

Title: Resource Allocation Advisory Committee Meeting

Date/Time: October 18, 2018 – 4:00 PM

Location: Hattie Mae White Building -- Room 1E02

I. Welcome-Glenn Reed, Officer of Budget & Financial Planning

— Recap Baseline Position Allocations from the last meeting 10/4/18

This presentation is going to get into the results from the last several meetings of what we want our schools to look like and the services we want them to provide. You have an updated copy of the baseline services that we expect our schools to have. Again, I am not proposing a new FTE model, but we did come up with what we want our schools to be able to provide. After our last discussion I've realized that I included way too many positions from counselor positions, behavior specialist, a psychologist and a military advisor. I was doubling, tripling and sometimes quadrupling positions that maybe one person can do. So, I paired that back into this model. This presentation is centered around that.

II. PowerPoint on Current RAS Funding vs Baseline Model

— Possible RAAC Recommendations

Ken, Ashlea and I met last week and went through some of the things that we've been talking about and heard regularly about possible recommendations. We can add to this list, delete this list or change this list but we need to start getting to that point of what is it that we are going to bring forward as some things that you all are asking the board to do.

- Counseling Services (Academic & Mental Health)
- More guidance, support and rules for how principals handle magnet funds and small school subsidy (for example) and student support services.
- Sharing of positions or services between campuses
 - Emphasize, recommend or have a better practice of sharing positions where some schools may not necessarily need a full-time counselor, nurse or a reading interventionist.
- Continuation of some centralized positions that can be dispatched to schools as needed, like psychologists.
 - **RAAC Staff Member Comment:** We have psychologists that can be dispatched if an event happens at a campus or a kid needs long term assistance.
 - **RAAC Member Question:** Is that separate from the buyback services for Special Ed?
 - **RAAC Staff Member Response:** It is. It's like a psychologist wraparound specialist. We have dyslexia services now that we are providing from central office. Continuing those things makes more sense as a central service that moves with the need rather than having someone assigned to every campus.
 - **RAAC Member Question:** There wouldn't be an requirement for the campus to pay a percentage?
 - **RAAC Staff Member Response:** No.
- Facilities: Allow principals at older schools to have more experienced plant operators (PO II v. PO I)
- From Staff: Seek new revenue sources (i.e. TRE and School Finance Reform, Moving GF debt to I & S)
 - Bond Election?
 - Leveraging and expanding partnerships with Community in Schools (CIS) to optimize campus budgets.
- Add positions/services to schools based on the needs of that school's population
- School Safety: Security Officers at Elementary Schools. Police Officers at Secondary Schools. Vestibules and better gates → Requires a bond.

—From RAAC Recommendations

- Developed a model of the services campuses should be able to provide.
- Use the model to cost and compare what each campus currently generates in the PUA model.
- PUA total included in the current small school subsidy model.

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- For comparison of baseline positions the amount required for campuses to spend exclusively in special populations was excluded.
 - A portion of funds generated from special populations is used to fund the basic programs and services.

—Current Small Schools

- 88 Current Small Schools- that we give additional funding for.
 - Based on current definition
 - 500 students for Elementary
 - 750 students for Middle
 - 1,000 students for High
 - 50 Elementary
 - 14 Middle
 - 10 High
 - 5 Specialty Middle
 - 9 Specialty High

New Small Schools in 2018-2019

- | | | |
|---------------|-----------------|-------------------|
| • Paige ES | • Mading ES | • North Forest HS |
| • Browning ES | • Martinez C ES | • YWCPA |
| • Burnet ES | • Carrillo ES | |

No Longer Small Schools in 2018

- | | | |
|--|----------------|--------------|
| • Barbara Jordan HS
(now a CTE Hub) | • Leland YMCPA | • Woodson ES |
|--|----------------|--------------|

RAAC Staff Member Comment: This is the current Resource Allocation System (RAS) funding compared to the baseline position model. I did it without a small school subsidy and how we do it now with a small school subsidy. If this district was doing a per unit allocation formula and did not offer a small school subsidy, 169 campuses would not have sufficient funds to do these things. 86 of those are small schools and are short \$36 million dollars. Majority of them are elementary schools. Once you put \$20 million dollars into small schools, you can see that the number dropped from 169 to 132. That's not really a big shift. We still have 132 campuses that do not have enough funds to fund what we have put together here. Special Populations are not included in this comparison. Those funds should be supplemental to the baseline model.

