STATISTICAL HIGHLIGHTS

INTRODUCTION

Snapshot 2001: 2000–01 School District Profiles provides a detailed look at public education in the State of Texas for the 2000–01 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 2001* 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 layout from year to year. Coinciding with the evolution of internet technology, *Snapshot* has also evolved and is currently available in both printed and web-based formats. Future editions may become wholly web-based, or it is possible that only sections of the publication will be published in subsequent years. The needs of *Snapshot* users are of great importance. To that end, a new survey assessing your requirements is included inside the front cover. In addition, it can be accessed at http://www.tea.state.tx.us/perfreport. Please take a moment to complete and return the survey using either format.

ORGANIZATION OF THIS BOOK

Snapshot 2001 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 1,040 school districts in Texas. Information for the 159 charters operating in 2000–01 is also included. The 87 data items provide information on student demographics and performance, staff characteristics, and school district finances. For this edition one item has been modified. The equalized total tax rate has been replaced with the locally adopted total tax rate, the tax rate most familiar to taxpayers.

In the first part of the *Detailed Statistics*, summary tables show districts and charters categorized by size, by community type, by tax rates, 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 1,040 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 showing aggregates of 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 web site 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 2001 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 *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 2000–01, the Texas Education Agency (TEA) collected a broad range of information on 1,199 districts/charters; 7,519 schools; almost 275,000 teachers; and over 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 (TEA) is comprised of the commissioner of education and 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 2000–01 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, 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 2000–01 the TEA employed 824 staff.

LOCAL SCHOOL DISTRICTS AND CHARTERS

While the SBOE and the commissioner of educa-

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	1,085,354	1,644	21.9%	266	5,031
Junior High School	221,319	409	5.4%	565	1,785
Middle School	651,471	1,042	13.9%	606	2,149
Elementary School	2,012,037	3,936	52.3%	500	1,467
Elementary & Secondary Combined (K–12)	89,438	488	6.5%	121	2,974
State of Texas	4,059,619	7,519	100.0%	467	5,031

The largest school in the state is a high school with 5,031 students. Half of the schools in the state have fewer than 467 students and half have more than this amount. Elementary schools make up 52.3 percent of all schools in Texas and account for 49.6 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.

tion 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 2000–01 school year there were 1,040 local school districts providing services to over four million public schoolchildren in Texas. In addition to traditional schools, Texas statute allows the SBOE to authorize open-enrollment charter schools. The 159 charters in operation in the fall of the 2000–01 school year served 37,978 students at 201 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 are subject to evaluation under the statewide accountability system.

The 4.1 million students enrolled in pre-kindergarten through grade twelve in Texas public schools in 2000–01 were served in 7,519 schools. Over half of the schools in Texas—3,936 or 52.3 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, 58 percent, have three or fewer schools—typically one elementary school, one middle school, and one high school. Nearly 27 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—1,034 or 99 percent in 2000–01;

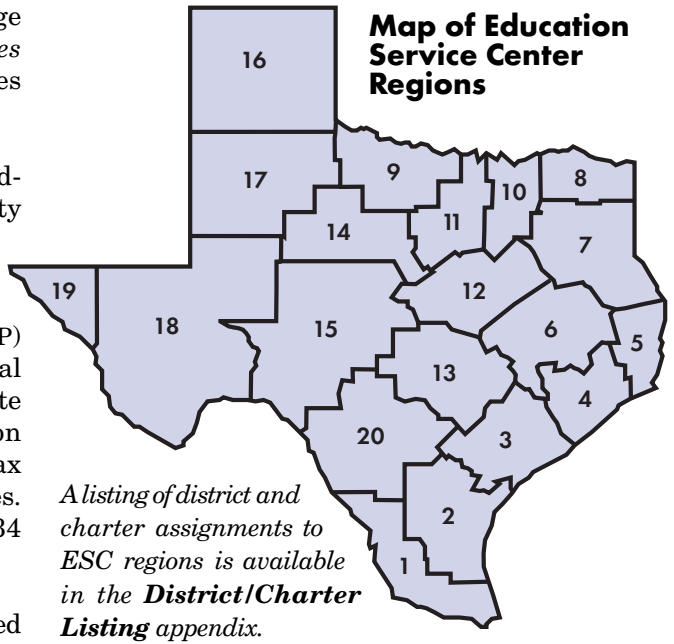
2) *Special Statutory Districts*, or districts created by a special legislative act but not administered by a state government agency. These districts have no taxable property and are almost wholly supported with state and federal money. They include the public schools associated with military bases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

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 16 districts are administered by the Texas Youth Commission, 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 159 charters have no taxable property and are almost wholly supported with state and federal money.

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.*

Snapshot 2001 includes data for the 1,034 regular FSP districts, the six special statutory districts, and the 159 charters. State-administered districts do not have the same reporting requirements; therefore, they 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 a base of core services that support improved student and district performance in the districts and charters they serve. All centers focus assistance on low-performing schools as identified by the agency's statewide accountability system. Additionally, 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 all of the defined areas of the statewide curriculum: the Texas Essential Knowledge and Skills (TEKS). In addition to those areas, ESCs provide technical assistance in the areas of accreditation, professional staff development, 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.

Most of TEA's technical assistance functions were decentralized to the education service centers beginning in 1991. Those functions along with mentor schools and several statewide projects, including Learn and Serve America and the McKinney-Vento Education of Homeless Children and Youth 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 an effective system of instruction in an extremely diverse state. The TEA, local school districts and charters, 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	11	49
2	Corpus Christi	42	7	49
3	Victoria	40	0	40
4	Houston	54	41	95
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	26	107
11	Fort Worth	77	8	85
12	Waco	78	7	85
13	Austin	56	12	68
14	Abilene	43	1	44
15	San Angelo	43	1	44
16	Amarillo	64	0	64
17	Lubbock	59	4	63
18	Midland	33	3	36
19	El Paso	12	4	16
20	San Antonio	50	19	69
	Total	1,040	159	1,199

STUDENTS

DIVERSITY

The 4.1 million public school students in Texas are served in strikingly diverse school settings. For example, in 2000–01 only 17 students attended school in the San Vicente Independent School District located in far West Texas. In contrast, over 208,000 students received instruction at 289 school sites in the Houston Independent School District, the largest district in the state. The 13 largest districts, those with at least 50,000 students each, serve 25.6 percent of all Texas public school students, while the smallest districts (*i.e.*, districts with fewer than 500 students each) represent 39.9 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*.

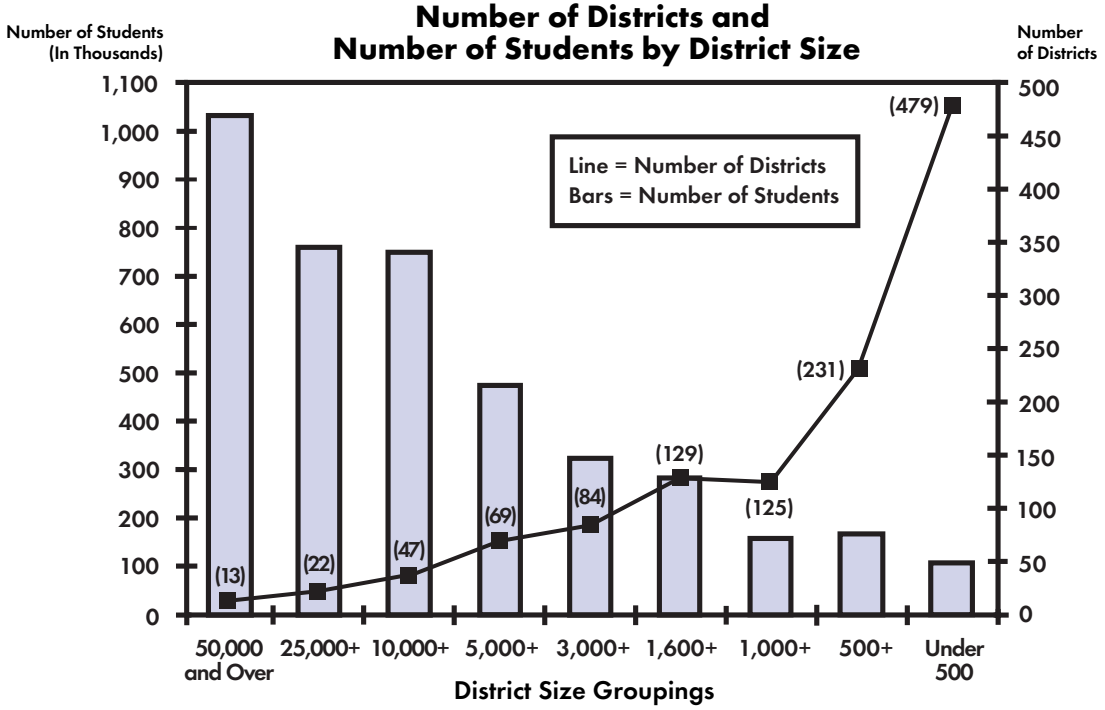
EXHIBIT 4

District Size at Selected Percentiles

Percentile	Number of Students	
100th (Largest)	208,462	Houston ISD
95th	16,626	
90th	7,242	
75th	2,655	
50th (Median)	906	
25th	369	
10th	168	
5th	114	
0 (Smallest)	17	San Vicente ISD

Distribution excludes charters.

