

**ARLINGTON
INDEPENDENT SCHOOL DISTRICT**

EFFICIENCY AUDIT REPORT

**Data for the Fiscal Year Ended
June 30, 2019**

ARLINGTON INDEPENDENT SCHOOL DISTRICT
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**REPORT OF INDEPENDENT AUDITORS ON AN EFFICIENCY AUDIT
CONDUCTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

Whitley Penn, LLP conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for the Arlington Independent School District (the "District"). The purpose of this report is to communicate the

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

SECTION I - EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting the efficiency audit for Arlington Independent School District (the “District”), we gained an understanding of the District’s fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts by analyzing information from fiscal year ended June 30, 2019 and prior, maintained by the Texas Education Agency and the District. An overview of the objectives and approach performed during the efficiency audit are provided in Section III of this report.

District data on accountability, students, staffing and finances, with peer districts and state comparisons are described in Section IV of this report.

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

SECTION II - KEY INFORMATION ABOUT THE DISTRICT

On November 3, 2020, Arlington Independent School District (the “District”) is holding an election to increase the District’s maintenance and operations property tax rate. Maintenance and Operations (M&O) taxes are for the operation of public schools. The District has not held a tax ratification election in the past.

The District is proposing to increase the M & O tax rate from \$0.9664 to \$1.0864. The incremental tax revenue estimated to be generated in the first school year is \$35,458,773, which is 6.25% of the District’s current adopted operating budget. If the District’s M&O voter-approval tax ratification election is successful, the estimated

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- x The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The results are posted year-to-year. The results for the 2019 school year for the District are as follows:

- Overall District Grade: B

- 6 Campuses received an A Grade

- 23 Campuses received a B Grade

- 29 Campuses received a C Grade

- 14 Campuses received a D Grade

- 3 Campuses received an F Grade

Additional details and audit results are included in Section IV.

To the Board of Trustees and Citizens of the
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SECTION III - OBJECTIVES AND APPROACH

Objectives

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

Approach

In order to achieve the objectives set forth above, W/Penn, LLP performed the following procedures:

1. Selected five (5) to ten (10) peer districts, developed a simple average and used the same comparison group throughout the audit.
2. Reported on the overall accountability rating (A-F) and a corresponding scale score of 1 to 100).
3. Compared the District's peer districts' average score and listed the following District's campus information:
 - a. Accountability rating count for each campus level within the district.
 - b. Names of the campuses that received an F accountability rating
 - c. Campuses that are required to implement a campus turnaround plan
4. Reported on the District's School FIRST rating. For a rating of less than A, listed the indicators not met.
5. Reported on student characteristics for the District's peer districts and the State average including:
 - a. Total Students
 - b. Economically Disadvantaged
 - c. English Learners
 - d. Special Education
 - e. Bilingual/ESL Education
 - f. Career and Technical Education
6. Reported on the attendance rate for the District's peer districts and the State.
7. Reported on the five-year enrollment for the District for the most recent school year and four (4) years

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SECTION III - OBJECTIVES AND APPROACH (continued)

14. Reported on the following programs offered by the District, including the number of students served, percentage of enrolled students served, program budget, program budget as a percentage of the District's budget, total staff for the program, and student-to-staff ratio for the program.

- a. Special Education
- b.

SECTION III - OBJECTIVES AND APPROACH (continued)

22. In regards to planning, provided a response for each of the following questions:
- a. Does the District develop a District Improvement Plan (DIP) annually?
 - b. Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?
 - c. Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:
 - i. Does the District use enrollment projections?
 - ii. Does the District analyze facility capacity?
 - iii. Does the District evaluate facility condition?
 - d. Does the District have an active and current energy management plan?
 - e. Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
23. In regards to District academic information, we will provide a response for each of the following questions:
- a. Does the District have a teacher mentoring program?
 - b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
 - c. When adopting new programs, does the District define expected results?
 - d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
24. Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student test results.

To the Board of Trustees and Citizens of the
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**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS**

1. Peer Districts

Nine peer districts were identified by using Texas Education Agency's (TEA) Snapshot Peer Search. The peer districts were selected based on their comparable size, tax rate, and type to Arlington Independent School District (the "District").

FIGURE

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

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

2. Accountability Rating

The Texas Education Agency (TEA) annually assigns an A-to-F rating and a corresponding scaled score (1 to 100) to each district and campus based on student assessment results and other accountability measures.