Without SSS	Insufficient Funds	Sufficient Funds	With SSS	Insufficient Funds	Sufficient Funds
Number	169	90	Number	132	127
Small Schools	86	2	Small Schools	49	39
Surplus/ (Deficit)	(\$36.7m)	\$15.3m	Surplus/ (Deficit)	(\$20.3m)	\$20.0m
Elementary	105	63	Elementary	77	91
Middle	20	15	Middle	14	21
High	18	8	High	16	10
Specialty Middle	13	1	Specialty Middle	12	2
Specialty High	13	3	Specialty High	13	3

Same as the above, except this is broken down to school size ranges. For elementary, you can see that majority of these are under 750 kids. Our elementary threshold is 500. We still got 53 that are in the range of 500-749 that don't receive a small school subsidy that are not able to fund this particular program. Looking down to our high schools and middle schools, have lower numbers that don't have sufficient funds. I'll show you an example to talk through why some of that is. We have high schools that have 1500 kids that still don't have enough funds to fund this program.

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Without SSS	Insufficient Funds	Sufficient Funds	With SSS	Insufficient Funds	Sufficient Funds
Number	169	90	Number	132	127
Small Schools	86	2	Small Schools	49	39
Surplus/ (Deficit)	(\$36.7m)	\$15.3m	Surplus/ (Deficit)	(\$20.3m)	\$20.0m
Elementary <500	48	2	Elementary <500	20	30
Elementary 500-749	53	18	Elementary 500-749	53	18
Elementary 750-999	4	38	Elementary 750-999	4	38
Elementary 1,000-1,499	0	5	Elementary 1,000-1,499	0	5
Middle <500	5	0	Middle <500	1	4
Middle 500-749	10	0	Middle 500-749	8	2
Middle 750-999	5	1	Middle 750-999	5	1
Middle 1,000-1,499	0	12	Middle 1,000-1,499	0	12
Middle 1,500-1,999	0	2	Middle 1,500-1,999	0	2
High <500	3	0	High <500	3	0
High 500-749	1	0	High 500-749	0	1
High 750-999	6	0	High 750-999	5	1
High 1,000-1,499	2	0	High 1,000-1,499	2	0
High 1,500-1,999	4	2	High 1,500-1,999	4	2
High >2000	2	6	High >2000	2	6
Specialty Middle <500	3	0	Specialty Middle <500	2	1
Specialty Middle 500-749	5	0	Specialty Middle 500-749	5	0
Specialty Middle 750-999	3	1	Specialty Middle 750-999	3	1
Specialty Middle 1,000-1,499	2	0	Specialty Middle 1,000-1,499	2	0
Specialty High <500	9	0	Specialty High <500	9	0
Specialty High 500-749	2	0	Specialty High 500-749	2	0
Specialty High 750-999	2	2	Specialty High 750-999	2	2
Specialty High 1,000-1,499	0	1	Specialty High 1,000-1,499	0	1

- Campus size (economies of scale)
The bigger you are, the more per kid you have for services.
- Average Daily Attendance percentage differences (one of the biggest drivers)
 - Lowest HS ADA 88.3%
 - Highest HS ADA 96.7%
- Special Population differences
 - Campuses generate their dollars on special pops but we don't require them to spend 100% of that on that special population. For example, if a campus generates \$100,000 on bilingual, we

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may ask of them to contribute to the districts amount that we have to spend of maybe \$20,000. The other \$80,000 they can use for teachers, materials, etc. The campuses with high bilingual populations may be able to fund their full program, whereas another campus may be a plain campus that will not be able to generate those dollars.