EXHIBIT 5



The 13 largest districts have a combined enrollment of over one million students while the 479 smallest districts serve fewer than 108,000 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, 58.0 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 an 80.5 percent minority student population while districts in rural areas serve a population that is only 34.1 percent minority.

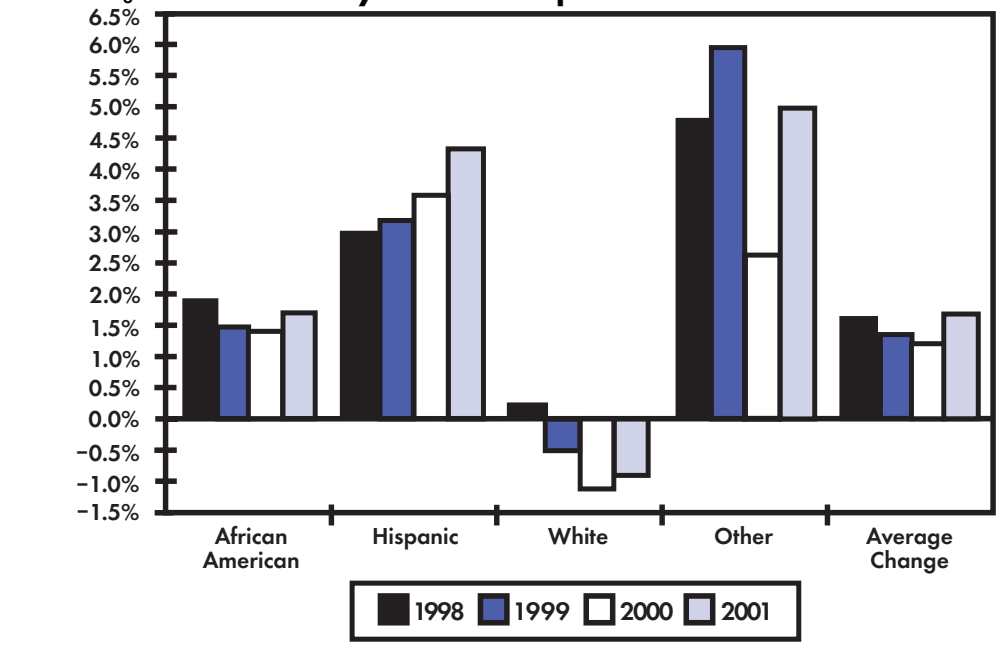
By far the largest minority student group within the state is the Hispanic student population, which represents 40.6 percent of all students. The highest percentages of Hispanic students are found in the Edinburg ESC region at the southernmost tip of the state (95.6 percent), and in the El Paso region in far west Texas (85.8 percent). The largest percentage of African American students, 31.1 percent, is in the Beaumont region east of Houston. The northeastern and north central parts of the state have the highest percentages of White students, with the greatest percentage, 74.1 percent, in the Wichita Falls region.

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 decade, public school students in Texas have become increasingly economically disadvantaged. Between 1990–91 and 2000–01, public school enrollment increased by 20 percent; however, the number of economically disadvantaged students increased by 51 percent. In 2000–01, 49.3 percent of students were eligible to participate in this program.

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."

EXHIBIT 6

Year-to-Year Percent Change in Number of Students by Ethnic Group: 1998 to 2001



The average change in enrollment from 1999–2000 to 2000–01 was 1.7 percent. Although the "other" category (representing Asian/Pacific Islander and Native American students) exhibited the greatest percentage increase, it is the Hispanic student population that is driving statewide enrollment growth. The number of Hispanic students increased by 67,541 between 2001 and 2000, compared to a decrease of almost 15,000 in the White student population.

Generally, 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—25.8 percent compared with 16.8 percent in major suburban districts. The highest percentages of students served in bilingual or English as a sec-

ond language (ESL) programs are enrolled in the Edinburg and El Paso service center regions, with 35.4 percent and 25.1 percent, respectively. These figures are well above the state average of 12.6 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 11.9 in 2000–01, a slight decline from the 12.1 percent participating in these programs last year. Districts identified slightly more students receiving some type of special education service, 483,442 compared with 482,427 in 1999–2000. 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 2000–01, public schools in Texas served 4,059,619 students in pre-kindergarten through grade 12. This total student count represents a 1.7 percent increase from the prior year, which is a greater rate of increase than the state experienced the prior three years. For 1997–98, 1998–99 and 1999–2000, the state's rate of student population growth was 1.6 percent, 1.4 percent, and 1.2 percent, respectively. The number of new charters in operation in Texas increased by 21 between the fall of 1999 and the fall of 2000. However, four existing charters closed, resulting in a net increase of 17, which brings the total to 159. The total membership in charters increased by 48 percent to 37,978 in 2000–01, and the average school size increased from 181 to 239 students per charter. Most charters operate only one school. Among the 159 charters, only 14 have more than one school site.

Of all students enrolled for the 2000–01 school year, approximately 85 percent were served the previous year in Texas public schools and the remaining 15 percent were newly enrolled students. This 15 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 2000–01, 52.6 percent of districts reported enrollment growth compared to 52.9 percent with increases in 1999–2000. 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: 4.7 and 3.3 percent increases, respectively, compared to the state average of 1.7 percent. In contrast, rural districts as a group decreased 1.4 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 58.0 percent of the public school population, compared with 56.9 percent in 1999–2000. Overall, growth in the minority student population was 3.6 percent, with the greatest increase, 5.0 percent, occurring in the Asian/Pacific Islander and Native American populations. However, these two populations, combined as "other" in this publication, account for only 3.0 percent of all students.

The number of African American students grew by 1.7 percent, representing a net increase of 9,526 students, which is greater than the increase of 8,085 experienced last year. The percent of African Americans among the total student population is 14.4 percent, the same percentage as in the prior three years.

The Hispanic student growth rate, 4.3 percent, exceeds last year's growth rate of 3.6 percent for this student group. Although this rate of growth is not the highest among the ethnic groups, it is the most significant. This population now accounts for 40.6 percent of all students, compared to 39.6 percent the prior year.

In contrast, the White population declined by 0.9 percent or by 14,980 students. The percentage of White students statewide has shown a consistent decrease, falling from 49.0 percent nine years ago to 42.0 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, each grade reported some growth for the 2000–01 school year. When populations for the same grades are compared

between this year and last, grades 10 and pre-kindergarten demonstrated the highest rates of growth. Grade 10 grew 4.4 percent, contributing a gain of 12,090 students, and pre-kindergarten experienced a 5.8 percent rate of growth, with an increase of 7,292 students.

By far the largest numbers of students new to the Texas public schools are children entering pre-kindergarten and kindergarten. Nearly 300,000 students entered public schools at these two grade levels in 2000–01, representing 50.3 percent of all new students. Other than pre-kindergarten and kindergarten, grades 1 and 9 also have a large percentage of new students. Twelve percent of all 1st graders and 10.3 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, 67.6 percent, than the total student population (58.0 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, 45.4 percent compared with 42.0 percent statewide, and slightly fewer Hispanic students, 37.3 percent compared with 40.6 percent statewide.

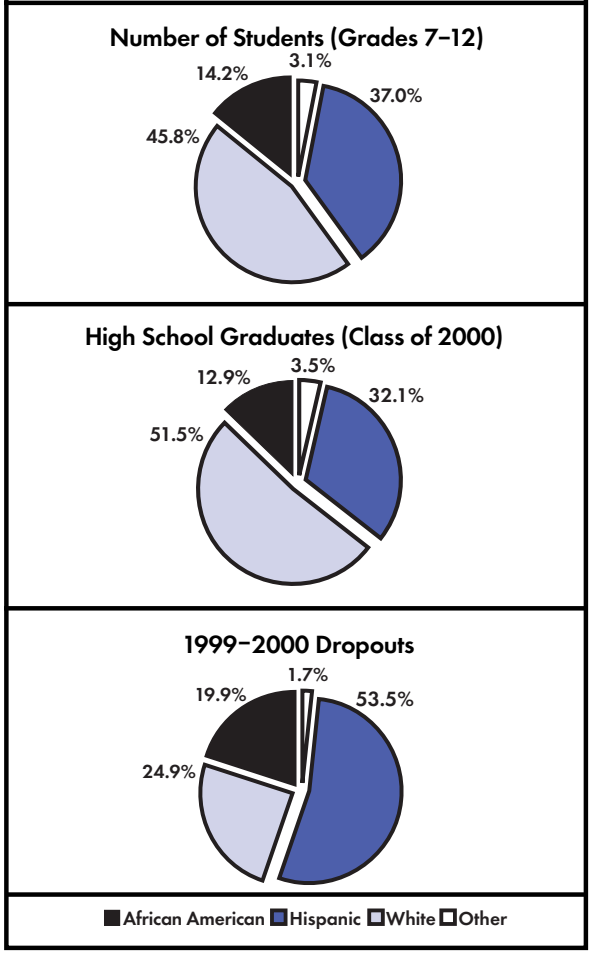
DROPOUTS

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 2000–01 edition of *Snapshot* reflect students who dropped out either during the 1999–2000 school year or during the summer of 2000. During that reporting period—August 1999 through October 2000—23,457 students in grades 7–12 were reported and counted as dropouts from Texas public schools. This is a decline of 4,135 dropouts from the 27,592 reported for the previous year. The annual dropout rate for 1999–2000 is 1.3 percent, compared to 1.6 percent reported for the class of 1999. The dropout rates described and published in *Snapshot* are the rates used as a base indicator in the 2001 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*, 73.4 percent of all dropouts are either Hispanic or African American. Overall, the percent of total dropouts who are minorities increased to 75.1 percent, compared with 74.6 percent for the class of 1999. Furthermore, dropout rates for both Hispanic and African American students remain higher than the state average of 1.3 percent. The Hispanic and African American annual rates were 1.9 percent and 1.8 percent, respectively. The dropout rate for Asian/Pacific Islanders and Native Americans combined was 0.7 percent,

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.

and White students also had a dropout rate of 0.7 percent.

