STATISTICAL HIGHLIGHTS

INTRODUCTION

Snapshot 2002: 2001–02 School District Profiles provides a detailed look at public education in the State of Texas for the 2001–02 school year. Reflecting the diversity and vastness of the state, school districts in Texas vary widely on almost all measured characteristics: size, wealth, student economic status, and academic achievement. *Snapshot 2002* 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. With the evolution of internet technology, *Snapshot* is available in both printed and web-based formats. Current plans call for future editions, beginning with *Snapshot 2003*, to be wholly web-based with website features that will be enhanced over time.

ORGANIZATION OF THIS BOOK

Snapshot 2002 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 180 charters operating in 2001–02 is also included. The 87 data items provide information on student demographics and performance, staff characteristics, and school district finances.

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 website at http://www.tea.state.tx.us/perfreport. School-level data are not included in *Snapshot*; however, instructions regarding how to obtain school-level information are provided on page iii of this publication, titled "For Additional Information."

Snapshot 2002 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 2001–02, the Texas Education Agency (TEA) collected a broad range of information on 1,220 districts/charters; 7,621 schools; almost 280,000 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. Grace Shore served as chair from January 2001 through January 1, 2003. The governor appointed Geraldine Miller as chair early in 2003 when six newly-elected members joined the board. A map showing 2001–02 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 program; 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 2001–02 the TEA employed 830 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	1,107,284	1,656	21.7%	268	4,632
Junior High School	225,813	395	5.2%	609	1,778
Middle School	673,876	1,065	14.0%	607	1,889
Elementary School	2,054,612	4,019	52.7%	501	1,550
Elementary & Secondary Combined (K–12)	85,068	486	6.4%	117	3,073
State of Texas	4,146,653	7,621	100.0%	469	4,632

The largest school in the state is a high school with 4,632 students. Half of the schools in the state have fewer than 469 students and half have more than this amount. Elementary schools make up 52.7 percent of all schools in Texas and account for 49.5 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 2001–02 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 180 charters in operation in the fall of the 2001–02 school year served 46,979 students at 241 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 early education through grade twelve in Texas public schools in 2001–02 were served in 7,621 schools. Over half of the schools in Texas—4,019 or 52.7 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* are districts created under general statutory authority that are eligible for state funding assistance under the FSP. These districts may also tax property within their geographic boundaries. Most districts fall into this category—1,034 in 2001–02. These districts consist of independent school districts, common school districts, and municipal school districts. They are governed by either an elected board of trustees, the commissioner's court, or the city council, respectively.

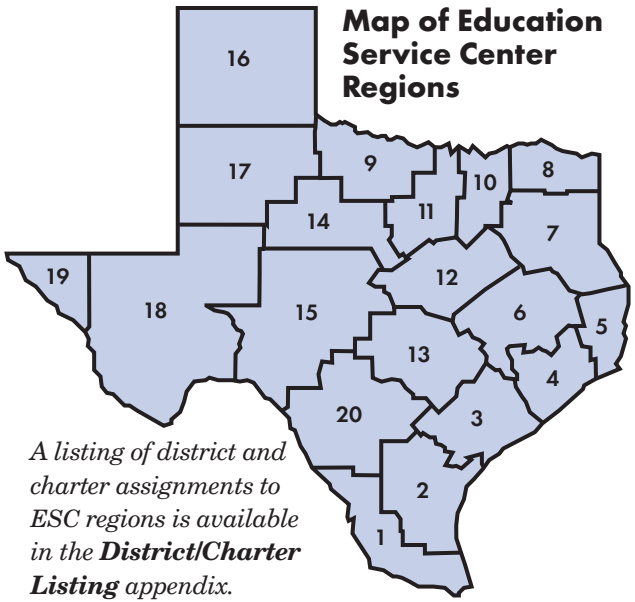
2) *Special Statutory Districts* are districts created by a special legislative act but not administered by a state government agency. These six districts have no taxable property and are almost wholly supported with state and federal money. They include the public schools associated with military bases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

3) *State-Administered Districts* are districts created by a legislative act that are both funded and administered by a state government agency. About half (15) of these 28 districts are administered by the Texas Youth Commission (TYC), while the remaining 13 are state hospitals.

4) *Open-Enrollment Charter Schools* are 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 180 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 2002 includes data for the 1,034 regular FSP districts, the six special statutory districts, and the 180 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 Public Education Information Management System (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 ESCs 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. 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 ESCs is available from the agency's Education Service Center Support Unit.

The various agencies 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	Region	Number of Districts	Number of Charters	Total
1 Edinburg	38	11	49	12 Waco	78	7	85
2 Corpus Christi	42	7	49	13 Austin	56	14	70
3 Victoria	40	0	40	14 Abilene	43	1	44
4 Houston	54	45	99	15 San Angelo	43	1	44
5 Beaumont	30	5	35	16 Amarillo	64	1	65
6 Huntsville	56	4	60	17 Lubbock	59	4	63
7 Kilgore	96	7	103	18 Midland	33	3	36
8 Mount Pleasant	48	1	49	19 El Paso	12	4	16
9 Wichita Falls	40	1	41	20 San Antonio	50	23	73
10 Richardson	81	30	111				
11 Fort Worth	77	11	88	Total	1,040	180	1,220

STUDENTS

DIVERSITY

The 4.1 million public school students in Texas are served in strikingly diverse school settings. For example, in 2001–02 only 20 students attended school in the San Vicente Independent School District located in far West Texas. In contrast, over 210,000 students received instruction at 297 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 25.5 percent of all Texas public school students, while the smallest districts (*i.e.*, districts with fewer than 500 students each) represent 41.1 percent of all districts but enroll only 2.8 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*.

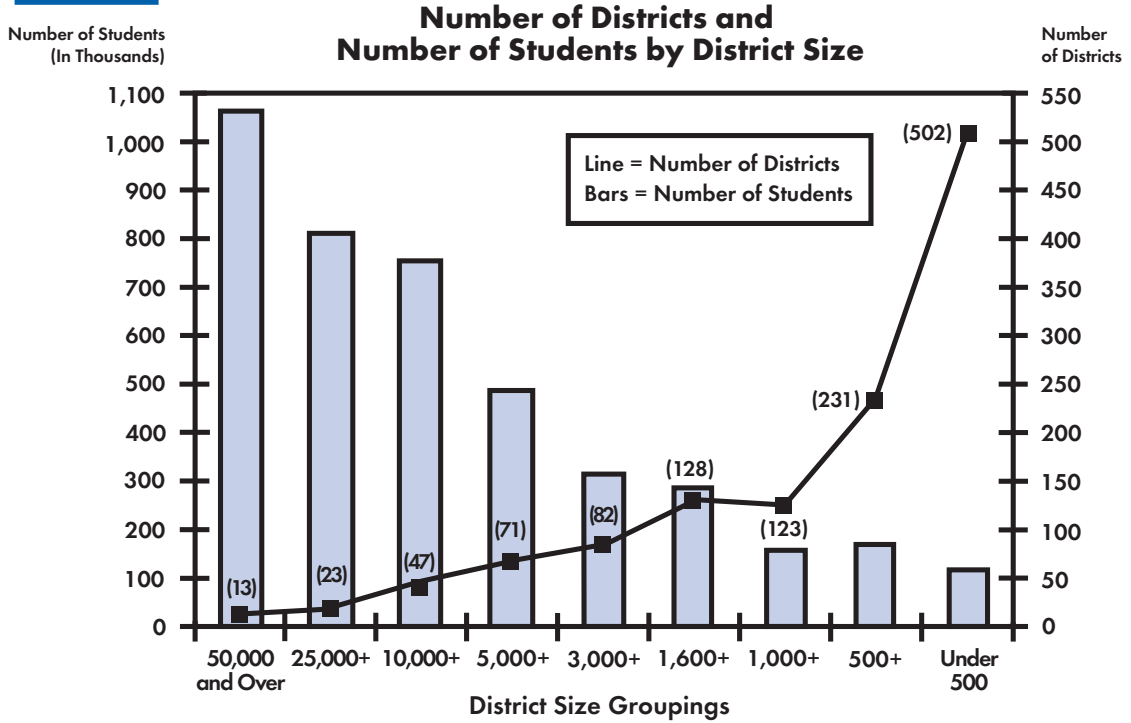
EXHIBIT 4

District Size at Selected Percentiles

Percentile	Number of Students	
100th (Largest)	210,670	Houston ISD
95th	17,101	
90th	7,424	
75th	2,660	
50th (Median)	911	
25th	357	
10th	163	
5th	115	
0 (Smallest)	20	San Vicente & Divide ISDs

Distribution excludes charters.

