust the flow of funding to meet higher costs for serving special populations.

The result of the tier 1 computations is a figure for each district that represents the cost of providing the basic educational services for the students of that district. A fundamental tenet of the financing system is that the state and the school districts will share the cost of this tier. The share for each depends on the property tax base (wealth) of the school district. Property wealth is a measure of a district's potential to generate revenue locally and is defined as the

district's taxable property value per student. The wealthier the district, the greater the proportion of the cost that will be the district's responsibility. Conversely, the poorer the district, the greater the state's share.

Beginning in 1993–94, districts wishing to participate in the FSP were required to collect taxes equating to a property tax of $0.86 per $100 of valuation as their share of tier 1. Typically, the wealthiest districts are not eligible for any tier 1 state aid, since $0.86 per $100 of their property value can usually generate an amount greater than their total cost of tier 1. In these instances, financing the cost of tier 1 is essentially a local responsibility.

TIER 2

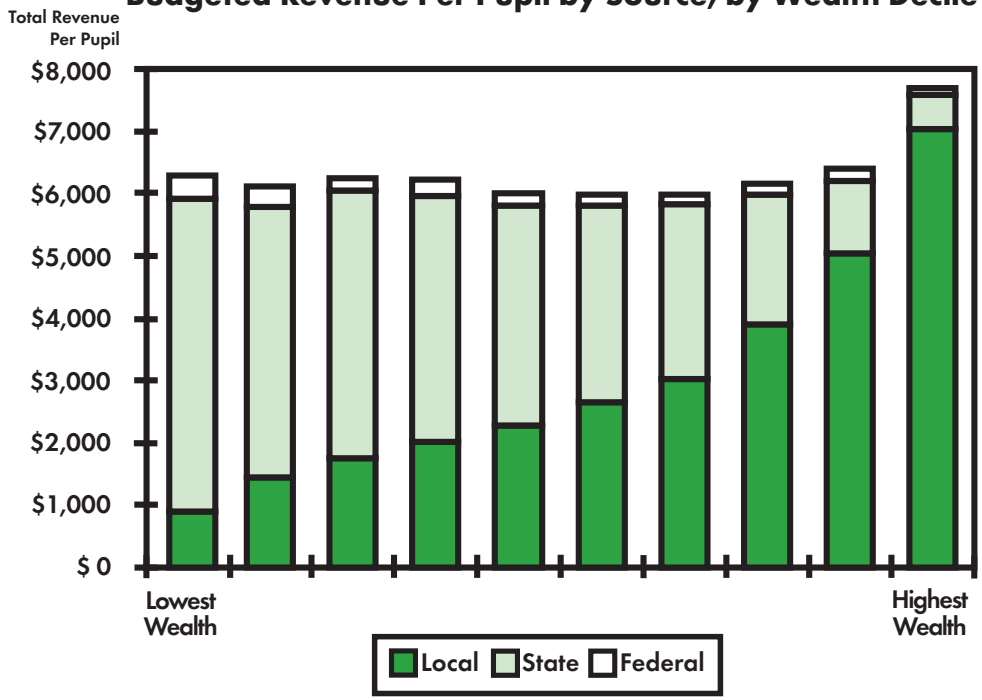
The guaranteed yield program, begun in 1989–90, provides additional funds to enrich the basic tier 1 program. This level of financing, often called tier 2, enables districts with wealth below $247,000 per weighted student to earn additional state aid by setting their Maintenance & Operations (M&O) tax rate above the $0.86 minimum level needed for the first tier of the FSP. This program attempts to equalize state and local revenues between the poorest and wealthiest districts.

For each penny of M&O tax effort the district collects above the first tier requirement, within a calculated range that may not exceed an additional $0.64, the state will guarantee a yield of $24.70 per penny, per weighted student. This is an increase over the $21.00 per penny, per weighted student guaranteed in 1998–99, and represents the greatest yield amount allocated since the inception of this tier. It exceeds the previous high value of $22.50 in effect in 1993.