By grade, both 9th and 12th graders had the highest dropout rates, 2.0 percent each, followed by a rate of 1.8 percent for 11th graders. In terms of raw numbers, however, more students dropped out in 9th grade; 7,630 compared with 4,660 in 12th grade, and 4,518 in 11th grade. The class of 2000 dropout rate reported for 10th graders was 1.6 percent, which represents 4,631 dropouts.

Approximately 35 percent of all dropouts are identified as economically disadvantaged, and 82.0 percent are overage for their grade. Consistent with data reported over the last ten years, more males than females dropped out during 1999–2000 (55.8 percent versus 44.2 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 the class of 2000, a cohort of 9th grade students was tracked from 1996–97 through their expected graduation year of 1999–2000. 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 2000 the actual longitudinal four-year dropout rate was 7.2 percent, compared to a rate of 8.5 percent for the class of 1999. Among the student groups, Hispanic students demonstrate the highest longitudinal dropout rate, 11.2 percent, compared to a low of 3.5 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*.

EXHIBIT 8

1999–2000 Dropouts by Grade Level for Selected Student Characteristics

Grade Level	Total Dropouts	Male	Female	Special Education	Economically Disadvantaged	Not on Grade
7th	703	361	342	118	356	425
8th	1,315	605	710	196	684	868
9th	7,630	4,212	3,418	1,130	2,786	7,016
10th	4,631	2,684	1,947	870	1,645	4,142
11th	4,518	2,581	1,937	864	1,461	3,742
12th	4,660	2,637	2,023	656	1,371	3,046
Total	23,457	13,080	10,377	3,834	8,303	19,239

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. Eighty-two 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.

GRADUATES AND COMPLETERS

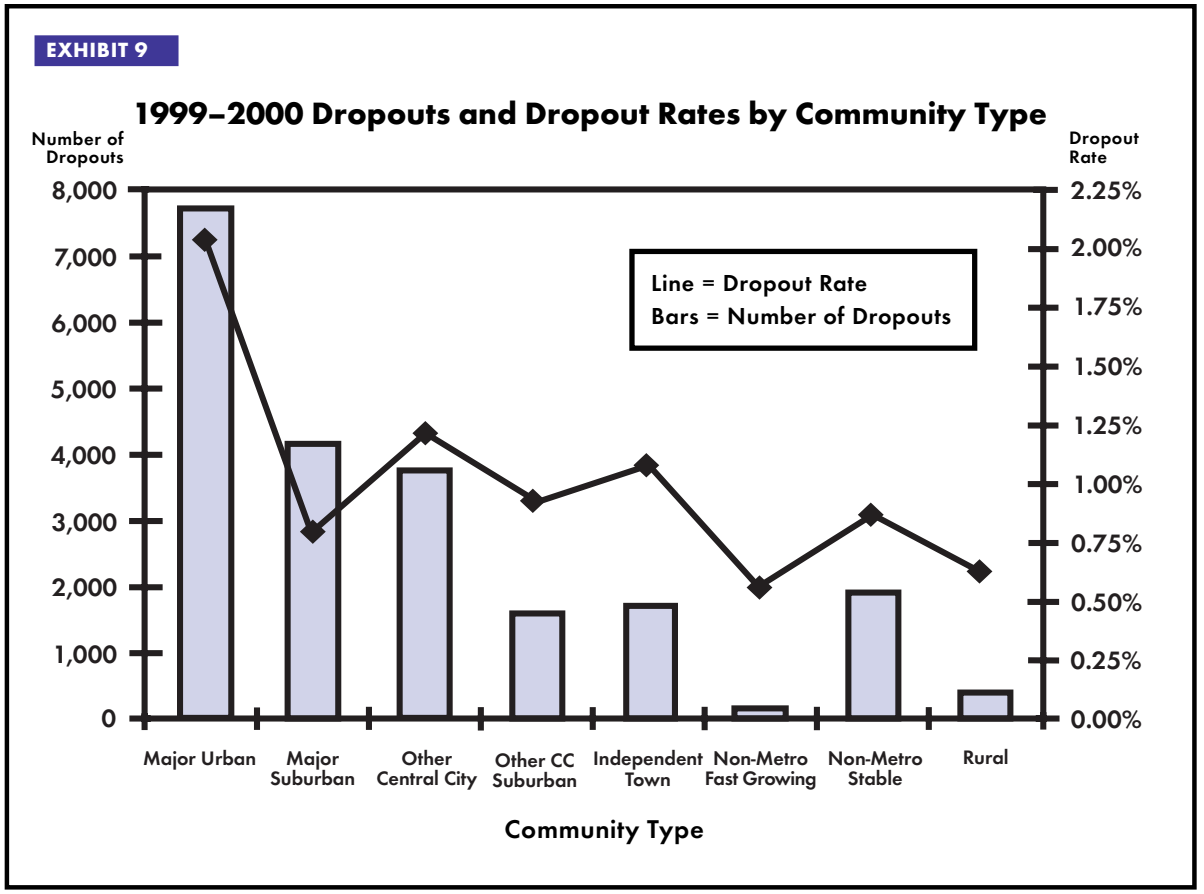
As with the dropout data, information for graduates of Texas public schools is collected in the fall following the year of graduation. During the 1999–2000 school year, 212,925 students graduated as the class of 2000 from Texas public schools. This count is an increase of 4.7 percent over the class of 1999 graduates. Of the class of 2000 graduates, 19,982, or 9.4 percent, were identified as special education students. Statewide, White students accounted for 51.5 percent of all graduates; Hispanic students, 32.1 percent; African American students, 12.9 percent; and Asian/Pacific Islander and Native American students the remaining 3.5 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. As of the class of 2000, the number of graduates reported with one of the "Advanced" diploma types had fallen to 2,635. For the same graduating class, the number of students completing the Recommended High School or Distinguished Achievement Programs was 82,186, an increase of almost 52,000 students over the number who graduated under these programs from the class of 1999.

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 the Academic Excellence Indicator System (AEIS) indicator "Completion Rate/Student Status." For the class of 2000, the percent graduated tracks the cohort of students who were first enrolled as 9th graders in 1996–97 through their expected graduation year of 1999–2000. Students who graduate at any time during this span are included as graduates. For this class, 80.7 percent graduated, compared to 79.5 percent for the class of 1999.

The Completion Rate/Student Status shows that additional students in the cohort either complete a GED or continue in public school. For the class of 2000, 4.8 percent received their GED and an additional 7.3 percent continued their education by enrolling in a Texas public school in 2000–01. For more information about completion and dropout measures see the TEA publication, *Secondary School Completion and Dropouts in Texas Public Schools: 1999–00*.

EXHIBIT 9



The number of public school dropouts reported in 1999–2000 is 4,135 students less than the number reported the previous year. The state annual dropout rate for 1999–2000 is 1.3 percent, a decline from the 1.6 percent reported for 1998–99.

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 end-of-course examinations administered to students upon completion of selected secondary courses: Biology, Algebra I, English II and United States History. Begun in 1999, a Spanish version of TAAS is given in grades 3 through 6.

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 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,

EXHIBIT 10

Percent Passing TAAS by Grade and Subject
Spring 2001 Accountability Results

Grade	Number of Students Tested	Pct. Passing All Tests Taken	Pct. Passing Mathematics	Pct. Passing Reading	Pct. Passing Writing
3rd	253,045	78.2%	83.1%	86.8%	n/a
3rd Spanish	19,782	71.5%	83.5%	76.7%	n/a
4th	260,952	81.6%	91.3%	90.8%	89.2%
4th Spanish	12,531	59.5%	89.3%	66.4%	76.0%
5th	261,037	88.2%	94.6%	90.2%	n/a
5th Spanish	5,087	69.6%	87.1%	71.8%	n/a
6th	261,074	82.7%	91.4%	85.6%	n/a
6th Spanish	1,041	47.0%	69.6%	50.3%	n/a
7th	261,664	84.3%	89.6%	89.4%	n/a
8th	261,939	80.9%	92.4%	91.9%	85.8%
10th	235,437	80.3%	89.3%	90.0%	89.1%
All Grades	1,836,568	82.1%	90.2%	88.9%	87.9%

In the spring of 2001, more than 2 million students in grades 3–8 and 10 (exit-level) were tested—the results for over 1.8 million were used in the 2001 statewide accountability system. The accountability results are reported in this publication. They include both non-special education and special education TAAS takers as well as students who took the Spanish version of TAAS in grades 3 through 6. In addition, the "All Grades" results include (as passers) 2,979 students 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 and who tested in the same district in the spring are included.

and 7. Note that for grade 8, science and social studies results are excluded from the "all tests taken" calculations reported here.