EXHIBIT 5



The 13 largest districts have a combined enrollment of over one million students while the 502 smallest districts serve fewer than 116,000 students. The largest districts are those with 50,000 or more students each; the smallest districts enroll fewer than 500 students each.

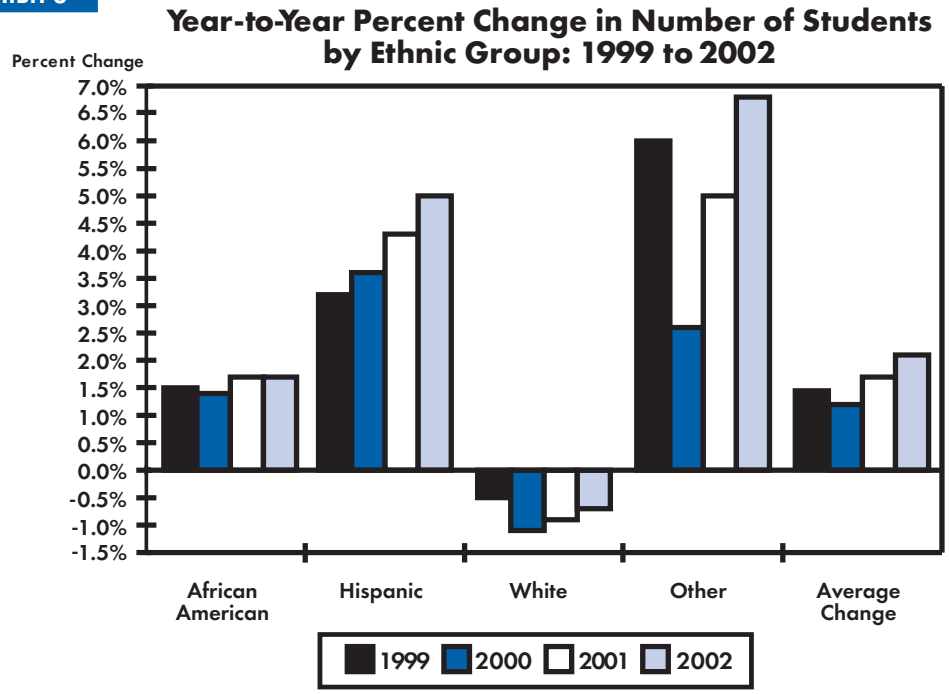
The ethnic distribution of students varies greatly across the state and depends in part on geography, size of the district, and type of community served. Statewide, 59.1 percent of all students are from minority ethnic groups. A minority student is defined as a member of the African American, Hispanic, Native American, or Asian/Pacific Islander ethnic groups. Districts in major urban areas serve an 83.3 percent minority student population while districts in rural areas serve a population that is only 34.0 percent minority.

By far the largest minority student group within the state is the Hispanic student population, which represents 41.7 percent of all students. The highest percentages of Hispanic students are found in the Edinburg education service center (ESC) region at the southernmost tip of the state (95.9 percent), and in the El Paso ESC region in far West Texas (86.5 percent). The largest percentage of African American students, 31.2 percent, is in the Beaumont ESC region east of Houston. The northeastern and north central parts of the state have the highest percentages of White students, with the greatest percentage, 72.7 percent, in the Wichita Falls ESC 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 1991–92 and 2001–02, public school enrollment increased by 19.8 percent; however, the number of economically disadvantaged students increased by 44.7 percent. In 2001–02, half (50.5 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." Generally, districts with lower property wealth have higher percentages of economically disadvantaged students.

EXHIBIT 6



The average change in enrollment from 2000–01 to 2001–02 was 2.1 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 81,551 between 2001–02 and 2000–01, compared to a decrease of almost 12,700 in the White student population.

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—25.7 percent compared with 17.1 percent in major urban districts. The highest percentages of students served in bilingual or English as a second language (ESL) programs are enrolled in the Edinburg and El Paso ESC regions, with 35.6 percent and 25.0 percent, respectively. These

figures are well above the state average of 13.1 percent for those programs. The largest districts also report above average percentages in bilingual or ESL programs.

The statewide percent of students participating in special education programs is 11.7 in 2001–02, a slight decline from the 11.9 percent participating in these programs last year. Districts identified slightly more students receiving some type of special education service, 485,010 compared with 483,442 in 2000–01. 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.

STUDENT POPULATION GROWTH

In 2001–02, public schools in Texas served 4,146,653 students in early education through grade 12. This total student count represents a 2.1 percent increase from the prior year, which is a greater rate of increase than the state experienced the prior three years. For 1998–99, 1999–2000, and 2000–01, the state's rate of student population growth was 1.4 percent, 1.2 percent, and 1.7 percent, respectively. The number of new charters in operation in Texas increased by 23 between the fall of 2000 and the fall of 2001. However, two existing charters closed, resulting in a net increase of 21, which brings the total to 180. The total membership in charters increased by 24 percent to 46,979 in 2001–02, and the average school size increased from 239 to 261 students per charter. Most charters operate only one school. Among the 180 charters, only 30 have more than one school site.

Of all students enrolled for the 2001–02 school year, approximately 86 percent were served the previous year in Texas public schools and the remaining 14 percent were newly enrolled students. This 14 percent includes students entering school for the first time (*e.g.*, prekindergarten 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 2001–02, nearly 56 percent of districts reported enrollment growth compared to 52.6 percent with increases in 2000–01. 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: 6.2 and 3.5 percent increases, respectively, compared to the state average of 2.1 percent. In contrast, rural districts as a group decreased 1.6 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 59.1 percent of the public school population, compared with 58.0 percent in 2000–01. Overall, growth in the minority student population was 4.2 percent, with the greatest increase, 6.8 percent, occurring in the Asian/Pacific Islander and Native American populations. However, these two populations, combined as "other" in this publication, account for only 3.1 percent of all students.

The number of African American students grew by 1.7 percent, representing a net increase of 9,934 students, which is greater than the increase of 9,526 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, 5.0 percent, exceeds last year's growth rate of 4.3 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 41.7 percent of all students, compared to 40.6 percent the prior year.

In contrast, the White population declined by 0.7 percent or by 12,692 students. The percentage of White students statewide has shown a consistent decrease, falling from 49.0 percent ten years ago to 40.9 percent this year. The 2001–02 school year is the first year that the White population is not the largest student group.

GROWTH BY GRADE

At the state level, each grade reported some growth for the 2001–02 school year. When populations for the same grades are compared between this year and last, grades 11 and prekindergarten demonstrated the highest rates of growth. Grade 11 grew 4.6 percent, contributing a gain of 11,536 students, and prekindergarten experienced a 10.7 percent rate of growth, with an increase of 14,113 students.

By far the largest numbers of students new to the Texas public schools are children entering prekindergarten and kindergarten. More than 312,000 students entered public schools at these two grade levels in 2001–02, representing 52.7 percent of all new students. Other than prekindergarten and kindergarten, grades 1 and 9 also have a large percentage of new students. Eleven percent of all 1st graders and 10.0 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, early education, prekindergarten, and kindergarten have higher percentages of minority students, 68.8 percent, than the total student population (59.1 percent). Statutory requirements for prekindergarten education stipulate that limited English-proficient (LEP) or economically disadvantaged pupils are among those who must be identified and served in prekindergarten. 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, 44.4 percent compared with 40.9 percent statewide, and slightly fewer Hispanic students, 38.2 percent compared with 41.7 percent statewide.

