



EANES INDEPENDENT SCHOOL DISTRICT

David Edgar
Assistant Superintendent for Business Services

601 Camp Craft Road • Austin, Texas 78746 • 512-732-9030 • dedgar@eanesisd.net • ww.eanesisd.net

MEMORANDUM

Date: October 22, 2014

To: Dr. Tom Leonard, Superintendent

From: David Edgar, Assistant Superintendent for Business Services

Re: Transfer Students - Economics

The District is frequently asked for the specific amount of money that a single transfer student costs the District. Because of the complexity of the state funding formulas, with the added calculation of fixed costs and variable costs, a specific, definitive number is difficult to determine. However, this memo discusses an arguably more important calculation – the larger effect of the transfer student population on staffing, and hence, the overall economics.

One of the key variables in the recapture formula is the TAV (Taxable Assessed Valuation) per WADA (Weighted Average Daily Attendance). Note WADA does not distinguish between transfer students and resident students. Therefore, for this purpose they are identical. That is no longer true once tuition is charged. That scenario will be examined in a separate memorandum. An increase in the number of students, whether they are transfers or residents, lowers the ratio of TAV to students which primarily determines recapture.

When considering the cost/benefit of transfers for purposes of this analysis, it is important to define variable and fix costs as follows: Variable costs are defined as those costs that could be avoided if out-of-district transfer students were not allowed. They would include amounts for items such as supplies and materials (handled through a per student campus allotment), items such as an iPad (paid for out of bonds), and to some extent, the cost of additional teaching staff. Fixed costs would be the remainder of the costs, such as delivery of our curriculum and instruction, administration, utilities, custodial, and facilities maintenance. These costs would be affected so minimally by the avoidance of transfers so as to be considered fixed costs and would not be reduced if out-of-district transfers were not allowed.

The following data is valuable in assessing the benefit of a student (transfer or otherwise) for the 2014/15 school year.

Description	Amount
Recapture per student	\$5,660
Average campus allotment per student – Variable Cost	\$118
Cost of iPad – Variable Cost	\$450
Cost of a teacher plus benefits – Proportional Variable Cost	\$55,000
# of Out-of-District Transfers as of October 1, 2014	437
Enrollment as of October 1, 2014	7,973

The following chart includes enrollment data as of October 1, 2014.

Campus	Employee Children Transfers	Out-of-District Transfers	Total Transfer by Campus	Total Enrollment
Westlake High School	53	206	259	2543
Hill Country Middle School	17	19	36	1003
West Ridge Middle School	16	69	85	894
Barton Creek Elementary	16	20	36	511
Bridge Point Elementary	17	19	36	744
Cedar Creek Elementary	37	26	63	473
Eanes Elementary	16	15	31	686
Forest Trail Elementary	14	52	66	591
Valley View Elementary	22	11	33	491
Adult Transition Services	0	0	0	37
Total	208	437	645	7973

The exact amount of the economic benefit gained or lost will always be difficult to precisely quantify; however, we can confidently determine a range. To that end, a realistic maximum and minimum based on the elimination of out of district transfers will be quantified. The critical variable is the effect on the number of teaching positions potentially reduced by the elimination of the out-of-district transfer students.

Scenario 1 – Maximum benefit: Elimination of 437 out-of-district transfer students; eliminate associated iPads; eliminate per student campus allotment for supplies and materials; assume no teaching positions could be eliminated.

Scenario 1	(Cost)/Benefit per Student	Out of District Transfers as of 10/01/14	Amount
Recapture Benefit	\$5,660	437	\$2,473,420
Average campus allotment per student	(\$118)	437	(\$51,566)
Cost of iPad	(\$450)	437	(\$196,650)
Staffing	-	437	\$0
Total Loss of Benefit			\$2,225,204

Scenario 2 – Minimum benefit: Elimination of 437 out-of-district transfer students; eliminate associated iPads; eliminate per student campus allotment for supplies and materials; assume elimination of teaching positions at a ratio of 20:1 for out-of-district transfer students.

Scenario 2	(Cost)/Benefit per Student	Out of District Transfers as of 10/01/14	Amount
Recapture Benefit	\$5,660	437	\$2,473,420
Average campus allotment per student	(\$118)	437	(\$51,566)
Cost of iPad	(\$450)	437	(\$196,650)
Staffing	20:1 Ratio (Loss of 22 Teachers)	437	(\$1,210,000)
Total Loss of Benefit			\$1,015,204

Further analysis and consideration of the impact to classroom size and program change would need to be completed before arriving at an ideal scenario. Because of the state requirement for 1:22 ratio in grades K-4, all 22 positions would come from grades 5-12 by increasing class sizes unless the District requested waivers to exceed 1:22 at grades 1-4. It should also be noted that these transfer students are likely to participate in extra-curricular activities and attending events that generate fees. It is possible that these revenue amounts could be reduced by a change in the transfer policy.

A decision to not accept out-of-district transfers will reduce the District's recapture benefit by at least \$1 million, and possibly more than \$2 million.

Please let me know if you have any questions.