The TAAS results in *Snapshot* are those used in the 2001 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. 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 are credited as grade 10 passers in calculating district and school passing rates for accountability rating purposes.

These TAAS results were reported in the 2001 data tables for accountability, the 2000–01 Academic Excellence Indicator System (AEIS), the 2000–01 School Report Cards, and *Pocket Edition: 2000–01 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, 2000–01*, 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 2001 in grades 3–8, and 10 are included in the accountability results. Reading and mathematics tests were given at all these grades. Over 741,000 students took the writing test statewide in grades 4, 8, and 10. Science and social studies tests were administered to over 253,000 students in grade 8. During 2000–01, end-of-course examinations were administered to over 265,000 Biology students in grades 9–12 and to over 297,000 Algebra I students in grades 7–12. In grades 9–12, over 245,000 students took the English II end-of-course examination, and over 207,000 high school students took the U.S. History end-of-course examination.

Exhibit 10, on the previous page, shows spring 2001 TAAS results by grade and subject. Among the subjects tested, the percent passing is highest for mathematics, followed by reading and writing. The lowest pass rates by subject and grade are among the Spanish versions of the TAAS: mathematics (69.6) and reading (50.3) in grade 6, and writing (76.0) in grade 4. The highest pass rates by subject and grade are in grade 5 mathematics (94.6), grade 8 reading (91.9), and grade 4 writing (89.2). *Exhibit 11* shows that statewide in 2001, 82.1 percent of the students in all grades tested passed all the tests they took. This is an improvement of 2.2 percentage points over the spring of 2000 when 79.9 percent of the students passed all tests taken. Note that this comparison of results includes, as passers, the 2,979 students in 2001 and the 2,654 students in 2000 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 two exceptions. In writing, all students had a slight decline from 88.2 percent passing in 2000 to 87.9 percent passing in 2001 and White students declined from 94.0 percent passing in 2000 to 92.9 percent passing in 2001. For the seventh consecutive year, the greatest gains in performance occurred in mathematics. *Exhibit 11* shows that performance in mathematics improved from 87.4 percent passing in 2000 to 90.2 percent passing in 2001. For the second consecutive year the greatest gains in mathematics, 4.9 percentage points, were made by African American students who improved from 77.0 percent passing in 2000 to 81.9 percent passing in 2001. Reading overall increased 1.5 points, from 87.4 percent passing in 2000 to 88.9 percent in 2001. Hispanic students demonstrated the greatest gains in reading, moving from 80.7 percent passing in 2000 to 83.5 percent passing in 2001, a gain of 2.8 percentage points. Although writing results decreased slightly overall, all student groups except White showed increases in percent passing writing in 2001 compared to 2000.

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 328,000 students (17.9 percent) required remediation after the 2001 TAAS administrations, compared to 20.1 percent the prior year. 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.

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 alterna-

tive 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 2001 TAAS exit-level test, over 46,000 (19.7 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 2003.

Beginning with the class of 1996, a measure of the cumulative pass rate on the exit-level test has been reported in the AEIS. Results for the class of 2001 are based on the percent of students who first took the exit-level test in the spring of 1999 and finished testing in the same school district by May 2001. Statewide results indicate that 15,899 students expected to graduate with the class of 2001 did not pass one or more sections of the exit-level TAAS test. This represents a cumulative passing rate of 93.1 percent for the class of 2001 and an improvement over the cumulative passing rate of 91.6 percent for the class of 2000.

EXHIBIT 11

Percent Passing TAAS by Subject and Student Group Comparison of 2000 and 2001 Accountability Results

		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Math	Spr. 2001	90.2%	81.9%	86.9%	95.1%	96.2%	85.3%
	Spr. 2000	87.4%	77.0%	82.9%	93.6%	95.0%	81.1%
Reading	Spr. 2001	88.9%	82.5%	83.5%	95.1%	94.2%	82.3%
	Spr. 2000	87.4%	80.8%	80.7%	94.3%	93.3%	79.8%
Writing	Spr. 2001	87.9%	82.9%	83.0%	92.9%	92.6%	81.8%
	Spr. 2000	88.2%	82.4%	82.3%	94.0%	92.5%	81.3%
All Tests	Spr. 2001	82.1%	71.6%	75.5%	90.3%	90.8%	73.6%
	Spr. 2000	79.9%	68.0%	71.8%	89.3%	89.6%	70.0%

For the seventh consecutive year, the greatest gains in performance over the prior year occurred in mathematics. Among the student groups, Hispanic students improved the most in reading, writing, and all tests taken, while African American students improved the most in mathematics. Results shown are those used in the 2001 accountability system as described in the caption for ***Exhibit 10****.*

As shown in *Exhibit 12*, on the next page, statewide results for 2001 show that 91.8 percent of 8th grade students passed the science assessment and 77.0 percent passed social studies. These are improvements over statewide results for 2000, where 88.2 percent of 8th graders passed science and 71.8 percent passed social studies. In social studies, economically disadvantaged (63.7 percent), Hispanic (65.2 percent) and African American (65.3 percent) students have passing rates significantly lower than White (88.9 percent) students and those shown as Other (89.7 percent). 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.

Two years of statewide results for end-of-course examinations are shown in *Exhibit 13*, on page 15. As shown in the exhibit, the lowest percent passing among the subjects was for Algebra I. Although the passing rate improved from 43.9 percent in 2000 to 49.2 percent in 2001, the results indicate that much improvement is needed in this area across all student groups, compared to Biology, English II, and U. S. History. Changes in statute, resulting from the legislative session in 1999, mandate that a new, more rigorous, 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 stud-

ies 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 available predictor of performance on the future 11th grade exit-level test. As shown in *Exhibit 13*, the 2001 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 end-of-course examinations, as well as for the science and social studies assessments, see the agency publication, *Texas Assessment of Academic Skills: Student Performance Results, 2000–01*. Passing rates at the district-level for science, social studies, and end-of-course examinations are not published in *Snapshot*, but can be found in the AEIS reports for each district on the agency's web site at http://www.tea.state.tx.us/perfreport.

EXHIBIT 12

Percent Passing TAAS Science and Social Studies Comparison of 2000 and 2001

Grade 8 Only		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Science	Spr. 2001	91.8%	84.3%	87.0%	97.5%	96.6%	85.9%
	Spr. 2000	88.2%	78.9%	81.3%	95.5%	95.2%	80.2%
Soc. Studies	Spr. 2001	77.0%	65.3%	65.2%	88.9%	89.7%	63.7%
	Spr. 2000	71.8%	58.1%	57.8%	85.2%	86.1%	56.5%

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 set of mandated indicators. In 2001, the indicators are performance on the reading, writing, and mathematics portions of the TAAS, and dropout 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 2001, 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 2001, 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: attendance rates; 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; Comparable Improvement in Reading and 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 *2001 Accountability Manual: The 2001 Accountability Rating System for Texas Public Schools and School Districts*, which is accessible through the agency's web site. State-level rewards and sanctions are linked to these rating categories.

In 2001, performance at the state level met the standards for a *Recognized* rating, with 80.0 percent or more of all students and all student groups passing the reading, mathematics and writing por-

tions of the TAAS and dropout rates for all students and all student groups falling below 3.0 percent.

The distributions of district and school ratings for 2001 are shown in *Exhibit 14*, on the next page. Over half (62.4 percent) of the districts achieved either *Exemplary* or *Recognized* status, the categories with the highest performance standards. The remainder were rated *Academically Acceptable* (37.5 percent) or *Academically Unacceptable* (0.1 percent, or 1 district). At the time of publication, no districts were rated *Academically Unacceptable: SAI* or *Suspended: Data Inquiry*.

In 2001, there were 1,571 schools rated *Exemplary*. This is an increase of 275 schools over the number rated *Exemplary* in 2000. The number of *Low-Performing* schools decreased from 146 in 2000 to 100 in 2001. Of the 100 schools rated *Low-Performing*, 81 received this rating due to poor performance on TAAS (10 on mathematics, 6 on reading, 32 on writing, and 33 on a combination of subjects); 14 received the rating due to a high dropout rate; and the remaining five received the rating due to a combination of a high dropout rate and poor performance on TAAS. The number of schools rated *Low-Performing* declined in spite of increases in the rigor of the accountability system in 2001: the standard to be rated *Acceptable* was moved from 6.0 to 5.5 percent for dropout rates and the minimum size criteria used to determine which student groups are included in the accountability results were changed. The latter change increased the number of student groups evaluated in the system.

Exhibit 15, on page 17, shows the changes in performance on the accountability indicators between 1994 and 2001. Over the past eight 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 and economically disadvantaged students passing the mathematics portion of the TAAS. In addition, the dropout rate has declined 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.