- Use of a flat rate for all campuses for non-salary dollars in the model
 - Elementary \$225 per student, Middle \$425 per student, High \$475 per student.
 - High schools receive \$475 per student because they have to pay for athletic packages, athletic stipends and for coaches, they have a higher rate compared to an elementary school that may not have an athletic package to buy.
 - Many of the campuses out there could fund this program. They can take those non-salary dollars and can finish buying a counselor, social worker and their AP's but they may not have anything left over. They're still going to be at a disadvantage for supplemental services compared to other schools who may have sufficient funds.
 - Examples of things they have to pay for out of these dollars.
 - Subs
 - Athletic packages
 - UIL packages
 - Athletic stipends
 - Teacher stipends
 - Supplies, contracts, other operating costs
 - Extra duty pay for Teachers and other staff
 - **RAAC Member Comment:** If high schools receive \$475 per student for non-salary expenses, would the idea be that that particular line item will pay for all of this or would the rest of the budget supplement, as well? What I'm saying is, if I'm at a high school with 700 students, at \$475 per student and I figure it out based on their attendance rate, I have \$332,000. Just athletics is going to cost \$300,000 because you have to pay for athletic packages and stipends. My question is, if a school of 700 needs to pay for athletics, subs, supplies, etc., all of this will be paid out of that one line item? A school of 700 probably may spend close to \$20,000 for subs. Just with the first three line items (subs, athletic packages and UIL packages), you've spent everything that you got and that's not including teachers and supplies.

— ADA Impact and Basic Services Cost per Grade Level Unit

Grade Level Units are determined by enrollment multiplied by the average daily attendance (ADA) percentage. A 1% change in ADA is a loss of \$34,000. Imagine a school that has 90% attendance, that is \$340,000 that they do not have to fund their program. That can very quickly cause differences with the ability to fund their core services. They pay for the number of kids in seats, not kids enrolled.

Enrollment	1,000	Enrollment	1,000
ADA	100%	ADA	99%
Grade Level Units	1,000	Grade Level Units	990
High School Per Unit Allocation	\$3,432	High School Per Unit Allocation	\$3,432
Per Unit Allocation Received	\$3,432,00	Per Unit Allocation Received	\$3,397,680
		Funding Loss	\$ (34,320)
		Number of Teachers	(0.61)

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Based off the size of a high school with 2,000 students, of that \$34,320, it will cost \$299 per student to fund these core positions. If the enrollment is 750, it will almost double per student to fund those core programs. Which means you have less of the non-salary dollars to be able to provide other things such as extra duty pay, tutoring, technology, reading materials and library materials.

		Students				
High School	Average Salary	2,000	1,500	1,000	750	500
Principal	\$127,000	\$64	\$85	\$127	\$169	\$254
School Admin	\$37,400	\$19	\$25	\$37	\$50	\$75
Nurse	\$56,700	\$43	\$38	\$57	\$76	\$113
Social Worker	\$48,300	\$24	\$32	\$48	\$64	\$97
Librarian	\$56,700	\$28	\$38	\$57	\$76	\$113
Counselor	\$60,900	\$122	\$122	\$122	\$81	\$122
		\$299	\$339	\$448	\$516	\$774

		Students				
Mid School	Average Salary	2,000	1,500	1,000	750	500
Principal	\$106,000	\$53	\$71	\$106	\$141	\$212
School Admin	\$37,400	\$19	\$25	\$37	\$50	\$75
Nurse	\$56,700	\$28	\$38	\$57	\$76	\$113
Social Worker	\$48,300	\$24	\$32	\$48	\$64	\$97
Librarian	\$56,700	\$28	\$38	\$57	\$76	\$113
Counselor	\$60,900	\$122	\$122	\$122	\$81	\$122
		\$274	\$325	\$427	\$488	\$732

		Students				
Elementary School	Average Salary	2,000	1,500	1,000	750	500
Principal	\$92,800	\$46	\$62	\$93	\$124	\$186
School Admin	\$37,400	\$19	\$25	\$37	\$50	\$75
Nurse	\$56,700	\$28	\$38	\$57	\$76	\$113
Librarian	\$56,700	\$28	\$38	\$57	\$76	\$113
Counselor	\$60,900	\$61	\$81	\$122	\$81	\$122
		\$183	\$244	\$365	\$406	\$609

RAAC Member Question: The transportation budget is separate? Schools don't have to pay for bus transportation?

RAAC Staff Member Response: They don't have to pay to take students to and from school. They do have to pay for field trip transportation.

RAAC Member Response: Or non-district competitions like UIL.

I've spent many hours trying to look at the funding formula to think of different ways of changing per unit allocation, small school subsidy and to look at factoring on the PUA. We have campuses that need as little as \$3,300 PUA to fund this and as high as \$10,000. The challenge right now is three things, there has to be a new source of revenue, redistribution of dollars (may have to take money away others to do it) or have a conversation about potentially closing schools.