The number of pennies for which the state guarantees the $24.70 yield for each year of the biennium is limited to the M&O tax effort each district demonstrated in the second year of the preceding biennium. For example, if a district demonstrated a M&O tax effort of $1.00 in the second year of the preceding biennium, the state would

EXHIBIT 20

Budgeted Revenue Per Pupil by Source, by Wealth Decile



The financing system is designed to deliver proportionately more state funds to those districts less able to generate local funds. Approximately 10 percent of the districts in the state are represented by each bar on this graph. As this exhibit shows, the highest wealth districts generate most of their funds from local sources; the lowest wealth districts receive most of their funds from state sources. Charters and the special statutory districts do not have taxable property wealth and so are not depicted in this exhibit.

guarantee for each year of the next biennium a maximum yield of $24.70 multiplied by 14 (the difference between $1.00 and $0.86), or $346 per weighted student.

For the 1999–2000 school year, the tax effort each district demonstrated in 1998–99 was used to determine this limit. The maximum guaranteed yield amount for 1999–2000 was $1,581 per weighted student, which is based on the maximum tax effort allowed above the first tier requirement (the additional 64 cents multiplied by the $24.70 yield).

DEBT EQUALIZATION

Effective with the 1997–98 school year, the formula funding system was modified to provide state assistance to school districts in making debt service payments on qualifying bonds and lease purchase agreements. The Instructional Facilities Allotment (IFA) was created to provide equalized funding through a guaranteed yield approach similar to tier 2. The IFA program is available only for new debt with the first payments based on taxes levied in the 1997–98 school year.

Each biennium, school districts may apply for up to $250 per unweighted student in average daily attendance from a combination of both state and local funds for debt service. In 1999–2000, each district is guaranteed the ability to generate $35 in state and local revenue per ADA for each penny of debt service tax levied for eligible bonded debt. Lease-purchase arrangements may also receive state support. The new debt is eligible for equalization funding only if used for instructional facilities. For 1999–2000, state assistance for the IFA totaled approximately $181 million. For those debts that are approved for funding, state support of the debt service continues through the life of the debt.

An additional debt service equalization program was created in 1999–2000 to assist districts with payment of existing debt. The Existing Debt Allotment (EDA) was established to provide equalized funding through the same formula structure as the IFA. Each district is guaranteed the ability to generate $35 in state and local revenue per ADA for each penny of debt service tax levied for eligible bonded debt, up to a limit of 12 cents. Thus, participating districts are able to lower their rates and still generate the revenue needed to meet their debt service obligations. In fact, statute limits the district's debt service tax rate to an amount that, with the state's contribution, would cover their current debt requirements. Eligible bonded debt is any bonded debt for which the district levied a debt service tax in 1998–99 that is not covered by the IFA program. For 1999–2000, state assistance for the EDA program totaled approximately $444 million.

In 1998–99, districts responded to the IFA program by issuing more bonds in order to benefit from the availability of additional state aid. This year, fewer districts participated in the IFA program and the percent of revenues from debt remain virtually the same as the prior year—10.3 percent in 1999–2000 compared with 10.4 percent the prior year. In 1999–2000, only 193 districts received state aid from the IFA program while 567 districts participated for the first time in EDA programs. School district debt service tax rates were decreased for these districts, particularly those with low wealth property values.

The state's share of tier 1, tier 2, and the Debt Equalization Programs is financed by the General Revenue Fund, the Textbook Fund, and by the per capita apportionment from the Available School Fund (ASF). Constitutionally created in 1876, the ASF consists primarily of earnings from the Permanent School Fund and taxes dedicated to the fund by the state constitution. In 1999–2000, the per capita ASF apportionment was $272 per student in ADA. Constitutionally, all districts, regardless of property wealth, receive the $272 ASF per capita amount. Total state aid for each student in ADA was $2,882 compared to $2,491 per ADA reported in *Snapshot* for 1998–99. This increase of 15.7 percent is due to increases in both the foundation program allotments and the new debt equalization programs. Item 63 in the *District Detail* and *Charter Detail* shows state aid per student; however, Item 63 divides by the number of students in membership rather than the average daily attendance count and will differ from the per ADA figure shown here.

Exhibit 20 depicts the inverse relationship between district wealth and state funding. Due to the structure of the financing system, poorer districts receive a larger percentage of their revenue from the state while wealthier districts fund their operations with a greater percentage of local funds. *Exhibit 20* further illustrates the relationship between wealth and state aid by highlighting the fact that the local effort of the wealthiest group of districts generates more revenue than the combined state, local, and federal amounts of the poorer groups. However, the variance among

revenue per pupil for the remaining 90 percent of districts is minimized because of the equalizing effects of the financing system.