DROPOUTS

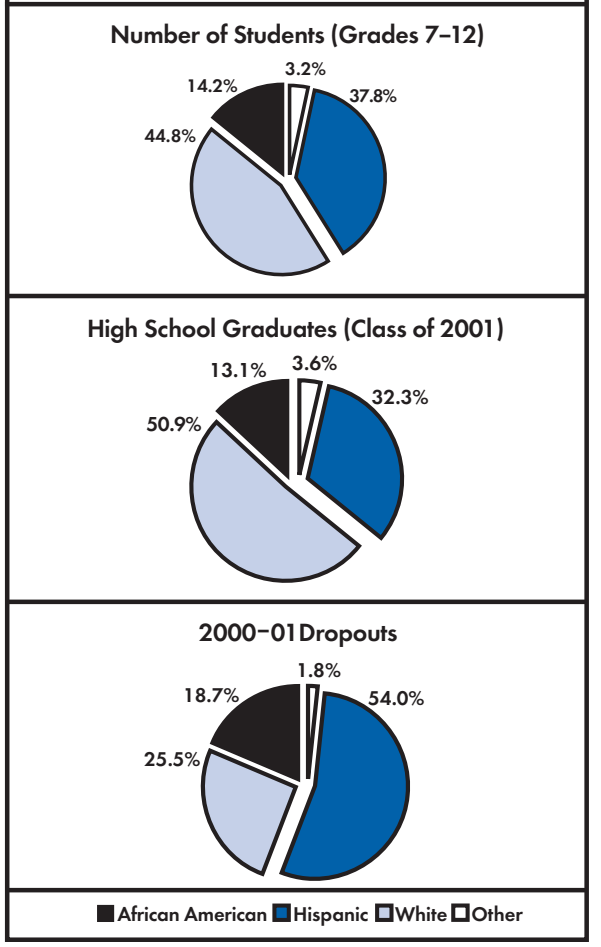
Data for students who drop out of Texas public schools are collected in the fall following the year the students left school. Thus, dropout data reported in the 2001–02 edition of *Snapshot* reflect students who dropped out either during the 2000–01 school year or during the summer of 2001. During that reporting period—August 2000 through October 2001—17,563 students in grades 7–12 were reported and counted as dropouts from Texas public schools. This is a decline of 5,894 dropouts from the 23,457 reported for the previous year. The annual dropout rate for 2000–01 is 1.0 percent, compared to 1.3 percent reported for the class of 2000. The dropout rates described and published in *Snapshot* are the rates used as a base indicator in the 2002 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. *Exhibit 7* shows that 72.7 percent of all dropouts are either Hispanic or African American. Overall, the percent of total dropouts who are minorities decreased slightly to 74.5 percent, compared with 75.1 percent for the class of 2000. Dropout rates for both Hispanic and African American students remain higher than the state average of 1.0 percent. The Hispanic and African American annual rates were 1.4 percent and 1.3 percent, respectively. The rate for Asian/Pacific Islanders and Native Americans combined was 0.5 percent, the same as the rate for White students.

The 12th grade dropout rate was highest, at 1.6 percent, followed by a rate of 1.4 percent for 11th graders. In terms of raw numbers, however, more

EXHIBIT 7

Student Populations by Ethnic Group



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

students dropped out in 9th grade—4,957 compared with 3,853 in 12th grade and 3,525 in 11th grade. The class of 2001 dropout rate reported for 10th graders was 1.2 percent, which represents 3,668 dropouts.

Approximately 37.2 percent of all dropouts are identified as economically disadvantaged, and 79.5 percent are overage for their grade. Consistent with data reported over the last ten years, more males than females dropped out during 2000–01 (55.4 percent versus 44.6 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 dropout rates exhibited in these areas.

In addition to the annual dropout rate, the Texas Education Agency (TEA) also computes a longitudinal dropout rate by using four years of Public Education Information Management System (PEIMS) data collected at the individual student level. For the class of 2001, a cohort of 9th grade students was tracked from 1997–98 through their expected graduation year of 2000–01. 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 2001 the actual longitudinal four-year dropout rate was 6.2 percent, compared to a rate of 7.2 percent for the class of 2000. Among the ethnic groups, Hispanic students demonstrate the highest longitudinal dropout rate, 9.6 percent, compared to a low of 3.1 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

2000–01 Dropouts by Grade Level for Selected Student Characteristics

Grade Level	Total Dropouts	Male	Female	Special Education	Economically Disadvantaged	Not on Grade
7th	535	252	283	78	291	310
8th	1,025	491	534	146	514	649
9th	4,957	2,751	2,206	792	1,973	4,493
10th	3,668	2,083	1,585	733	1,406	3,259
11th	3,525	2,000	1,525	636	1,156	2,923
12th	3,853	2,157	1,696	557	1,194	2,332
Total	17,563	9,734	7,829	2,942	6,534	13,966

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. Nearly 80 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 2000–01 school year, 215,316 students graduated as the class of 2001 from Texas public schools. This count is an increase of 1.1 percent over the class of 2000 graduates. Of the class of 2001 graduates, 20,822, or 9.7 percent, were identified as special education students. Statewide, White students accounted for 50.9 percent of all graduates; Hispanic students, 32.3 percent; African American students, 13.1 percent; and Asian/Pacific Islander and Native American students the remaining 3.6 percent. See *Exhibit 7* for a comparison of the ethnic group percentages for the 7th–12th grade student population, graduates, and dropouts.

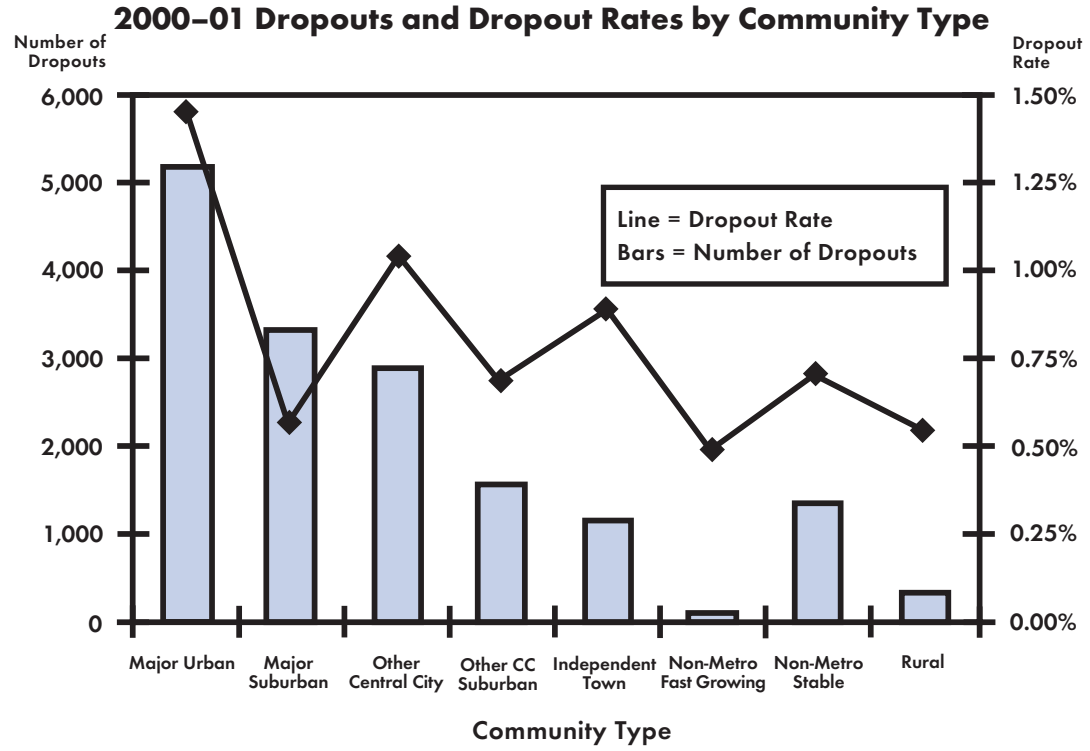
Students in Texas public schools who exceed the minimum graduation requirements may graduate

with a Recommended High School Program (RHSP) or Distinguished Achievement Program (DAP) diploma. The requirements for each type of diploma are defined by the State Board of Education (SBOE). The class of 1998 was the first graduating class for which the RHSP/DAP requirements were in place since their 9th grade year. As of the class of 2001, the older Advanced and Advanced with Honors diploma types were retired. For the same graduating class, more than 110,000 students completed the RHSP or DAP, an increase of almost 28,000 students over the number who graduated under these programs from the class of 2000.

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 Rate." For the class of 2001, the percent graduated tracks the cohort of students who were first enrolled as 9th graders in 1997–98 through their expected graduation year of 2000–01. Students who graduate at any time during this span are included as graduates. For this class, 81.1 percent graduated, compared with 80.7 percent for the class of 2000.

The Completion Rate/Student Status Rate shows that additional students in the cohort either complete a General Educational Development (GED) program or continue in public school. For the class of 2001 cohort, 4.8 percent received their GED certificate and an additional 7.9 percent continued their education by enrolling in a Texas public school in 2001–02. For more information about completion and dropout measures see the TEA publication, *Secondary School Completion and Dropouts in Texas Public Schools: 2000–01*.

EXHIBIT 9



The number of public school dropouts reported in 2000–01 is 5,894 students less than the number reported the previous year. The state annual dropout rate for 2000–01 is 1.0 percent, a decline from the 1.3 percent reported for 1999–2000.

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 (SBOE). Begun in 1990–91, the TAAS emphasizes the assessment of academic skills and focuses on students' higher order thinking and problem-solving abilities. 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. The 2001–02 school year is the last year of statewide testing using the TAAS. Beginning in spring 2003, the Texas Assessment of Knowledge and Skills (TAKS) will replace the TAAS as the state-administered, criterion-referenced testing program.