NATIONAL ASSESSMENT FOR EDUCATIONAL PROGRESS

The National Assessment of Education Progress (NAEP) is a federal program under which assess-

EXHIBIT 13

Percent Passing End-of-Course Examinations Comparison of 2000 and 2001

		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Algebra I	Spr. 2001	49.2%	31.3%	37.5%	63.1%	72.2%	36.0%
	Spr. 2000	43.9%	26.5%	32.7%	56.7%	68.9%	31.3%
Biology	Spr. 2001	79.9%	68.1%	67.9%	92.0%	86.8%	66.8%
	Spr. 2000	80.3%	69.0%	69.4%	91.2%	86.7%	68.2%
English II	Spr. 2001	75.1%	65.0%	68.2%	82.1%	84.3%	65.4%
	Spr. 2000	77.7%	68.4%	71.1%	84.4%	85.8%	68.6%
U.S. History	Spr. 2001	74.3%	60.3%	63.1%	85.2%	82.2%	59.2%
	Spr. 2000	72.1%	58.1%	58.3%	84.0%	81.1%	54.9%

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. Results for end-of-course assessments are currently the best predictor of performance on a new exit-level test that will be administered to 11th graders beginning in 2003.

ments have been conducted periodically since 1969 in reading, mathematics, science, writing, U.S. History, civics, geography, and the arts. The National Center for Education Statistics (NCES) selects a statistical sample of students from each state to test in a given subject in a given year. Results are released for each core subject area every four years.

In 2000, NAEP mathematics assessments were administered to 4th and 8th grade students. In a state-by-state comparison, African American, Hispanic, and White 4th grade students in Texas ranked at the top for their respective ethnic groups. The average scale score in mathematics for Texas 4th grade students was 233, compared to 226 for students nationwide. Both nationally and in Texas, scores increased over 1996 results, when the average scale score for students in Texas was 229 compared to 222 for students nationwide. At the 8th grade, Texas students earned an average score of 275, up from 270 in 1996. Nationwide, the average score for 8th graders was 274, compared to 271 in 1996. Additional information about NAEP results can be

EXHIBIT 14

2001 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	178	17.1%	147,530	Exemplary	1,571	22.5%	797,642
Recognized	471	45.3%	2,056,132	Recognized	2,328	33.3%	1,402,893
Academically Acceptable	390	37.5%	1,816,787	Acceptable	2,480	35.5%	1,726,047
Academically Unacceptable	1	0.1%	1,192	Low-Performing	100	1.4%	46,520
				Not Rated			
				Kindergarten & Earlier	136	1.9%	36,044
				New Charter	15	0.2%	1,720
				Charter (Insufficient Data)	12	0.2%	402
				Alternative Education			
				Commended	12	0.2%	1,069
				Acceptable	247	3.5%	24,015
				Needs Peer Review	66	0.9%	6,977
				Not Rated	14	0.2%	438
Total	1,040	100.0%	4,021,641	**Total**	6,981	100.0%	4,043,767
Charters	159	n/a	37,978	Not Applicable*	538	n/a	15,852
Total Districts/Charters	1,199	100.0%	4,059,619	**Total Schools**	7,519	100.0%	4,059,619

*Schools with insufficient data to evaluate.

Districts and schools are placed into a rating category annually based on performance on a selected set of indicators. Schools classified as ***Not Rated*** *are the pre-kindergarten, kindergarten, or early education centers; first year charter schools; or schools with insufficient data to evaluate. Schools 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.*

found at the NCES web site at http://nces.ed.gov/nationsreportcard.

COLLEGE READINESS

In Texas, 62.2 percent of public high school graduates in the class of 2000 participated in college admissions testing, a very slight increase from the 61.8 percent participating for the class of 1999. The number of students participating in college admissions testing increased to over 120,000 for the class of 2000, compared to nearly 114,000 for the class of 1999. 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 44 percent of all graduates took the SAT I, and 38 percent took the ACT. In Texas, 52 percent of all graduates took the SAT I, and 32 percent took the ACT. For both Texas and the nation, the "all graduates" number reported by the testing companies includes public and non-public school students.

Participation in college admissions testing has increased significantly during the last decade. Among Texas public school graduates, the number taking the SAT has increased by 38 percent, with 70,150 graduates tested in 1990 compared to 96,516 tested in 2000. The increase in the number taking the ACT during the same

EXHIBIT 15

State Performance on Accountability Indicators: 1994, 2000, and 2001

Indicator	1994	2000	2001	Change 1994–2001
TAAS Results (All Grades Tested)				
Mathematics				
All Students	60.5%	87.4%	90.2%	+29.7%
African American	38.1%	77.0%	81.9%	+43.8%
Hispanic	47.1%	82.9%	86.9%	+39.8%
White	73.3%	93.6%	95.1%	+21.8%
Economically Disadvantaged	45.0%	81.1%	85.3%	+40.3%
Reading				
All Students	76.5%	87.4%	88.9%	+12.4%
African American	60.2%	80.8%	82.5%	+22.3%
Hispanic	64.9%	80.7%	83.5%	+18.6%
White	87.2%	94.3%	95.1%	+7.9%
Economically Disadvantaged	62.9%	79.8%	82.3%	+19.4%
Writing				
All Students	79.0%	88.2%	87.9%	+8.9%
African American	65.8%	82.4%	82.9%	+17.1%
Hispanic	69.6%	82.3%	83.0%	+13.4%
White	87.6%	94.0%	92.9%	+5.3%
Economically Disadvantaged	67.7%	81.3%	81.8%	+14.1%
Annual Dropout Rate (Grades 7–12)				
All Students	2.8%	1.6%	1.3%	-1.5%
African American	3.6%	2.3%	1.8%	-1.8%
Hispanic	4.2%	2.3%	1.9%	-2.3%
White	1.7%	0.8%	0.7%	-1.0%
Economically Disadvantaged	2.9%	1.5%	1.3%	-1.6%
Attendance Rate (Grades 1–12)				
All Students	94.9%	95.4%	95.6%	+0.7%

Performance over time shows dramatic improvement. The percent of students passing TAAS increased significantly for all subjects and all student groups between 1994 and 2001. Reductions in the annual dropout rate also occurred. Since 1994 the set of students included in the accountability evaluations have expanded. Results shown are those used for accountability for a given year.

time period is 28 percent (46,564 in 1990 compared to 59,491 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

Class of 2000 SAT I and ACT Scores for Texas and the Nation

	Texas Public School Graduates	All Texas Graduates	All U.S. Graduates
SAT I			
Verbal	491	493	505
Mathematics	499	500	514
Total	990	993	1019
ACT			
English	19.5	19.7	20.5
Mathematics	20.2	20.2	20.7
Reading	20.5	20.6	21.4
Science Reasoning	20.3	20.3	21.0
Composite	20.3	20.3	21.0

The average SAT I score for Texas public school graduates increased from 989 to 990 in 2000 while the national average increased from 1016 to 1019. The ACT Composite scores held steady for U.S. graduates between 1999 and 2000, but increased slightly from 20.2 to 20.3 for Texas public school graduates. Total SAT I scores may not sum due to rounding.

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 increased slightly on both the SAT I (from 989 to 990) and the ACT (from 20.2 to 20.3) from the prior year. These increases, while small, are noteworthy because they occurred even though more graduates took these tests than ever before.

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). This standard of excellence was met or exceeded by 27.3 percent of the class of 2000, up slightly from 27.2 percent for the class of 1999.

The percent of students completing the SBOE Recommended High School Program is another indicator of how well Texas students are being prepared for college. 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, 38.6 percent of the class of 2000 was reported as having completed the Recommended High School Program or the more rigorous Distinguished Achievement Program. This is over double the percent reported for the class of 1999 (15.0 percent). Across the student groups, the percent completing these programs ranged from 26.2 for African American, to 31.5 for economically disadvantaged, 34.8 for Hispanic, 37.4 for Native American, 43.0 for White, and 56.3 percent for Asian/Pacific Islander students.

Current plans call for the Recommended High School Program to replace the minimum graduation plan by the time the class of 2008 graduates. Therefore, participation in this program will continue to increase as additional high school students are expected 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 82.0 percent of the professional staff and 50.8 percent of the total staff. See *Exhibit 17*. Since 1999–2000, teacher full-time equivalent (FTE) counts increased by 2.6 percent, compared to a student enrollment increase of 1.7 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 9.8 new students.

Rates of teacher increases vary with the size of the district. Districts in all size categories, except the 489 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 18.7 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.

SUPPORT AND ADMINISTRATIVE STAFF

The combined categories of administrators and professional support staff increased by 7.5 percent between 1999–2000 and 2000–01, a higher rate than the 2.6 percent rate of growth demonstrated in the teacher population. School administrative staff grew by 4.3 percent and central office administrative staff decreased by 2.3 percent. Professional support staff increased by 9.7 percent.

Central office administrative growth rates were negative at the state level. The greatest decline, a decrease of 22.7 percent, occurred for the group of 13 largest districts. Districts with enrollment between 3,000 and 5,000, and those with less than 1,000, were the only districts that as a group demonstrated positive growth in central office administration. Districts with enrollment less than 1,000 also experienced the highest enrollment growth rates in the state. School administrative growth rates exceeded enrollment growth rates in all district size categories, except those with enrollment between 500 and 1,000, with the largest growth rate occurring in the smallest districts.