EQUALIZING WEALTH

Wealth equalization is another feature of the financing system in Texas that attempts to lessen disparities in access to funds for public education across districts. This component establishes an equalized wealth level and requires districts above this level to reduce their wealth by choosing at least one of five options. In 1999–2000, the statutory equalized wealth level was $295,000 per weighted student. The 88 districts with wealth greater than this level were directed to choose from among five wealth-reducing options defined in statute. Consistent with the pattern from 1993–94 to date, districts most often select options 3) and 4) from the following list:

1) *Voluntary Consolidation,*
2) *Voluntary Detachment and Annexation of Property,*
3) *Purchase of Attendance Credits from the State,*
4) *Education of Students in Other Districts,* and
5) *Tax Base Consolidation.*

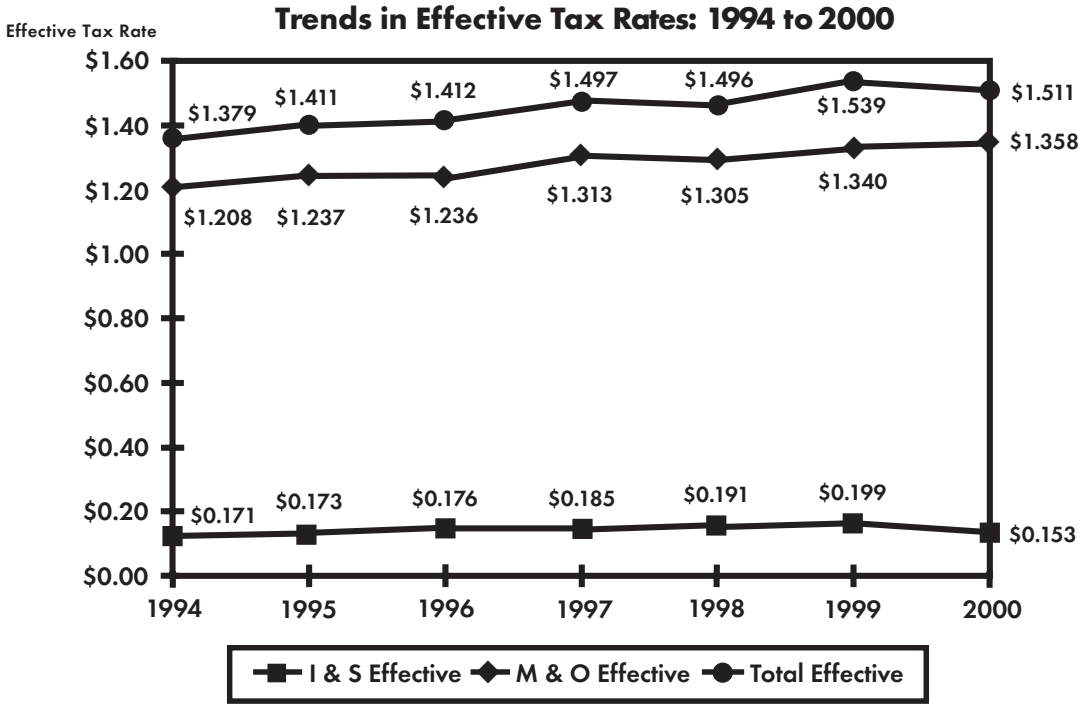
For the 1999–2000 school year, 53 chose to purchase attendance credits, 24 chose to educate other district's students, and 11 chose some combination of the two. No districts chose *Voluntary Consolidation*, *Voluntary Detachment and Annexation of Property*, or *Tax Base Consolidation*. If a qualifying district does not exercise an option, the commissioner of education is directed to detach property and/or consolidate districts to achieve the equalized wealth level.

LOCAL FUNDS

Local funds for public education are raised primarily through the local property tax. Taxes are levied against locally assessed property rolls to generate revenue. All tax rates shown in this publication are effective or standardized tax rates. Effective rates are based on property values that are certified by the state Comptroller's Property Tax Division (CPTD). Specifically, effective tax rates are computed by dividing the money collected from taxation (levies) by the certified property values.