Since 1993–94, 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 U.S. History. Begun in 1998, a Spanish version of TAAS is given in grades 3 through 6.

EXHIBIT 10

Percent Passing TAAS by Grade and Subject
Spring 2002 Accountability Results

Grade	Number of Students Tested	Pct. Passing All Tests Taken	Pct. Passing Mathematics	Pct. Passing Reading	Pct. Passing Writing
3rd	253,322	82.3%	87.4%	88.0%	n/a
3rd Spanish	22,487	73.9%	87.3%	76.8%	n/a
4th	263,851	84.7%	94.1%	92.5%	89.8%
4th Spanish	13,547	69.1%	92.2%	73.2%	85.1%
5th	264,744	91.3%	96.2%	92.7%	n/a
5th Spanish	5,792	77.9%	91.3%	79.5%	n/a
6th	268,484	86.0%	93.8%	88.2%	n/a
6th Spanish	1,260	59.2%	72.6%	65.0%	n/a
7th	265,186	87.6%	92.2%	91.3%	n/a
8th	265,671	81.5%	92.9%	94.3%	85.3%
10th	239,391	85.7%	92.2%	94.5%	91.3%
All Grades	1,866,733	85.3%	92.7%	91.3%	88.7%

In the spring of 2002, approximately 2.1 million students in grades 3–8 and 10 (exit-level) were tested—the results for over 1.8 million were included in the 2002 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) 2,998 students who met the testing requirement for graduation by passing end-of-course examinations before 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.

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. Reading, writing, and mathematics are included when the percent passing all tests taken is reported at grades 4, 8, and 10. Only reading and mathematics are included when the percent passing all tests taken is reported at grades 3, 5, 6, and 7. Note that for grade 8, science and social studies results are excluded from the "all tests taken" calculations reported here.

The TAAS results in *Snapshot* are those used in the 2002 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 2002 data tables for accountability, the 2001–02 Academic Excellence Indicator System (AEIS), the 2001–02 School Report Cards, and *Pocket Edition: 2001–02 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, 2001–02*, or visit the Texas Education Agency's website 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 2002 in grades 3–8, and 10 are included in the accountability results. Reading and mathematics tests were given at all these grades. Over 750,000 students took the writing test statewide in grades

EXHIBIT 11

Percent Passing TAAS by Subject and Student Group
Comparison of 2001 and 2002 Accountability Results

		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Math	Spr. 2002	92.7%	86.5%	90.1%	96.5%	97.3%	88.9%
	Spr. 2001	90.2%	81.9%	86.9%	95.1%	96.2%	85.3%
Reading	Spr. 2002	91.3%	86.7%	86.9%	96.3%	95.9%	86.0%
	Spr. 2001	88.9%	82.5%	83.5%	95.1%	94.2%	82.3%
Writing	Spr. 2002	88.7%	84.5%	83.7%	93.9%	93.7%	82.7%
	Spr. 2001	87.9%	82.9%	83.0%	92.9%	92.6%	81.8%
All Tests	Spr. 2002	85.3%	77.2%	79.7%	92.5%	93.0%	78.2%
	Spr. 2001	82.1%	71.6%	75.5%	90.3%	90.8%	73.6%

For the eighth consecutive year, the greatest gains in performance over the prior year occurred in mathematics. Among the student groups, African American students improved the most in every subject and for all tests taken. Results shown are those used in the 2002 accountability system as described in the caption for ***Exhibit 10****.*

EXHIBIT 12

Percent Passing TAAS Science and Social Studies Comparison of 2001 and 2002

Grade 8 Only		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Science	Spr. 2002	93.0%	86.9%	89.3%	97.4%	96.8%	88.3%
	Spr. 2001	91.8%	84.3%	87.0%	97.5%	96.6%	85.9%
Soc. Studies	Spr. 2002	83.7%	77.2%	76.3%	91.0%	93.2%	75.2%
	Spr. 2001	77.0%	65.3%	65.2%	88.9%	89.7%	63.7%

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 was included as part of the statewide accountability rating system. Spring 2002 social studies performance improved 6.7 percentage points over the previous passing rate of 77.0 percent.

4, 8, and 10. Science and social studies tests were administered to over 257,000 students in grade 8. During 2001–02, end-of-course examinations were administered to over 274,000 Biology students in grades 9–12 and to over 301,000 Algebra I students in grades 7–12. In grades 9–12, over 249,000 students took the English II end-of-course examination, and over 186,000 high school students took the U.S. History end-of-course examination.

Exhibit 10, on page 11, shows spring 2002 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 (72.6) and reading (65.0) in grade 6, and writing (85.1) in grade 4. However, these pass rates are improved over the Spanish version results for 2001: 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 (96.2), grade 10 reading (94.5), and grade 10 writing (91.3). *Exhibit 11*, on the previous page, shows that in all grades tested, 85.3 percent of all students passed all tests taken in 2002. This is an improvement of 3.2 percentage points over the spring of 2001 when 82.1 percent of the students passed all tests taken. Note that this comparison of results includes, as passers, the 2,998 students in 2002 and the 2,979 students in 2001 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*, on the previous page, all student groups show performance gains in all subjects. For the eighth consecutive year, the greatest gains in performance occurred in mathematics. *Exhibit 11* shows that performance in mathematics improved from 90.2 percent passing in 2001 to 92.7 percent passing in 2002. For the third consecutive year the greatest gains in mathematics, 4.6 percentage points, were made by African American students who improved from 81.9 percent passing in 2001 to 86.5 percent passing in 2002. Reading overall increased 2.4 points, from 88.9 percent passing in 2001 to 91.3 percent in 2002. African American students demonstrated the greatest gains in reading, moving from 82.5 percent passing in 2001 to 86.7 percent passing in 2001, a gain of 4.2 percentage points. Writing results increased slightly from 87.9 percent in 2001 to 88.7 percent in 2002. Again, African American students made the greatest gains among the students groups, up 1.6 percentage points to 84.5 percent in 2002 from 82.9 percent in 2001.

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 274,000 students (14.7 percent) required remediation after the 2002 TAAS administrations, compared

to 17.9 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 alternative to the 10th grade exit-level test, students may meet their testing requirement for graduation by passing the end-of-course examinations for both Algebra I and English II, plus either U.S. History or Biology. Since 1997 local school districts in Texas have had the option to offer certificates of completion for students failing to meet the testing requirement if they have met all other graduation requirements.

Among sophomores taking the March 2002 TAAS exit-level test, over 34,000 (14.3 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 2004.

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 2002 are based on the percent of students who first took the exit-level test in the spring of 2000 and finished testing in the same school district by May 2002. Statewide results indicate that 13,167 students expected to graduate with the class of 2002 did not pass one or more sections of the exit-level TAAS test. This represents a cumulative passing rate of 94.4 percent for the class of 2002; an improvement over the cumulative passing rate of 93.1 percent for the class of 2001.

As shown in *Exhibit 12*, on the previous page, statewide results for 2002 show that 93.0 percent of 8th grade students passed the science assessment and 83.7 percent passed social studies. These are improvements over statewide results for 2001, where 91.8 percent of 8th graders passed science and 77.0 percent passed social studies. In social studies, economically disadvantaged (75.2 percent), Hispanic (76.3 percent), and African American (77.2 percent) students have passing rates significantly lower than White (91.0 percent) students. The percent of students passing the grade 8 social studies assessment was included as part of the statewide accountability rating system for the first time in 2002.

EXHIBIT 13

Percent Passing End-of-Course Examinations
Comparison of 2001 and 2002

		All Students	African American	Hispanic	White	Other	Economically Disadvantaged
Algebra I	Spr. 2002	57.8%	42.2%	46.5%	71.5%	79.5%	45.1%
	Spr. 2001	49.2%	31.3%	37.5%	63.1%	72.2%	36.0%
Biology	Spr. 2002	79.8%	68.3%	69.0%	91.3%	86.8%	67.5%
	Spr. 2001	79.9%	68.1%	67.9%	92.0%	86.8%	66.8%
English II	Spr. 2002	69.0%	58.4%	60.9%	77.2%	80.5%	58.3%
	Spr. 2001	75.1%	65.0%	68.2%	82.1%	84.3%	65.4%
U.S. History	Spr. 2002	73.9%	61.7%	62.4%	84.4%	82.2%	58.8%
	Spr. 2001	74.3%	60.3%	63.1%	85.2%	82.2%	59.2%

End-of-course assessments are administered to students upon completion of Algebra I, Biology, English II, and U.S. History. Although improved over the prior year, performance across all student groups remains lowest for Algebra I. Overall, performance for the other three subjects declined between 2001 and 2002.