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— Group Discussion

RAAC Staff Member Question: Can you explain how other school districts look as far as small schools versus regular sized schools?

RAAC Staff Member Response: I looked at the districts with 100,000 students or more (Cy-Fair, Northside and Dallas ISD). As far as school sizes, we are not really that out of line. The one difference is that all of these districts do an FTE model. That's the difference on the funding side.

RAAC Member Comment: There are potentially very innovative ways that we may look at this to help mitigate some of these circumstances. Part of the problem here is not one school is better than another school, it is an unintended consequence of our internal school choice policies. The more that students leave to go to certain schools, you have it spiraling up and spiraling down. Schools that receive the students increase their economy of scale, schools that lose students lose more students when they lose their programs and lose their services. If you took the cost for your program and identified what schools could afford the basic program based on the student's that live within their actual boundaries and not based on where they are going to school, then you are able to see "x" schools are receiving economies of scale. To be fair, the school leaving shouldn't lose all of it, maybe there is a gain, but at the very least that difference should stay with the home school to be able to afford the basic program. The first thing that gets done is your basic services are paid for out of the students that are in the boundaries. I bet you're going to find that there are a lot more schools that balance out. The piece on school closures, we tried to go down this road a couple years ago. We, along with the school support office, were really looking at a comprehensive policy that gave a year-long process, if we were going to close a school. They gave very clear and upfront notification to the community, gave options of what needed to happen. If communities were rare and really wanted their school open, they had invested interest to work with each other to find out where those kids were going. This is likely not holding the kids back from our school choice but pulling kids back from charters and back from everywhere else. We've got to come up with a process that gives real time, energy, opportunity and voice before we flat out decide to close schools.

RAAC Member Question: Do you have data about how that would shift? You can potentially show this small school is no longer a small school if "x" percent of students are moving out of zone?

RAAC Staff Member Response: I can only do that for zoned schools. We've got some schools that are not zoned schools, but I do have that information.

RAAC Member Question: Zones have moved too overtime and to preferentially consolidate volume at certain schools correct? I don't know the reason, but it appears that the boundary moves in order to preferentially benefit one school versus another. That's another question boundary is what you should be thinking of.

RAAC Staff Member Response: We did make some zone changes last year but it was for overcrowding and trying to reduce zones to those schools. We were trying to add to schools that were smaller because we had schools that were overpopulated.

RAAC Member Comment: I know in School Choice, they talk about quadrants, feeder patterns and trying to create vertical alignments in terms of programs. When we're talking about all of this, specifically with resource allocation, what are we talking about? Are we talking within districts, within zoned areas, within quadrants or feeder patterns?

RAAC Staff Member Response: The specific school and students zoned to their specific school. If your zoned to Austin but you're going to Chavez, Austin would keep the dollars because the student is zoned to Austin, but you would still go to Chavez.

RAAC Member Comment: It's a hybrid model. You take the basic core services and base along what kids are in that area and figure out the right formula to cost share that out.

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RAAC Staff Member Comment: I think that model that you just described is one that we have talked about many times. I was on the receiving end of my school shrinking because there was some zoning that happened, and it happened again and then it just created that issue. It happened to a lot of schools. The challenge of it is, as we were looking at this equitable funding piece, some of the larger schools and the schools that have a strong financial source are going to be fine. The challenge is that we've got to figure out a way to balance that so that it's equitable, so they don't lose their program but the schools that are small that these kids should go to or are zoned originally can get some funding. You're looking at a twenty to thirty-million-dollar difference between some of these schools. If we're truly looking at what's equitable and right for all of our schools, someone has to give. Someone has to. In order to do that feasibly and economically we're going to have to look at what is in the best interest of our district, not certain schools or certain areas. It's not fair and it's not right for the kids. If our board will not consider closing schools, the Robin Hood effect is going to have to happen. That's not good news, nobody wants to hear that they're losing anything ever but we're looking at the bigger picture and that's hard. As a former sitting principal whenever someone talked to me about losing something, you know your claws come out because your heart is in the best interests of your kids you are serving in your circle. That is where your heart is. We have to get to a place where we can share and see the bigger scope because as a district we're looking at all kids receiving the support and the educational services that they should receive equitably. All of them. We're not doing a very good job with that. We're looking at mine and yours. That's so not fair for our kids because they're the ones at the end of the stick. I know we're getting there, we're having these conversations, we're in the process of making recommendations and that is what I hope rises to the surface. If we go back and look at our model and we look at if the kids are in their zone schools today, what would the money funding look like right now? If we start there and build outwards to look at, okay well these kids are no longer at the school, the school that has them maybe will receive half of what they normally would have gotten in terms of that child maybe or something to that effect. In order to balance it, we have to figure out how so that one school doesn't implode but another one doesn't disappear completely. Part of that other issue is that some of our areas have schools that are very close to each other. Now if you go back historically, some of those schools were built because of segregation. We don't live in that world anymore regardless of what you see around us. Maybe some of the recommendations should be some of those schools should close because they're across the street from each other. Maybe that's not in the best interests of how we survive as a district.