The comptroller's property values for any given district may be higher, lower, or the same as that district's locally appraised value. The benefit of

EXHIBIT 21



In this exhibit, the state average total tax rate for 1999–2000 is $1.511 per $100 of value. This rate is computed using 1999 property values of $784.5 billion. The decreases that are visible in the total and I&S effective tax rates are the result of district response to the Existing Debt Allotment, a debt equalization program that became available in the 1999–2000 school year. Totals may not sum due to rounding.

the comptroller's values is that all property has been assessed through a uniform system. Locally adopted tax rates, the rates most familiar to taxpayers, are not as comparable to one another because they do not control for variation in local appraisal practices and optional exemptions. Use of the certified 1999 values results in an overall statewide total effective rate of $1.511, a decrease from the $1.539 rate reported the prior year. See *Exhibit 21*.

Districts may set two tax rates each year, one for maintenance and operations (M&O) and, if necessary, another for servicing debt, called the interest and sinking fund rate (I&S). Changes were made affecting tax rate limitations during the 1995 legislative session. Under provisions of Chapter 45 of the Texas Education Code, locally adopted M&O tax rates are generally subject to a statutory maximum of $1.50 per $100 assessed valuation for 1999–2000.

Under current statute, a district is allowed to set a tax rate that will generate the same amount of maintenance and operations revenue as was generated the prior year. That rate, plus $0.06, becomes the district's rollback tax rate. If a district sets a tax rate above the rollback rate, an election is automatically triggered and the voters decide whether to limit the adopted rate to the rollback rate.

As shown in *Exhibit 21*, the average effective I&S (debt service) tax rate was $0.153 in 2000, a significant decline from the $0.199 reported the prior year. This is largely due to the Existing Debt Allotment program—a program of state assistance to school districts in making debt service payments. With the infusion of additional state aid for debt service, participating districts are able to decrease their I&S tax rates, yet generate as much revenue as they did with the higher rates. In 1999–2000, 63 percent of all school districts with taxable property value had debt service obligations, the same percentage as the prior year. School districts with the highest debt service tax rates are now among the wealthiest in property value per pupil. Prior to the implementation of the debt equalization programs the reverse was true—districts with the highest I&S tax rates were among the poorest.

Snapshot 2000 uses property values from the 1999 calendar year. In 1999, certified taxable property values for the state totaled $784.5 billion, an amount $35.3 billion (4.7 percent) greater than the amount reported for calendar year 1998 ($749.2 billion). Values reported for both 1998 and 1999 take into account the increase in the homestead exemption, made available by constitutional amendment. In addition, the 1999 value is reduced by an amount equal to 50 percent of a locally adopted optional homestead exemption. This reduction in taxable value will first affect state aid in the 2000–01 school year.

FEDERAL FUNDS

Almost all federal funds are appropriated by Congress for specific programs or specific populations of students and must be expended for designated purposes. The majority of these federal funds must be spent to supplement programs already in place, not to relieve the state of its financial obligation to provide programs that address the needs of special students. Often, the federal appropriations permit both local and state use of each state's allocation. The portion of the state's allocation to be spent by local school districts is distributed by formula. The remaining allocation is discretionary and may be spent at either the state or local level.

Examples of federal sources of funding to school districts are the National School Lunch Program, various special education funds, and the Title I Improving America's Schools Act of 1994 program for low-income students.

ACCOUNTING FOR THE SYSTEM

Texas public school districts use a uniform accounting system to record revenues and expenditures. Other entities, such as regional education service centers and county, state, and federal governments also receive and spend funds on behalf of public education in Texas. School district revenues, in combination with the revenues of these other entities, are referred to as total receipts. All expenditures made by local school districts, plus the additional expenditures made by all other entities for public education are referred to as total disbursements.

School district financial data reported in this publication are budgeted amounts, not actual revenues and expenditures. Actual financial data for 1999–2000 are not available at the time of publication. Note that comparison of current financial data to information reported prior to 1996–97 is problematic due to significant changes made in the accounting system that year. For example, some fund categories ceased to be reported for budgeted amounts. These were the Special Revenue Funds (including shared

services arrangements) and the Capital Projects Funds. Loss of the Special Revenue Funds means that most federal funds do not appear in district submitted budgets. Any comparison of *Snapshot* financial data to data reported in editions published prior to 1996–97 is affected by these changes.

The chart of accounts used by open-enrollment charters is different from that followed by other public school districts. Thus, care should be taken when comparing the financial data for an open-enrollment charter to traditional school districts. In the *Detailed Statistics*, information for all the charters is shown separately immediately following information for the 1,041 independent school districts.