Professional support staff, a category that includes counselors, school psychologists and educational diagnosticians, increased at more than three times the rate of enrollment growth within all district groups, except those with enrollment less than 1,000. The thirteen largest districts experienced

EXHIBIT 17

Staff by Category

Category	FTEs	Percent of Total Staff	Average Salary (Regular Duties Only)	Average Salary (Including Supplements)
Teachers	274,817	50.8%	$38,361	$39,122
School Administrators	13,916	2.6%	$58,081	$58,367
Central Administrators	4,491	0.8%	$69,916	$70,369
Professional Support	42,092	7.8%	$45,562	$45,900
Total Professionals	335,317	61.9%	$40,506	$41,190
Educational Aides	55,467	10.2%	$14,065	$14,154
Auxiliary Staff	150,559	27.8%	$17,191	$17,191
Total Staff	541,343	100.0%	$31,313	$31,745

The average salary for teachers (including supplements) is 2.2 percent greater in 2000–01 than it was in 1999–2000. 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.*

the greatest growth rate in professional support staff—16 percent. This growth equated to an average of 137.5 additional professional support FTEs per district in the largest group. The 125 districts with 1,000 to 1,600 students experienced the lowest growth rate, 3.6 percent, averaging 0.3 new professional support FTEs per district.

PARAPROFESSIONAL STAFF

The number of educational aides increased by 3.2 percent this year. In 2000–01, aides employed at high schools increased by 6.8 percent over the previous year. Middle schools experienced the lowest growth rate , 1.7 percent. Historical analyses show that only a small portion of the staff employed as educational aides will advance to teaching positions. In 2000–01 only 748 teachers (less than 0.3 percent of the total teaching staff) had been employed as aides sometime between 1997 and 2000.

Auxiliary staff, the second largest category at 27.8 percent of all staff, increased by 4.2 percent this year. Auxiliary staff includes secretaries, bus drivers, custodial staff, and food service workers. The largest increase occurred in the 13 largest districts, while in the smallest districts the number of auxiliary staff declined.

The ethnic composition of school district employees changed only slightly from the previous school year. Minority staff increased by 1.0 percentage point to 38.2 percent of all staff employed in Texas public schools. This can be disaggregated to 25.6 percent Hispanic, 11.6 percent African American and 1.0 percent Asian/Pacific Islander and Native American. Among teachers, 26.8 percent are minorities, an increase from the 26.1 percent minority reported for the previous academic year. Given that ethnic minorities account for 58 percent of the student population, ethnic minority recruitment into education careers merits continued emphasis.

TEACHER EXPERIENCE

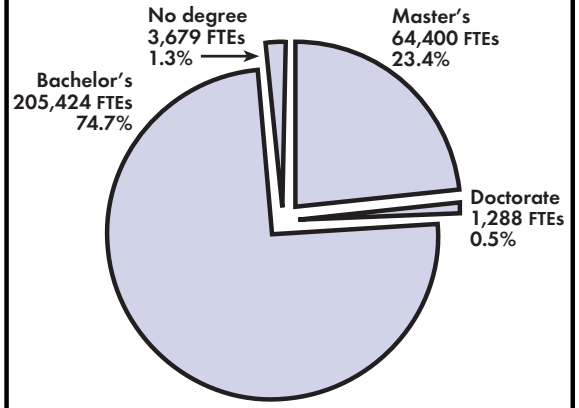
Teachers employed in Texas in 2000–01 averaged 11.9 years of total experience. Over 21 percent of all teachers have more than 20 years experience and over 45 percent have between one and ten years of experience. In 2000–01, new teachers accounted for 7.8 percent of the total, a slight increase from the 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. Teachers with less than five years experience have turnover rates of 20 percent or higher compared to the state average of 16.0 percent. This turnover rate declines with years of experience rather consistently to about 9.5 percent at the 25 year experience level, beyond which turnover fluctuations are influenced dramatically by retirement.

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 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 the nearly 275,000 practicing educators across the state and is responsible for all functions related to the

EXHIBIT 18

Highest Degree Held for Teachers



Most Texas teachers, 74.7 percent, hold a bachelor's degree. Fewer and fewer of the staff employed as teachers have graduate level degrees: 23.9 percent in 2000–01, compared with 32.1 percent with this level of education eleven years ago.

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 (74.7 percent) is a bachelor's degree. An additional 23.9 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 231 districts with enrollment between 500 and 1,000 students, a 1.5 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 23.9 percent, with a 0.9 percent decline occurring between 1999–2000 and 2000–01. 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, 53.8 percent are employed in the 73 urban and major suburban districts; 46.2 percent work in the 1,126 remaining school districts.

Teachers with a bachelor's degree comprise 74.7 percent of the overall teacher population. However, the more experienced the teacher, the more likely the teacher has earned an advanced degree. Indeed, 73.4 percent of the teachers with advanced degrees have more than 10 years of experience, whereas only 26.6 percent of teachers with 10 years of experience or less have advanced degrees.

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 5.2 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 2000–01, average teacher salaries (for regular duties) increased by 2.1 percent to $38,361. Total average teacher salaries, including reported supplements, climbed to $39,122, a 2.2 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 2000–01, 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 *2001 Digest of Education Statistics*, Texas average teacher salaries ranked 29th among the states in 1999–2000, up from 33rd the prior year. The average salary for Texas teachers was 10 percent below the national average of

$42,898. 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 1999–2000 Texas ranked 27th in teacher salaries, but rose to 17th when cost-of-living was considered.

As reported in the *2001 Digest of Education Statistics*, the pupil-teacher ratio in Texas remains lower than the national average—14.9 compared with 16.1 nationally in 1999–2000. Texas law mandates a maximum class size of 22 to 1 in kindergarten through grade 4. The expense of maintaining smaller class sizes may limit the ability of Texas districts to compensate teachers with higher salaries. Of the 28 states with salaries higher than those in Texas, 18 (64 percent) also had higher pupil-teacher ratios in 1999–2000.

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 over 50,000 students. Rates of increase in teacher salaries were lower than the state average in the group of districts with enrollment under 10,000 students.

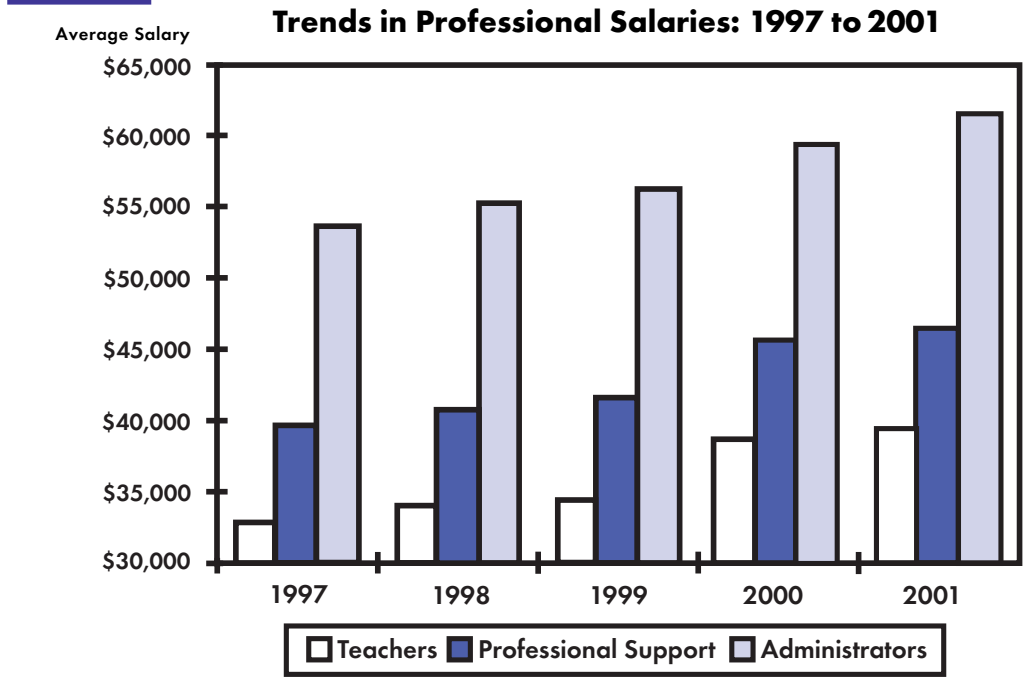
Major urban districts continue to pay teachers more on average than do rural districts. In 2000–2001, teacher salaries in urban districts were 13.8 percent higher than in rural districts. Excluding charters, major urban districts had the largest increase in average teacher salaries between 1999–2000 and 2000–01; rural districts the smallest.

OTHER STAFF SALARIES

Central office administrator salaries rose 3.6 percent in 2000–01, while school administrator salaries increased by 3.3 percent, and professional support staff salaries increased by 1.9 percent. Including supplements, central office administrators earn an average of $70,369, school administrators earn $58,367, and professional support staff earn $45,900.

Overall, the combined regular duty salaries for all categories of professional staff (teachers, professional support, and administrators) increased by 2.3 percent, to $40,506, from the 1999–2000 school year. Total salaries, including reported supplements, climbed to $41,190, a 2.3 percent increase. *Exhibit 19* depicts trends in professional salaries by category of staff since 1996–97.