RAAC Staff Member: This year is one-year, next year it's going to be more for recapture and the next year even more. Closing schools is the last thing I would want to do, however, it sounds to me like at some point in the next couple of years it's going to get to that point. We can say the district is going to take money from one school and give it to another to solve the problem for the next eight months. Then come back here in August when recapture goes up to \$300,000,000 and say we have now done that and try to find new sources of funding but that level of funding is just not there. As a School Support Officer, I love all my schools, but I have some small schools that really, really struggle. With the budget meeting coming up next week, where there is literally nothing that this principal can do to cut but she has to give back money. She can only cut \$24,000 and she has to give \$92,000. They are \$68,000 short and there is literally nothing left to cut. The question then becomes do we look at closing that school? Because two blocks away is another elementary school that is the same size as hers and I'm not saying that's the answer that I want to provide but I just know the reality of it is hard. Neither one of them has an assistant principal, they're trying to pay for a full-time nurse and then building maintenance itself on these older building is difficult. That's just my opinion.

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RAAC Member Comment: How do we make sure that we're putting in policies that don't push people out of areas? We're losing a lot of kids in the East End now because of rent and the costs going up to live. Our schools are shrinking because they're moving out to Pasadena and other areas, as well. How do we really think outside the box and innovatively about this issue? One of the things that we have, as a district and as a community, is property in prime areas. Whether you're talking about the old HSPVA, we've had buildings in the Heights, we have several pieces of property in the East End where things are coming up and going around. I wish that we would never ever get rid of those because we can't ever get them back. We have a couple of other pieces going on. We can't attract and keep enough of our teachers here because they can't afford to live in the city where they teach. We can't keep some of our parents in places because they feel like they're being pushed out of neighborhoods. Could we have a subgroup that looked at what they're doing and the Community Lands Trust in the East End where they're actually looking for property that they are owned forever and the housing will be lower cost for families to stay. We have opportunities in HISD to partner to do things like that. To not only provide lower cost of living for our families and homes, but maybe multi-service units that are actually rented out at market value in places like the Heights and the old HSPVA. Also, providing spaces for our newer teachers that are coming in as a benefit to attract them to teach in our district where they're paying less. There are real ways to think creatively to fix movement of people being pushed out of neighborhoods, attraction of our teachers and filling holes. Ultimately, I find that that's one of the biggest issues is it may not necessarily even be parents that are pushing when you try to close the school, but people in the community because they don't want some boarded up boxed up building stopped in the middle of their community. If you were doing something attractive that brought in things, you may not have as much friction when it comes to closing. So how could we really think about these things in a way that maintains this investment for our community, without giving it away to developers per say, but partnering to actually increase the value for money streams for our current district and to stop the flow of the other family issues.

RAAC Member Comment: Two things. I think we have to look at why we're losing students. Yes, the charter schools are opening up but the reality is they're offering something that most parents feel like their kiddos are not getting at the current schools. That is one thing that we need to keep in mind. The second idea about making the hard decisions to close small schools. My assumption is some of those schools are schools that I don't think we should be closing because of the impact that it has on the community. We can talk about the economy and we can talk about numbers but we're dealing with human beings and we're dealing with communities. If we can get creative, we can think about a community school model. Maybe if there are less kids in a building but there's space in that building, can we use that space to bring income to that campus to help supplement the costs? I'm not talking about partnership work or anything but thinking about even the Baker Ripley Model. If we could take some lessons and learn from that model to bring an income to that smaller school, you can keep the school open and it could generate revenue potentially. That would add to the community as well and building up the community.

Group decided to meet offline to further discuss their recommendations.