RECEIPTS

The major sources of revenue for public education are the state appropriations to the FSP and the tax revenues generated at the local level by districts. *Exhibit 22* shows all receipts collected and all disbursements made on behalf of public education, by their source. Receipts equal total revenue from all sources, plus other resources; disbursements equal total expenditures by all spending entities, plus other uses. Other resources and other uses are related to local debt obligations.

Local revenue, $13.2 billion, represents only those funds received directly by school districts. State revenue, $12.2 billion, includes FSP funding and other items such as textbook purchases and state-matching contributions to the Teacher Retirement System. Beginning with the 1993–94 school year, state revenue also includes rev-

EXHIBIT 22

1999–2000 Estimated Actual Receipts and Disbursements by Source

Originating Source	Receipts	Percent of Total	Spending Agents	Disbursements	Percent of Total
Local	$13,220,692,000	42.7%	Local	$28,620,929,962	91.2%
State	$12,201,749,606	39.4%	State	$1,311,552,196	4.2%
Federal	$2,281,720,858	7.4%	Federal	$47,820,121	0.2%
Other (ESC and County)	$88,340,058	0.3%	Other (ESC and County)	$431,636,542	1.4%
TOTAL REVENUE	$27,792,502,522	89.7%	TOTAL EXPENDITURES	$30,411,938,821	96.9%
Other Resources (Debt)	$3,203,420,900	10.3%	Other Uses (Debt)	$956,827,617	3.1%
TOTAL RECEIPTS	$30,995,923,422	100.0%	TOTAL DISBURSEMENTS	$31,368,766,438	100.0%

The sources of the data shown are TEA accounting records and financial data reported to the TEA by all school districts. Revenues and expenditures in this exhibit do not match revenue and expenditure items in the ***District Detail*** *for two reasons: 1) the* ***District Detail*** *reports budgeted information while this exhibit shows estimated actual amounts, and 2) the* ***District Detail*** *shows revenue and expenditures of only one entity involved in public education spending: local school districts. State revenues in this exhibit include an estimated $248 million in local revenues redistributed by the state through wealth equalization.*

enues collected from districts exercising one of the wealth equalizing options. For 1999–2000, approximately $248 million was collected through this feature of the FSP. These local tax dollars were redistributed as state aid. Additional revenue sources shown in the exhibit include federal funds and county and education service center contributions. Other resources are composed of the local issuance of debt and income from the sale of assets. Overall, total receipts in 1999–2000 increased to $31.0 billion, 7.0 percent more than the amount reported in 1998–99.

DISTRICT REVENUES

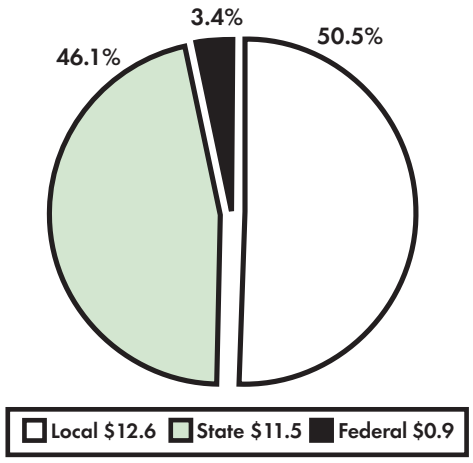
Exhibit 22 shows that total revenue from all sources (local, state, federal, and other) totaled $27.8 billion in 1999–2000. Of this, the *Detailed Statistics* section of *Snapshot* shows that only $24.9 billion was budgeted by local school districts. The difference between district budgeted revenues and estimated actual revenue from all sources is $2.9 billion. A portion of this difference can be attributed to revenues for items such as textbook purchases that are not budgeted by local districts. Also, districts do not report budgeted amounts in the Special Revenue Funds (program money from various federal and state sources) yet these funds are included in the estimated actual revenue. Another portion of the difference is because many districts under-budget the revenues they actually receive.

Exhibit 23 shows district budgeted revenues by source. Local funds comprise 50.5 percent of total revenues in 1999–2000. The vast majority of these funds, 91.1 percent, are from local property taxes. In any district, the composition and level of revenue sources may vary substantially from the state average depending upon local wealth, local tax effort, and qualifications for federal assistance.

EXHIBIT 23

Budgeted Revenue by Source

(In Billions)



Districts budgeted $24.9 billion in total revenues in 1999–2000, an 11.4 percent increase over the $22.3 billion budgeted in 1998-99. On average, districts expect to receive 46.1 percent of their revenues from state sources. However, the distribution by source varies widely among districts depending on each district's local property wealth and tax effort.