EXHIBIT 19



Between 1996–97 and 2000–01 the average teacher salary in Texas rose over 18 percent from $33,038 to $39,122. 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

School districts receive state funds 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 2000–01 state funds accounted for 37.4 percent of all receipts for public education in Texas, compared with 39.4 percent the prior year. Local sources account for a larger proportion of receipts, 42.6 percent in 2000–01, essentially the same percent as in 1999–2000 (42.7). Another significant portion of receipts comes from the issuance of debt. In 2000–01, debt issuance represented 12.4 percent of all receipts, compared with 10.3 percent in 1999–2000.

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 2000–01, 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 2000–01, 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, there are two programs designed to assist districts in making debt service payments. These programs are a significant feature of the system. The Instructional Facilities Allotment (IFA) and the Existing Debt Allotment (EDA) begun in 1997–98 and 1999–2000, respectively, 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. In 2000–01, as in 1999–2000, the basic allotment was $2,537 for each student in average daily attendance (ADA). 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 the higher costs of 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.

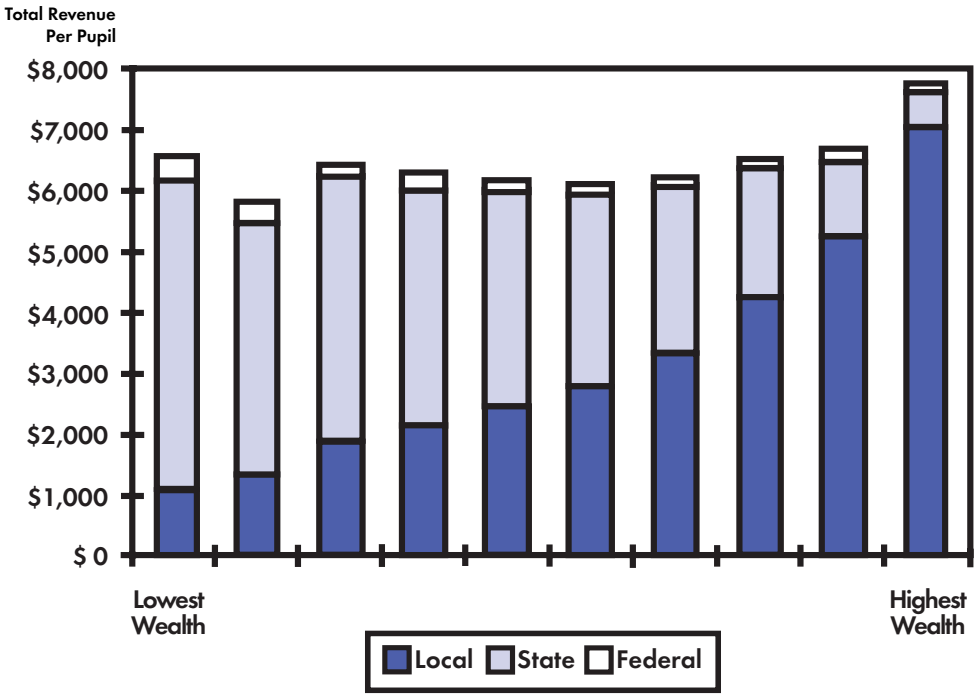
For each penny of M&O tax effort the district collects above the first tier requirement, within a calculated range that may not exceed an additional $0.64, the state will guarantee a yield of $24.70 per penny, per weighted student. This is the same amount guaranteed in 1999–2000.

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 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 2000–01 school year, the tax effort each district demonstrated in 1998–99 was used to

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.

determine this limit. The maximum guaranteed yield amount for 2000–01 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. New debt is eligible for equalization funding only if used for instructional facilities. For those debts that are approved, state support of the debt service continues through the life of the debt.

Each biennium, contingent upon funds appropriated by the Legislature, school districts may apply for assistance for eligible debt service. The amount of state aid under the IFA program is based on the size of the district (number of students in average daily attendance), property values, and the amount of annual debt service cost. The limitation on assistance is determined by choosing the lesser of either the size factor or the debt service payment. Once the limitation is determined, state aid is calculated as the amount needed to guarantee a yield of $35 per unweighted ADA per penny of tax effort. Since its inception in 1997–98, state assistance for the IFA has totaled approximately $577.5 million, which includes the $218.5 million provided in 2000–01.

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 both 1999–2000 and 2000–01 combined, state assistance for the EDA program totals $923.5 million, which includes the $478.9 million provided in 2000–01.

With the advent of the IFA program, districts with a limited ability to pay for needed facilities now have the opportunity to enter into debt to meet that need. The percent of revenues generated from the issuance of debt increased from 10.3 percent in 1999–2000 to 12.4 percent in 2000–01. This year, 311 districts received state aid from the IFA program compared with 193 in 1999–2000. In 2000–01, 534 districts received state aid from the EDA program compared with 567 a year ago.

The state's share of tier 1, tier 2, and the Debt Equalization Programs is financed by the General Revenue 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 2000–01, the per capita ASF apportionment was $276 per student in ADA. Constitutionally, all districts, regardless of property wealth, receive the $276 ASF per capita amount. In 2000–01, the average total state aid for each student in ADA was $2,916 compared to $2,882 per ADA reported in *Snapshot* for 1999–2000. This slight increase indicates there were no significant changes in any of the state aid funding elements from the prior year. 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 so the state average will differ from the per ADA figure shown here.

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 2000–01, the statutory equalized wealth level was $247,000 per weighted student. The

83 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 2000–01 school year, 40 chose to purchase attendance credits, 28 chose to educate students in other districts, and 15 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.

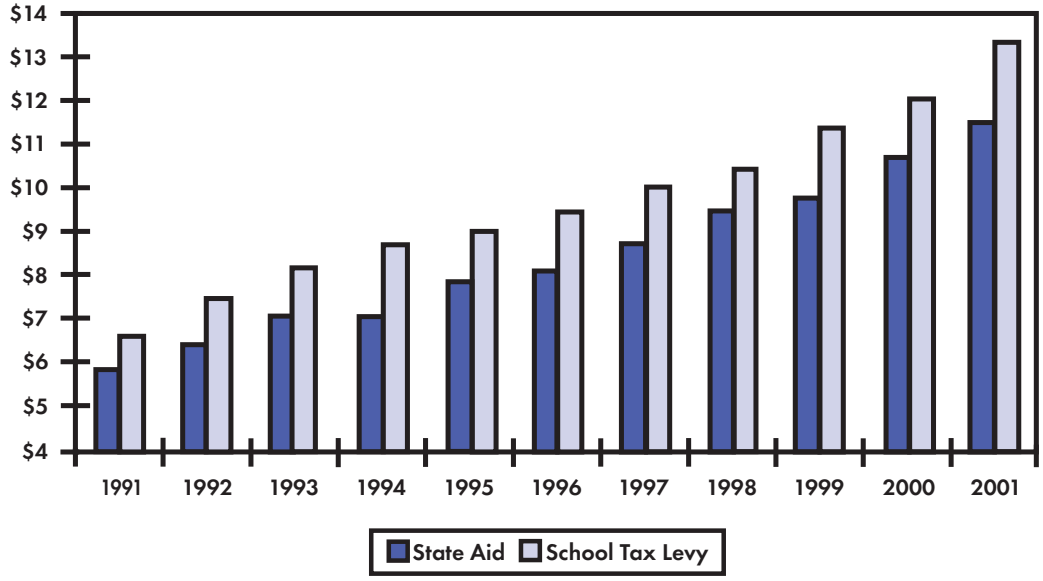
Exhibit 20, on page 24, depicts the inverse relationship between district wealth and state funding. Due to the structure of the financing system, poorer districts receive a larger percentage of their revenue from the state while wealthier districts fund their operations with a greater percentage of local 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 in revenue per pupil among the remaining 90 percent of districts is minimized because of the equalizing effects of the financing system.

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. Beginning with this edition, all tax rates shown in this publication are the locally adopted tax rates, those rates that are most familiar to taxpayers. The locally adopted rates are not completely comparable to one another because they do not control for variation in local appraisal practices and optional exemptions. *Snapshot 2001* uses property values and

EXHIBIT 21

Comparison of State and Local Funds 1991 to 2001



Funding for public education is provided by state, local, and federal sources with the vast majority coming from state and local sources. Since the school finance system changes of 1984, local school tax levies represent an increasingly greater source of funding compared to the state aid districts receive. In 1991 statewide school tax levies exceeded state aid amounts by just over $750 million. By 2001 levies provided $1.8 billion more.

locally adopted tax rates from the 2000 calendar year, the most recent year available.

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 the 2000–01 school year, there were 190 districts (18.4 percent) with M&O rates at this maximum among the 1,034 districts with tax rates.

Under current statute, a district is allowed to set a tax rate that will generate the same amount of maintenance and operations revenue from state and local sources 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. The statewide average of the locally adopted M&O tax rates is $1.384 for calendar year 2000.

The statewide average of the locally adopted I&S tax rate, among districts with a debt service tax rate, was $0.140 for the current year, compared to $0.138 the prior year. Although this is a slight increase, these rates are still a significant decline from the 1998 locally adopted state average I&S tax rate of $0.245. This decline is largely due to the Existing Debt Allotment program—a previously described 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 2000–01, 65 percent of all school districts with taxable property value had debt service obligations, slightly higher than the 63 percent from 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.