Two years of statewide results for end-of-course examinations are shown in *Exhibit 13*, on the previous page. As shown in this exhibit, the lowest percent passing among the subjects was for Algebra I. Although the passing rate improved from 49.2 percent in 2001 to 57.8 percent in 2002, the results indicate that 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

EXHIBIT 14

2002 Accountability Ratings
October 2002

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	149	14.3%	165,051	Exemplary	1,921	27.1%	1,033,876
Recognized	426	41.0%	1,704,719	Recognized	2,400	33.8%	1,569,879
Academically Acceptable	449	43.2%	2,217,944	Acceptable	2,067	29.1%	1,357,520
Academically Unacceptable	16	1.5%	11,960	Low-Performing	150	2.1%	78,549
				Not Rated			
				Kindergarten & Earlier	143	2.0%	40,386
				New Charter	16	0.2%	1,858
				Charter (Insufficient Data)	7	0.1%	299
				Data Quality	2	0.0%	1,436
				Alternative Education			
				Commended	7	0.1%	778
				Acceptable	270	3.8%	33,637
				Needs Peer Review	59	0.8%	10,221
				Not Rated	51	0.7%	719
Total	1,040	100.0%	4,099,674	**Total**	7,093	100.0%	4,129,158
Charters	180	n/a	46,979	Not Applicable*	528	n/a	17,495
Total Districts/Charters	1,220	100.0%	4,146,653	**Total Schools**	7,621	100.0%	4,146,653

*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 prekindergarten, kindergarten, or early education centers; first year charter schools; schools with insufficient data to evaluate; or schools with data quality concerns. 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.*

created and administered to 11th graders beginning in 2003. In order to graduate, students in the classes of 2005 and beyond will be required to pass state assessments in four subject areas: mathematics, English language arts, social studies, and science. The statute specifies that the assessments are to test content in Algebra I, Geometry, English II, 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*, on page 14, the 2002 end-of-course results indicate that many students in Texas are not currently prepared to meet the more rigorous exit-level requirement. Although the percent passing in 2002 was higher in Biology, English II and U.S. History compared to Algebra I, performance in all three of these subject areas declined from 2001 to 2002. 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, 2001–02*. 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 website at http://www.tea.state.tx.us/perfreport.

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 2002, the indicators are performance on the reading, writing, mathe-

EXHIBIT 15

State Performance on Accountability Indicators: 1994, 2001, and 2002

Indicator	1994	2001	2002	Change 1994–2002
TAAS Results (All Grades Tested)				
Mathematics				
All Students	60.5%	90.2%	92.7%	+32.2%
African American	38.1%	81.9%	86.5%	+48.4%
Hispanic	47.1%	86.9%	90.1%	+43.0%
White	73.3%	95.1%	96.5%	+23.2%
Economically Disadvantaged	45.0%	85.3%	88.9%	+43.9%
Reading				
All Students	76.5%	88.9%	91.3%	+14.8%
African American	60.2%	82.5%	86.7%	+26.5%
Hispanic	64.9%	83.5%	86.9%	+22.0%
White	87.2%	95.1%	96.3%	+9.1%
Economically Disadvantaged	62.9%	82.3%	86.0%	+23.1%
Writing				
All Students	79.0%	87.9%	88.7%	+9.7%
African American	65.8%	82.9%	84.5%	+18.7%
Hispanic	69.6%	83.0%	83.7%	+14.1%
White	87.6%	92.9%	93.9%	+6.3%
Economically Disadvantaged	67.7%	81.8%	82.7%	+15.0%
Social Studies				
All Students	n/a	77.0%	83.7%	n/a
Annual Dropout Rate (Grades 7–12)				
All Students	2.8%	1.3%	1.0%	-1.8%
African American	3.6%	1.8%	1.3%	-2.3%
Hispanic	4.2%	1.9%	1.4%	-2.8%
White	1.7%	0.7%	0.5%	-1.2%
Economically Disadvantaged	2.9%	1.3%	1.0%	-1.9%
Attendance Rate (Grades 1–12)				
All Students	94.9%	95.6%	95.5%	+0.6%

The percent of students passing TAAS increased significantly and the annual dropout rate improved between 1994 and 2002. Since 1994 the set of students included in the accountability evaluations has expanded. Results shown are those used for accountability in a given year. Attendance rate, a base indicator from 1994 through 2000, is now a measure evaluated for Gold Performance Acknowledgment. No social studies results are available for 1994 as that was a benchmark year for that subject.

matics and social studies 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. Because 2002 was the first year for inclusion of social studies results in the accountability ratings evaluations, only results for all students, not student groups, were included for this subject in this year.

In 2002, 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 2002, 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 Gold Performance Acknowledgment (GPA). These measures, which do not affect the rating for a school or district, are: attendance rates; comparable improvement for mathematics and reading; Algebra I end-of-course examination results; advanced academic course completion; Advanced Placement (AP) and International Baccalaureate (IB) examination participation and performance; college admissions test participation and performance; the percent of students meeting the TAAS/TASP equivalency; and the percent of students graduating under the SBOE's Recommended High School Program (RHSP). See *Endnotes* for brief descriptions of these measures that are not described elsewhere.

Specific details regarding how accountability ratings and GPA are calculated are contained in the *2002 Accountability Manual: The 2002 Accountability Rating System for Texas Public Schools and School Districts*, which is accessible through the agency's website. State-level rewards and sanctions are linked to these rating categories.

In 2002, for the second consecutive year, 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 portions of the TAAS, all students passing social studies, and dropout rates for all students and all student groups falling below 2.5 percent.

The distributions of district and school ratings for 2002 are shown in *Exhibit 14*, on page 15. Over half (55.3 percent) of the districts achieved either *Exemplary* or *Recognized* status, the categories with the highest performance standards. The remainder was rated *Academically Acceptable* (43.2 percent) or *Academically Unacceptable* (1.5 percent, or 16 districts). In October 2002, after all ratings appeals were resolved, no districts were rated *Academically Unacceptable: SAI or Suspended: Data Inquiry*. District and campus accountability ratings can change after October as a result of data quality investigations.

In 2002, there were 1,921 schools rated *Exemplary*. This is an increase of 350 schools over the number rated *Exemplary* in 2001. The number of *Low-Performing* schools increased from 100 in 2001 to 150 in 2002. Of the 150 schools rated *Low-Performing*, 130 received this rating due to poor performance on TAAS (8 on mathematics, 7 on reading, 62 on writing, 22 on social studies, and 31 on a combination of subjects); 17 received the rating due to a high dropout rate; and the remaining three received the rating due to a combination of a high dropout rate and poor performance on TAAS. Increases in the rigor of the 2002 accountability system to be rated *Acceptable* include the following: the standard was moved from 5.5 to 5.0 percent for dropout rates; and from 50.0 percent of students passing to 55.0 percent passing for reading, writing, and mathematics. Social studies results were included at the all students level at the following standards: 90% of students passing for a rating of *Exemplary*, 80% passing for a rating of *Recognized*, and 50% passing for a rating of *Acceptable*.

Exhibit 15, on the previous page, shows changes in performance on the accountability indicators between 1994 and 2002. Over the past nine 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 math-

ematics 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.

COLLEGE READINESS

In Texas, 62.9 percent of public high school graduates in the class of 2001 participated in college admissions testing, a very slight increase from the 62.2 percent participating for the class of 2000. The number of students participating in college admissions testing increased to over 122,000 for the class of 2001, compared to nearly 120,000 for the class of 2000. 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 45 percent of all graduates took the SAT I, and 38 percent took the ACT. In Texas, 53 percent of all graduates took the SAT I, and 33 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.

EXHIBIT 16

Class of 2001 SAT I and ACT Scores for Texas and the Nation

	Texas Public School Graduates	All Texas Graduates	All U.S. Graduates
SAT I			
Verbal	490	493	506
Mathematics	498	499	514
Total	987	992	1020
ACT			
English	19.4	19.6	20.5
Mathematics	20.2	20.2	20.7
Reading	20.3	20.5	21.3
Science Reasoning	20.3	20.3	21.0
Composite	20.2	20.3	21.0

The average SAT I score for all Texas graduates decreased slightly from 993 to 992 in 2001 while the national average increased from 1019 to 1020. The ACT Composite scores held steady for all U.S. and all Texas graduates between 2000 and 2001, but decreased slightly for Texas public school graduates from 20.3 in 2000 to 20.2 in 2001.