DISBURSEMENTS

As *Exhibit 22* shows, 91.2 percent of the disbursements for public school education are made by local school districts. The remaining 8.8 percent are expended directly from other governmental entities such as state, county and federal governments, and Education Service Centers. Examples of state disbursements include expenditures for textbooks, state-administered schools, the Teacher Retirement System, and the TEA.

DISTRICT EXPENDITURES

Expenditures are recorded by fund, function, object, and in some cases, by program. Functions describe the broad purposes of expenditures, such as instruction or administration. Object classifications describe the service or item purchased, for example payroll, or supplies and materials. Program classifications are used to identify instructional areas or arrangements, such as the regular, special, career and technology, and bilingual education programs. *Exhibit 24*, on the next page, shows the distribution of various expenditure categories by function, object, and program. In 1999–2000, budgeted expenditures totaled $25.4 billion or $6,354 per pupil.

■ EXPENDITURES BY FUNCTION

Among the broad purposes for expenditures, instruction accounted for over half (51.9 percent) of all budgeted funds. These costs include all activities dealing directly with the instruction of pupils, including teacher and educational aide salaries, instruction through the use of computers, and classroom equipment purchases.

Other major expenditures by function are for supportive services such as administration (central, and school and instructional leadership) 10.9 percent; plant services, 10.2 percent; and support, such as libraries and

pupil services, 6.6 percent. See *Exhibit B* in the *Endnotes* for a description of the accounting codes used in these categories.

■ EXPENDITURES BY OBJECT

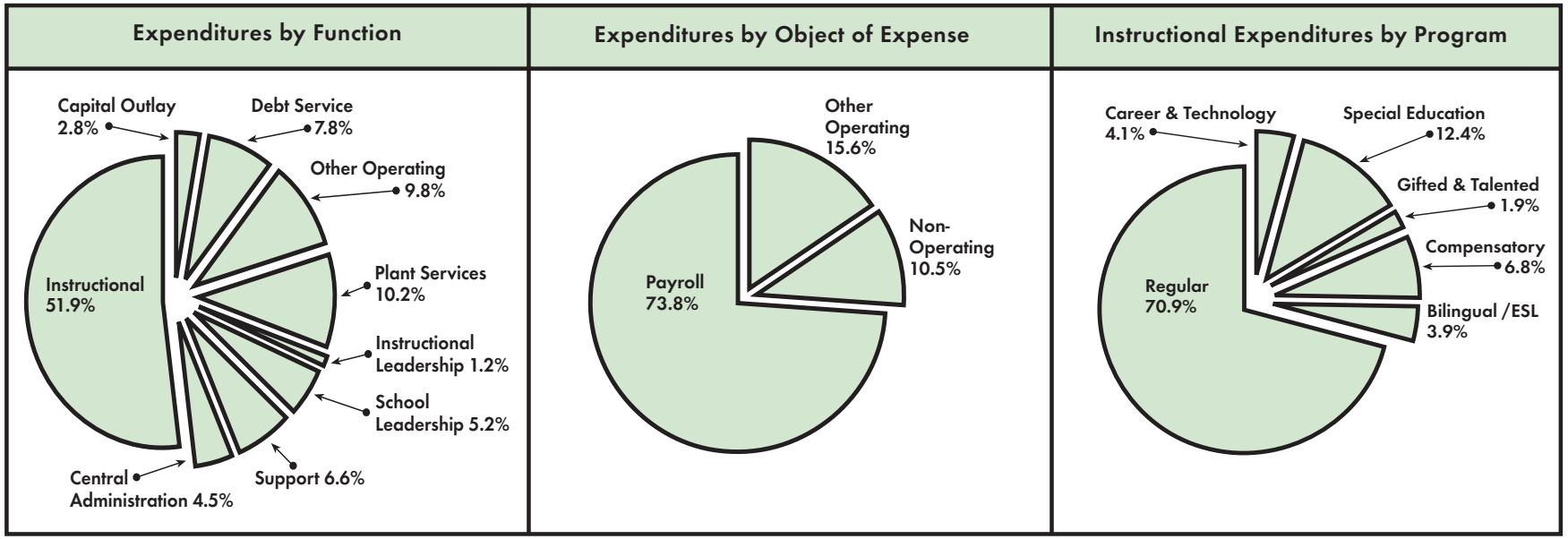
Object expenditures, or expenditures for services and items, can be divided into operating and non-operating categories. Operating expenditures include all salaries, services, and supplies. Non-operating expenditures include the construction or remodeling of facilities, and the repayment of debt.