The property values shown in this publication are the locally assessed property rolls, certified by the state Comptroller's Property Tax Division (CPTD), which have been standardized to present a uniformly appraised valuation statewide. The comptroller's property values for any given district may be higher, lower, or the same as that district's locally appraised value. In the 2000–01 school year, certified taxable property values for the state totaled $864.3 billion, an amount that is $71.3 billion (9 percent) greater than the amount reported for the prior year ($793 billion). Values reported for both years take into account the increase in the homestead exemption, made available by constitutional amendment. No other reductions have been applied. These figures represent the traditional measure of value, not the alternatively defined measure that may be used in state funding formulas.

Local property values generate a large amount of revenue for public education. Together, state and local funding constitute the vast majority of funding for public education. However, the local portion of the total has steadily increased since the school finance system changes of 1984. Local funds now provide a greater percentage of the total amount available to support the costs of education. In 1986 school tax levies and state aid provided virtually equal amounts. By 1991 statewide school tax levies exceeded state aid amounts by just over $750 million, and in 2001 the difference was over $1.8 billion. Continued increases in local property valuation coupled with funding formula incentives for school district tax rate increases have led to a greater burden on the local property tax system to provide for educational costs. See *Exhibit 21*.

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, 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 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 on behalf of 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 2000–01 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. Any comparison of *Snapshot* financial data to data reported in editions published prior to 1996–97 is affected by these changes. See the "Funds Excluded" discussion later in this section for more details.

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 1,040 independent school districts.

EXHIBIT 22

2000–01 Estimated Actual Receipts and Disbursements by Source

Originating Source	Receipts	Percent of Total	Spending Agents	Disbursements	Percent of Total
Local	$15,060,722,598	42.6%	Local	$31,557,020,364	91.4%
State	$13,244,183,470	37.4%	State	$1,454,492,486	4.2%
Federal	$2,593,034,275	7.3%	Federal	$60,402,250	0.2%
Other (ESC and County)	$104,770,781	0.3%	Other (ESC and County)	$433,525,787	1.3%
TOTAL REVENUE	$31,002,711,124	87.6%	TOTAL EXPENDITURES	$33,505,440,887	97.1%
Other Resources (Debt)	$4,384,531,289	12.4%	Other Uses (Debt)	$1,005,780,091	2.9%
TOTAL RECEIPTS	$35,387,242,413	100.0%	TOTAL DISBURSEMENTS	$34,511,220,978	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 $177 million in local revenues redistributed by the state through wealth equalization.*

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, $15.1 billion, represents only those funds received directly by school districts. State revenue, $13.2 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 revenues collected from districts exercising one of the wealth equalizing options. For 2000–01, approximately $177 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 intermediate 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 2000–01 increased to $35.4 billion.

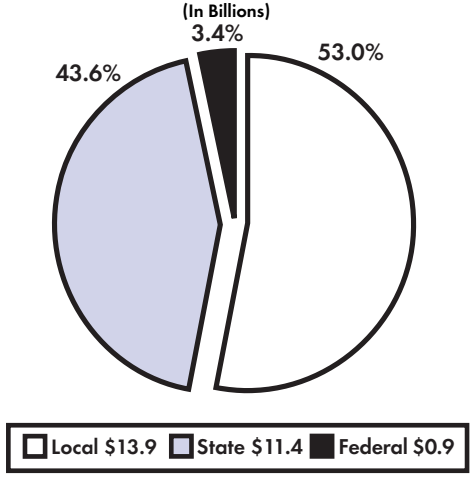
DISTRICT REVENUES

Exhibit 22 shows that total revenue (total receipts less other resources) from all sources equaled $31 billion in 2000–01. Of this, the money from various federal and state sources) yet these funds are included in the estimated actual revenue shown in *Exhibit 22*. Another portion of the difference is due to many districts who underbudget the revenues they actually receive.

Exhibit 23 shows district budgeted revenues by source. Local funds comprise 53.0 percent of total revenues in 2000–01. The vast majority of these funds, 91.4 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



Districts budgeted $26.1 billion in total revenues in 2000–01, a 5.1 percent increase over the $24.9 billion budgeted in 1999–2000. On average, districts expect to receive 43.6 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.

Detailed Statistics section of *Snapshot* shows that only $26.1 billion was budgeted by local school districts. The difference between district budgeted revenues and estimated actual revenue from all sources is $4.9 billion. A portion of this difference can be attributed to revenues for items such as the Teacher Retirement System and textbook purchases that are not budgeted by local districts. Also, districts do not report budgeted amounts in the Special Revenue Funds (program

DISBURSEMENTS

As *Exhibit 22* shows, 91.4 percent of the disbursements for public school education are made by local school districts. The remaining 8.6 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. Funds describe the source of revenues and expenditures, for example the general fund or a specific state or federal program fund. Functions describe the broad purposes of expenditures, such as instruction or administration. Object classifi-

cations 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* shows the distribution of various expenditure categories by function, object, and program. In 2000–01, budgeted expenditures totaled $26.9 billion or $6,638 per pupil.

■ EXPENDITURES BY FUNCTION

Among the broad purposes for expenditures, instruction accounted for over half (51.5 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.

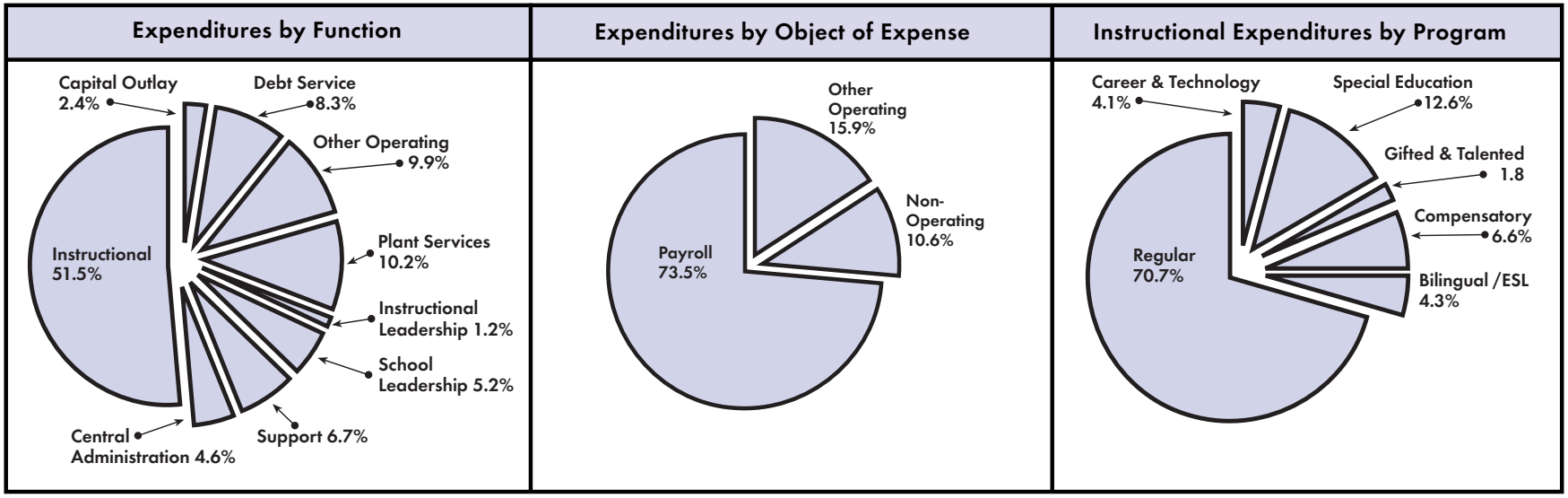
Other major expenditures by function are for supportive services such as administration (central, school and instructional leadership) 11.0 percent; plant services, 10.2 percent; and support, such as libraries and pupil services, 6.7 percent. See *Exhibit B* in the *Endnotes* for a description of the 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.

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 (51.5 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 57.8 percent.

Payroll, which includes salaries, wages, and employee benefits for school district employees, represents 73.5 percent of all school district expenditures. Other categories by object include professional and contracted services, 7.9 percent; supplies and materials, 6.3 percent; and other operating, 1.7 percent. Debt service and capital outlay, the two non-operating categories, make up the remaining 10.6 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 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 82.2 percent of all operating expenditures. Instruction (the largest function category) accounts for 57.8 percent of all operating expenditures.

■ EXPENDITURES BY PROGRAM

Instructional expenditures (a subset of operating expenditures) are categorized by program. In 2000–01, $13.9 billion was budgeted for instructional expenditures. The majority of these funds, 70.7 percent, are spent on the regular program. The remainder is spent for special education (12.6 percent), compensatory education (6.6 percent), career and technology education (4.1 percent), bilingual education/English as a second language programs (4.3 percent), and gifted and talented education (1.8 percent).

EXCLUSIONS

Some budgeted expenditure amounts are excluded from the figures in this publication 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 $618 million in 2000–01. 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, $4.9 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 2000–01, 83 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, $519.1 million was budgeted in this category in 2000–01. 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* and *Charter Detail* for each district or charter 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 $94.3 million in 2000–01.

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. Loss of the Special Revenues Funds (codes 200, 300 and 400) means that most federal funds do not appear in district submitted budgets; 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.