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 40 percent, with 70,150 graduates tested in 1990 compared to 98,336 tested in 2001. The increase in the number taking the ACT during the same time period is 30 percent (46,564 in 1990 compared to 60,536 in 2001).

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

Beginning with the class of 1996, SAT I scores have been reported on a recentered scale by the College Board. SAT scores reported in editions of

Snapshot prior to 1996–97, because they are based on the original scale, cannot be directly compared to recentered scores reported for the class of 1996 and beyond.

Exhibit 16 shows the average SAT I and ACT scores for all graduates for Texas and the nation. In addition, the averages for just the public school graduates in Texas are shown. Performance of Texas public school graduates decreased slightly on both the SAT I (from 990 to 987) and the ACT (from 20.3 to 20.2) from the prior year.

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 26.9 percent for the class of 2001, down slightly from 27.3 percent for the class of 2000.

The percent of students completing the SBOE RHSP 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, 51.1 percent of the class of 2001 was reported as having completed the RHSP or the more rigorous Distinguished Achievement Program (DAP). This is a large increase over the percent reported for the class of 2000 (38.6 percent). Across the student groups, the percent completing these programs ranged from 39.6 for African American, to 45.3 for economically disadvantaged, 46.7 for Native American, 49.3 for Hispanic, 54.2 for White, and 67.6 percent for Asian/Pacific Islander students.

Current plans call for the RHSP 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.

Overall, Texas student participation in the AP program shows robust growth over the past 15 years (1987–2001) in the number of schools and districts participating in the program, number of students tested, number of examinations taken, and number of AP, IB, and other advanced courses completed by public school students. AP performance results are mixed. In 2001, the highest number of examinees to date earned scores in the 3–5 range, but the decline in percentage of examinees earning high scores, which began in 1996, continued. As educators and students in schools with new or expanding AP programs gain more experience with AP courses and examinations, recovery in examination performance is expected.

While the number of Texas public schools and districts participating in the IB program remained virtually constant from 1995 to 2001, the number of examinees and examinations in 2001 represents increases of 109 percent and 130 percent, respectively. Similarly, the number of Texas IB scores in the 4–7 range showed a 153 percent increase from 1995 to 2001.

Texas public school graduates are better prepared than ever before to enter college as evidenced by the greater percentages taking college-level course work and college admissions tests while in high school, and by the greater percentages successfully completing more rigorous graduation requirements.

DISTRICT STAFF

STAFF COUNTS

TEACHERS

Teachers represent the largest single category of employees of public school districts, accounting for 80.0 percent of the professional staff and 50.5 percent of the total staff. See *Exhibit 17*. Since 2000–01, teacher full-time equivalent (FTE) counts increased by 2.8 percent, compared to a student enrollment increase of 2.1 percent. Student growth rates vary across districts and grades, requiring districts at times to hire additional teachers for less than full classrooms. On average, a new teacher FTE is added for every 11.2 new students.

Rates of teacher increases vary with the size of the district. Districts in all size categories, except the 118 districts with enrollment between 5,000 and 25,000, hired teachers at a rate greater than their respective average enrollment growth rates, thereby reducing their average student/teacher ratios. Districts with enrollment between 5,000 and 10,000 hired new teachers at the lowest rate, one new teacher for every 18.6 new students.

EXHIBIT 17

Staff by Category

Category	Number of Staff (Full-time Equivalents)	Percent of Total Staff	Average Salary (Regular Duties Only)	Average Salary (Including Supplements)
Teachers	282,583	50.5%	$39,232	$40,049
School Administrators	15,234	2.7%	$58,561	$58,898
Central Administrators	5,756	1.0%	$69,849	$70,305
Professional Support	49,904	8.9%	$41,959	$42,270
Total Professionals	353,477	63.1%	$40,949	$41,668
Educational Aides	57,941	10.3%	$14,470	$14,569
Auxiliary Staff	148,645	26.5%	$17,415	$17,415
Total Staff	560,063	100.0%	$31,963	$32,427

*The average salary for teachers (including supplements) is 2.3 percent greater in 2001–02 than it was in 2000–01. Supplements are amounts paid in addition to an employee's regular duties and include payments for coaching, club sponsorships, and band or orchestra assignments. See **Exhibit D** in the **Endnotes** for a list of positions assigned to each of these categories. Totals may not sum due to rounding.*

SUPPORT AND ADMINISTRATIVE STAFF

Two factors complicate the comparison of this year's staff figures to those of previous years. In 2001–02, three additional staff roles were consolidated under school or central administration; teacher supervisor, vocational education coordinator, and registrar. Previous to this year, these roles had been grouped under the professional staff support category. Additionally, one independent school district experienced data reporting errors that resulted in overreporting of professional support staff and underreporting of auxiliary staff. This problem was significant enough (approximately 7,800 FTEs) to affect state statistics in the professional support and auxiliary staff categories for both counts and salaries.

A review of the combined categories of administrators and professional support staff shows an increase of 17.2 percent between 2000–01 and 2001–02, a significantly higher rate than the 2.8 percent rate of growth demonstrated in the teacher population. School administrative staff grew by 9.5 percent and central office administrative staff increased by 28.2 percent. Professional support staff increased by 18.6 percent. The factors, previously described, that influenced the counts in these categories should be taken into consideration when making longitudinal comparisons of these data.

PARAPROFESSIONAL STAFF

The number of educational aides increased by 4.5 percent this year. In 2001–02, aides employed at middle schools increased by 6.4 percent over the previous year. Schools with both elementary and secondary grades experienced the lowest growth rate, 0.5 percent. Historical analyses show that only a small portion of the staff employed as educational aides will advance to teaching positions. In 2001–02, only 676 teachers (less than 0.3 percent of the total teaching staff) had been employed as aides sometime between 1998 and 2001.

Auxiliary staff, the second largest category at 26.5 percent of all staff, decreased by 1.3 percent this year. Auxiliary staff includes secretaries, bus drivers, custodial staff, and food service workers. The largest increase occurred in the smallest districts, while in the districts with enrollment between 10,000 and 25,000 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 39.2 percent of all staff employed in Texas public schools. This can be disaggregated to 26.2 percent Hispanic, 11.9 percent African American, and 1.1 percent Asian/Pacific Islander and Native American. Among teachers, 27.5 percent are minorities, an increase from the 26.8 percent minority reported for the previous academic year. Given that ethnic minorities account for 59.1 percent of the student population, ethnic minority recruitment into education careers merits continued emphasis.

TEACHER EXPERIENCE

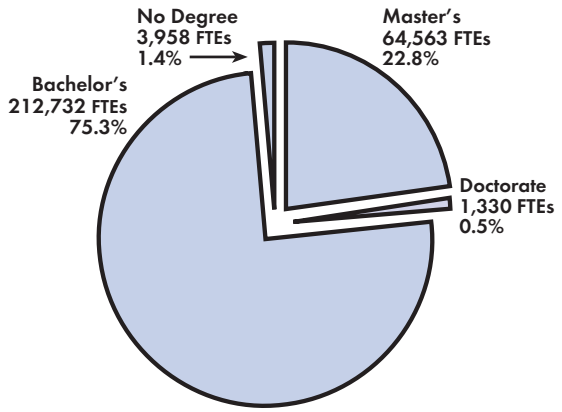
Teachers employed in Texas in 2001–02 averaged 11.9 years of total experience. Over 21 percent of all teachers have more than 20 years experience and almost 46 percent have between one and ten years of experience. In 2001–02, new teachers accounted for 7.8 percent of the total, the same as the previous year. Teachers at high schools continue to be more experienced—12.9 years on average—compared to elementary school teachers with an average of 11.5 years of experience. The lowest average years of teacher experience exists in junior high schools—11.1 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 18 percent or higher compared to the state average of 15.7 percent. This turnover rate declines consistently with increases in years of experience 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 283,000 practicing educators across the state and is responsible for all functions related to the preparation, assessment, certification, continuing education, and investigation and sanctioning of education professionals.

EXHIBIT 18

Highest Degree Held for Teachers



Most Texas teachers, 75.3 percent, hold a bachelor's degree. Fewer and fewer of the staff employed as teachers have graduate level degrees—23.3 percent in 2001–02, compared with 32.1 percent with this level of education twelve years ago.

EDUCATION

As shown in *Exhibit 18*, the highest degree obtained by the majority of teachers in Texas (75.3

percent) is a bachelor's degree. An additional 23.3 percent have earned master's or doctoral degrees. Compared with the prior year, the percent of teachers with advanced degrees decreased in each district size category, with the largest decrease occurring in the 71 districts with enrollment between 5,000 and 10,000 students, a 1.0 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 23.3 percent, with a 0.6 percentage point decline occurring between 2000–01 and 2001–02. Larger districts continue to employ a larger proportion of teachers with advanced degrees; the gap between large and small districts increased slightly again this year. Of the teachers with advanced degrees, 57.1 percent are employed in the 84 urban and major suburban districts; 42.9 percent work in the 1,136 remaining school districts.