Payroll, which includes salaries, wages, and employee benefits for school district employees, represents 73.8 percent of all school district expenditures. Other categories by object include professional and contracted services, 7.5 percent; supplies and materials, 6.4 percent; and other operating, 1.7 percent. Debt service and capital outlay, the two non-operating categories, make up the remaining 10.5 percent.

By definition, operating expenditures are a subset of total expenditures. They do not include debt service or capital outlay expenses. Because not all districts have debt service

EXHIBIT 24

Budgeted Expenditure Analysis



Expenditures by function and object are expressed as a percent of total expenditures in this exhibit. The third pie chart, "Instructional Expenditures by Program," is a more detailed analysis of the "Instructional" function (51.9 percent) that is indicated in the first pie chart. In this exhibit, expenditures by function and object are expressed as a percent of the total budget, including debt service and capital outlay. When expressed as a percent of operating expenditures, which by definition exclude debt service and capital outlay, "Instruction" increases to 58.2 percent.

obligations, it can be more informative to express categories of expenditures as a percent of the operating budget instead of the combined operating and non-operating budget. For example, payroll (the single largest object category) accounts for 82.5 percent of all operating expenditures. Instruction (the largest function category) accounts for 58.2 percent of all operating expenditures.

- **EXPENDITURES BY PROGRAM**
  Instructional expenditures (a subset of operating expenditures) are categorized by program. In 1999–2000, $13.2 billion was budgeted for instructional expenditures. The majority of these funds, 70.9 percent, are spent on the regular program. The remainder is spent for special education (12.4 percent), compensatory education (6.8 percent), career and technology education (4.1 percent), bilingual education/English as a second language programs (3.9 percent), and gifted and talented education (1.9 percent).

EXCLUSIONS

Some budgeted expenditure amounts are excluded from the figures in this document to provide a more equalized financial picture. If these amounts were not omitted, the comparison of one district to another would be distorted or amounts would be double-counted. Statewide, the combined amount excluded for tuition transfers, wealth equalization transfers, and payments to shared services arrangements was approximately $529 million in 1999–2000. Discussion of each type of exclusion follows.

TUITION TRANSFERS

Small districts that do not offer all grades may obtain instructional services from another district for those grade levels. Because the transferring district does not count the enrollment of transferred students, including the expenditure distorts per pupil amounts. Statewide, $8.1 million was budgeted in this category.

WEALTH EQUALIZATION TRANSFERS

Wealth Equalization Transfers refer to the amounts budgeted by districts for the cost of reducing their property wealth to the required equalized wealth level. In 1999–2000, 88 districts were required to exercise one of the options to reduce their wealth to the equalized level. The budgeted expenditures for all redistribution options are not included, as that would duplicate accounting for these dollars. Statewide, $430.9 million was budgeted in this category in 1999–2000. This amount includes local payments made directly between districts as well as dollars redistributed by the state.

PAYMENTS TO SHARED SERVICES ARRANGEMENTS

Some districts participate in shared services arrangements (SSAs) with other districts. The fiscal agent or manager of the SSA may be another district, an ESC, or a county. A common type of SSA is designed to share the delivery of special education services among member districts. An indicator is shown in the *District Detail* for each district that participates in, or is a fiscal agent of, a special education SSA. These districts may have per pupil budgeted amounts that differ from expectations because students served by the fiscal agent or member district are not necessarily enrolled in the district providing the services. To correct for this, any amounts budgeted in the SSA category have been excluded. Budgeted expenditures reported in this category were $90.0 million in 1999–2000.

FUNDS EXCLUDED

In addition to the exclusions cited above, there is a portion of the financial picture for school districts that cannot be provided in *Snapshot*. This is because, since 1996–97 districts are not required to report budgeted amounts for two types of funds: the Special Revenue Funds and the Capital Projects Funds. The Special Revenues Funds (codes 200, 300 and 400) are program amounts from various federal and state sources; however, the National School Lunch Funds, which are part of the 200 code series, are still reported and are included. Capital Projects Funds were purposely excluded from previous *Snapshot* publications to enhance comparability among districts with and without building programs, so omitting them represents no change over previous editions.