**FIGURE 2
ACCOUNTABILITY RATING COMPARISON
JUNE 30, 2019**

	DISTRICT RATING (A-F)	DISTRICT SCORE (1-100)	PEER DISTRICT AVERAGE SCORE (1-100)
Rating/Score	B	86	86

**FIGURE 3
ACCOUNTABILITY RATING BY CAMPUS LEVEL
JUNE 30, 2019**

	ELEMENTARY SCHOOLS	JUNIOR HIGH SCHOOLS	HIGH SCHOOLS
A	4	1	1
B	12	6	5
C	24	3	2
D	13	-	1
F	3	-	-

Campuses with F Accountability Rating

Short Elementary
Speer Elementary
Wimbish Elementary

Campuses with Required to Implement a Campus Turnaround Plan

Short Elementary
Speer Elementary

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

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

Student Characteristics

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

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

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

4. Student Characteristics, Attendance, and 5-Year Enrollment (continued)

Student Characteristics (continued)

There are 5.4 million students served by public schools in the State of Texas. Of those students, 3.3 million or 60.6 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 72.8 percent, which is 12.2 percent and 9.5 percent more than the State average and peer districts average, respectively.

The peer districts average total student count was 68,425. Of the peer districts evaluated, Northside Independent School District had the highest total student count of 105,797, while Lewisville Independent School District had the lowest student count of 52,104.

Attendance

**FIGURE 6
ATTENDANCE RATE
JUNE 30, 2019**

	DISTRICT TOTAL	PEER DISTRICTS AVERAGE	STATE AVERAGE
Attendance Rate	95.0%	95.2%	95.4%

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

A school district's State Funding is a complex calculation with many inputs. One of the primary drivers within the calculation is student attendance. While the District's attendance rate is comparable to that of its peer districts average and of the State average, it should be noted that the District's attendance rate has decreased slightly from the previous two years. The 2017-2018 attendance rate was 95.4 percent, while the 2016-2017 attendance rate was 95.7 percent.

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

7. District Payroll Expenditures Summary

**FIGURE 10
PAYROLL EXPENDITURE SUMMARY
JUNE 30, 2019**

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
Payroll as a Percentage of All Funds	85.3%	82.6%	79.2%
Average Teacher Salary	\$ 57,873	\$ 57,023	\$ 54,122
Average Administrative Salary	\$ 95,237	\$ 100,602	\$ 91,174
Superintendent Salary	\$ 300,610	\$ 320,096	\$ 140,852

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

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

9. District Staffing Levels

FIGURE 12

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

11. Special Programs

**FIGURE 14
SPECIAL PROGRAMS CHARACTERISTICS
JUNE 30, 2019**

	NUMBER OF STUDENTS SERVED	PERCENTAGE OF ENROLLED STUDENT SERVED	PROGRAM BUDGET PER STUDENTS SERVED (1)	PROGRAM BUDGET AS A PERCENTAGE OF DISTRICT BUDGET (1)	TOTAL STAFF FOR PROGRAM	STUDENTS PER TOTAL STAFF FOR PROGRAM
Total Students	59,783	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	43,504	72.8%	9,021	72.8%	5,976	7
English Learners	16,800	28.1%	8,910	28.1%	2,308	7
Special Education	5,287	8.8%	9,578	9.5%	417	13
Bilingual/ESL Education	17,120	28.6%	202	28.6%	416	41
Career and Technical Education	17,394	29.1%	864	29.1%	179	97
Athletics and Extracurricular Activities (1)	16,380	27.4%	640	27.4%	56	293
Alternative Education Program/Disciplinary Alternative Education Program (1)	623	1.0%	15,987	1.0%	143	4
Juvenile Justice Alternative Education Program (1)	14	0.0%	6,429	0.0%	-	N/A

(1) Information was provided by the District

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SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION
(continued)

8. Planning

FIGURE 17
OPERATIONAL INFORMATION

QUESTION	YES/NO	NOT
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To the Board of Trustees and Citizens of the
 Arlington Independent School District

**SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION
 (continued)**

9. Programs

**FIGURE 18
 ACADEMIC INFORMATION**

QUESTION	YES/NO	NOT APPLICABLE
Does the District have a teacher mentoring program?	Yes	
Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?	Yes	
When adopting new programs, does the District define expected results?	Yes	
Does the District analyze student test results at the District and/or campus level?	Yes	
	Yes	