The more experienced the teacher, the more likely the teacher has earned an advanced degree. Indeed, 72.5 percent of the teachers with advanced degrees have more than 10 years of experience, whereas only 27.5 percent of teachers with advanced degrees have 10 years of experience or less.

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. Almost all permits, except 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 5.3 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 2001–02, average teacher salaries (for regular duties) increased by 2.3 percent to $39,232. Total average teacher salaries, including reported supplements, climbed to $40,049, a 2.4 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 2001–02, 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 *2002 Digest of Education Statistics*, Texas average teacher salaries ranked 26th among the states in 2000–01, up from 29th the prior year. The average salary for Texas teachers was 11.5 percent below the national average of $44,102. 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 2000–01 Texas ranked 26th in teacher salaries, but rose to 20th when cost-of-living was considered.

As reported in the *2002 Digest of Education Statistics*, the pupil-teacher ratio in Texas remains lower than the national average—14.8 compared with 16.0 nationally in 2000–01. 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 25 states with salaries higher than those in Texas, 17 (68 percent) also had higher pupil-teacher ratios in 2000–01.

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 2001–02, teacher salaries in urban districts were 16.4 percent higher than in rural districts. Major urban districts also had the largest increase in average teacher salaries between 2000–01 and 2001–02; rural districts had the smallest.

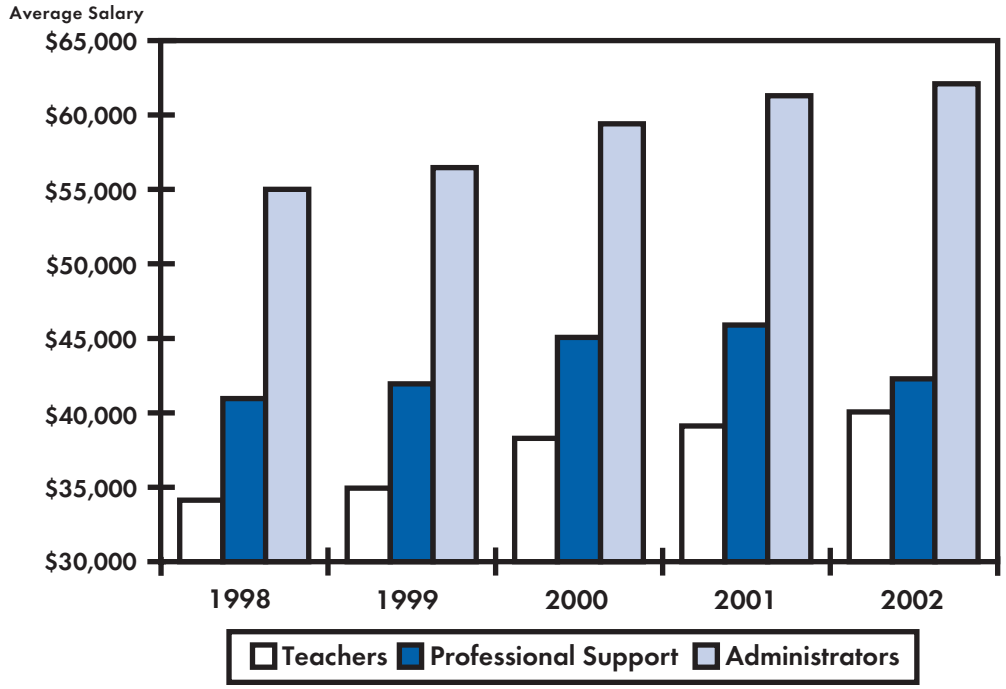
OTHER STAFF SALARIES

Central office administrator salaries decreased 0.1 percent in 2001–02, while school administrator salaries increased by 0.8 percent, and professional support staff salaries decreased by 7.9 percent. Including supplements, central office administrators earn an average of $70,305, school administrators earn $58,898, and professional support staff earn $42,270.

Overall, the combined regular duty salaries for all categories of professional staff (teachers, professional support, and administrators) increased by 1.1 percent, to $40,949, from the 2000–01 school year. Total salaries, including reported supplements, climbed to $41,668, a 1.2 percent increase. *Exhibit 19* depicts trends in professional salaries by category of staff since 1997–98.

EXHIBIT 19

Trends in Professional Salaries: 1998 to 2002



Between 1997–98 and 2001–02 the average teacher salary in Texas rose over 17 percent from $34,133, to $40,049. All salaries in this exhibit include pay for supplemental duties.

FINANCES

Funding for public education in Texas comes from three major sources: state, local, and federal. State funding is based on legislative appropriations determined through a finance system defined in statute. Local funding is derived from taxes on the property values within the school district's boundaries. Congress appropriates federal funds for public education, 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. The FSP determines the unique cost of education for each district. Financing these costs is shared between the state and the local district.

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 2001–02, though slightly modified by subsequent legislation, is primarily based on the provisions contained in this statute.

A two-tiered system of formulas determines how most state funds are distributed. The two basic components are tier 1 state aid and the guaranteed yield program, known as tier 2. In addition, there are two programs designed to assist districts with making debt service payments. 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 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 2001–02, as in both 1999–2000 and 2000–01, 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 and 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 is, the greater the proportion of the cost that will be the district's responsibility. Conversely, the poorer the district is, 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 $258,100 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 $25.81 per penny, per weighted student. This is an increase over the $24.70 guaranteed in both 2000–01 and 1999–2000.

The number of pennies for which the state guarantees the $25.81 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 $25.81 multiplied by 14 (the difference between $1.00 and $0.86), or $361 per weighted student.

For the 2001–02 school year, the tax effort each district demonstrated in 2000–2001 was used to determine this limit. The maximum guaranteed yield amount for 2001–02 was $1,652 per weighted student, which is based on the maximum tax effort allowed above the first tier requirement (the additional 64 cents multiplied by the $25.81 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 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 1997–98 or later. 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 ADA), 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 $839.8 million, which includes $253 million provided in 2001–02.

An additional debt service equalization program was created in 1999–2000 to assist districts with payment of existing debt. The 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 29 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. Since 1999–2000, state assistance for the EDA program has totaled $1.46 billion, which includes $536.3 million provided in 2001–02.

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. In the 2001–02 school year, 376 districts received state aid from the IFA program compared with 311 in 2000–01. This same year, 552 districts received state aid from the EDA program compared with 534 the previous year.

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 2001–02, the per capita ASF

apportionment was $236 per student in ADA. Constitutionally, all districts, regardless of property wealth, receive the $236 ASF per capita amount.

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 2001–02, the statutory equalized wealth level was $300,000 per weighted student. The 101 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:

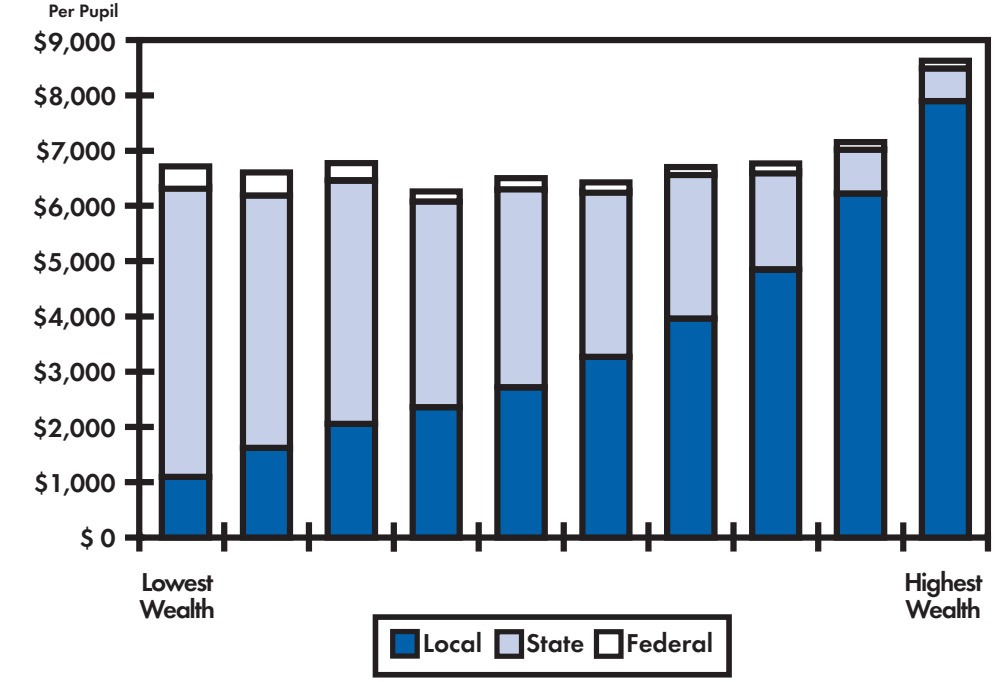
1) *Voluntary Consolidation,*
2) *Voluntary Detachment and Annexation of Property,*
3) *Purchase of Attendance Credits from the State,*
4) *Education of Students in Other Districts,* and
5) *Tax Base Consolidation*.

For the 2001–02 school year, 48 chose to purchase attendance credits, 37 chose to educate students in other districts, and 16 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 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.

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.

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. 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 always comparable to one another because they do not control for variation in local appraisal practices or for the application of optional exemptions. *Snapshot 2002* uses property values and locally adopted tax rates from the 2001 calendar year, the most recent year available.

Districts may set two tax rates each year, one for 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 2001–02 school year, there were 253 districts (24.5 percent) with M&O rates at this maximum among the 1,034 districts with tax rates. This is an increase over the 18.4 percent with M&O rates at this level the previous year.

Under current statute, a district is allowed to set a tax rate that will generate the same amount of M&O 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 $1.391 for calendar year 2001.

The statewide average of the locally adopted I&S tax rate, among districts with a debt service tax rate, is $0.140, the same as it was the previous year. This rate remains significantly lower than the 1998 rate of $0.244 that existed prior to the advent of the EDA program. The previously described EDA program provides school districts with state assistance for 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 the 2001–02 school year, 68 percent of all school districts with taxable property value had debt service obligations, slightly higher than the 65 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 locally assessed property values that have been standardized to present a uniformly appraised valuation statewide. These standardized values are certified by the state Comptroller's Property Tax Division (CPTD). The comptroller's standardized values for any given district may be higher, lower, or the same as that district's locally appraised value. In the 2001–02 school year, certified taxable property values for the state totaled $960.4 billion, an amount that is $96.1 billion (11.1 percent) greater than the amount reported for the prior year ($864.3 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 property 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. 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.

FEDERAL FUNDS

Almost all federal funds for education 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.

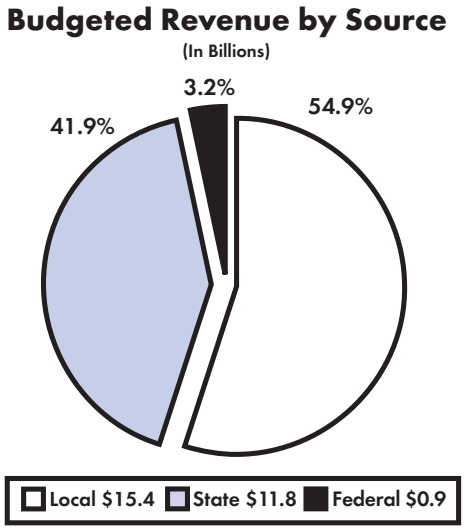
Examples of federal sources of funding to school districts are the National School Lunch Program, various special education funds, and the Title I program for low-income students.

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 (ESCs) 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.

Information about total receipts and disbursements for public education in Texas for the 2001–02 school year was not available in time for publication of this edition of *Snapshot*. Therefore, the following revenue and expenditure discussion pertains to only those amounts received and spent by Texas public school districts. The financial data reported are budgeted amounts, not actual revenues and expenditures. Actual financial data for 2001–02, though reported by districts, are not available at the time of publication.

EXHIBIT 21



Districts budgeted $28.1 billion in total revenues in 2001–02, a 7.5 percent increase over the $26.1 billion budgeted in 2000–01. On average, districts expect to receive 41.9 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.

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.

DISTRICT REVENUES

Exhibit 21 shows district budgeted revenues of $28.1 billion disaggregated by source. State funds make up 41.9 percent, and federal funds are shown as 3.2 percent, although federal funds are understated because school districts are not required to submit budget data for most federal funds to the Texas Education Agency. Local funds comprise 54.9 percent of total revenues in 2001–02. 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.

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 classifications describe the service or item purchased, for example payroll, or supplies and materials. Program classifications are used to identify instructional areas or arrangements, such as the regular, special, career and technology, and bilingual education programs. *Exhibit 22*, on the next page, shows the distribution of various expenditure categories by function, object, and program. In 2001–02, budgeted expenditures totaled $28.7 billion or $6,913 per pupil.

- **EXPENDITURES BY FUNCTION**
  Among the broad purposes for spending, instruction accounted for just over half (51.0

percent) of all budgeted expenses. 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, 10.7 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.

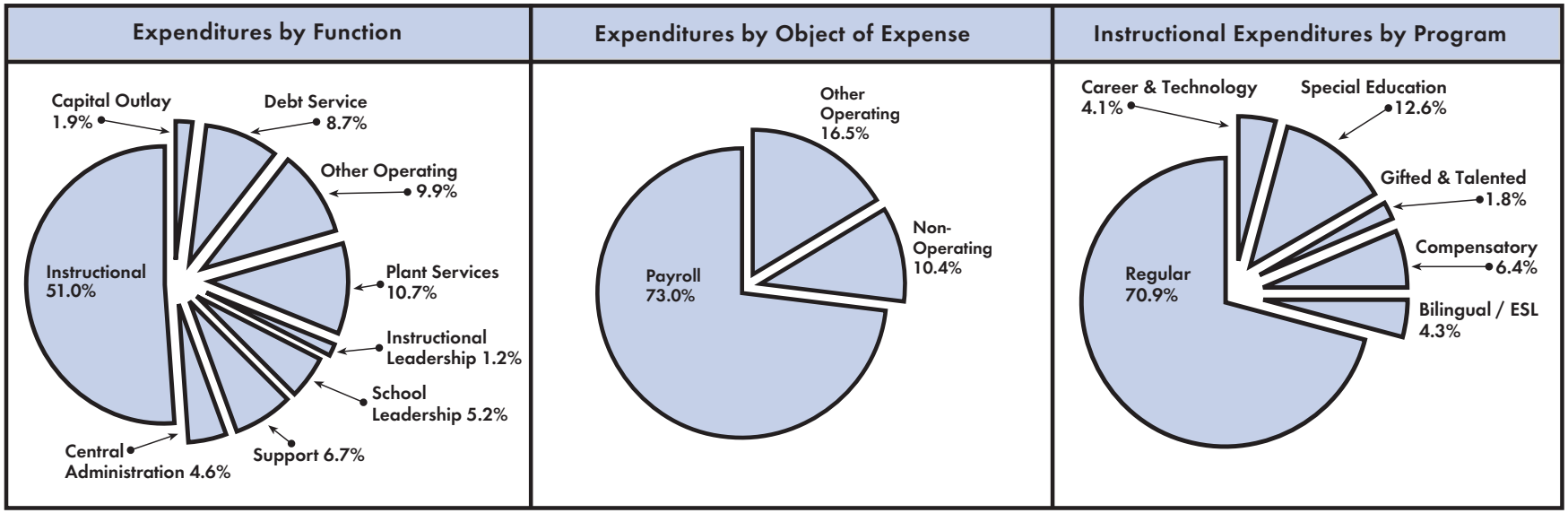
■ EXPENDITURES BY OBJECT

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.

Payroll, which includes salaries, wages, and employee benefits for school district employees, represents 73.0 percent of all school district expenditures. Other categories by object include professional and contracted services, 8.3 percent; supplies and materials, 6.3 percent; and other operating, 1.9 percent. Debt service and capital outlay, the two non-

EXHIBIT 22

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 (51.0 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 57.2 percent.

operating categories, make up the remaining 10.4 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 81.6 percent of all operating expenditures. Instruction (the largest function category) accounts for 57.2 percent of all operating expenditures.

■ EXPENDITURES BY PROGRAM

Instructional expenditures (a subset of operating expenditures) are categorized by program. In the 2001–02 school year, $14.6 billion was budgeted for instructional expenditures. The majority of these funds, 70.9 percent, are spent on the regular program. The remainder is spent for special education (12.6 percent), compensatory education (6.4 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 (SSAs) was approximately $869 million in 2001–02. 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, $5.7 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 the 2001–02 school year, 101 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, $765.7 million was budgeted in this category in 2001–02. 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 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 $97.7 million in 2001–02.

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. Omission 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.