

ROCKWALL ISD

Where Does the Money Go: Myth vs Reality | January 2025





K-12 Public Schools Myth v. Reality Series...

- Is Rockwall ISD “Not Financially Efficient?”
 - Are Public Schools “Fully Funded At Historically High Levels?”
 - Does Rockwall ISD “Spend Too Much On Administration?”
 - Does Rockwall ISD “Need a VATRE to Maintain Excellence?”
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Myth vs. Reality

Is Rockwall ISD “Not Financially Efficient?”

1. Review benchmark comparisons of Rockwall ISD vs. peer districts, surrounding districts, and the state average.
2. Review independent evaluations of Rockwall ISD’s finances and budgeting efficiency.
3. Quantifying Rockwall ISD’s efficiency compared to “Best School Districts” in Texas.



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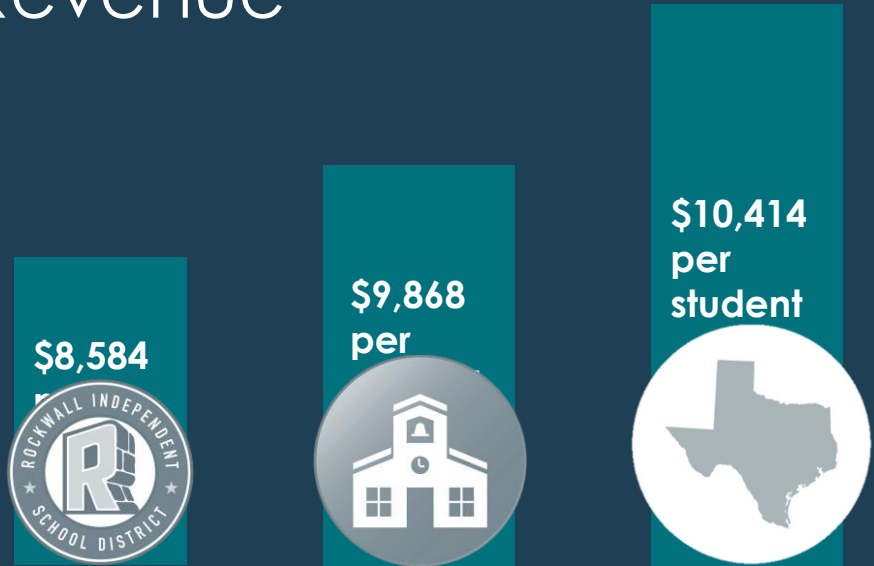
Efficiency

Quick Comparisons

BY COMPARISON

In FY2022-2023, Rockwall ISD received less funding per student in its general operations budget than its peer districts and the statewide average. Approximately \$1,284 per student less than its peer districts and \$1,800 less than the statewide average.

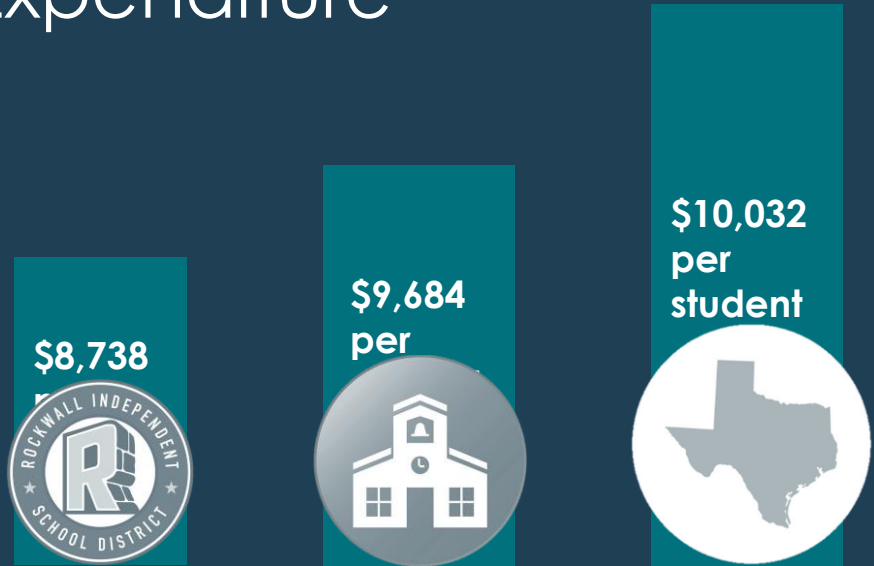
Per Student Revenue



BY COMPARISON

In FY2022-2023, Rockwall ISD spent less per student in its general operations budget than its peer districts and the statewide average. Approximately \$946 per student less than its peer districts and \$1,294 less than the statewide average.

Per Student Expenditure



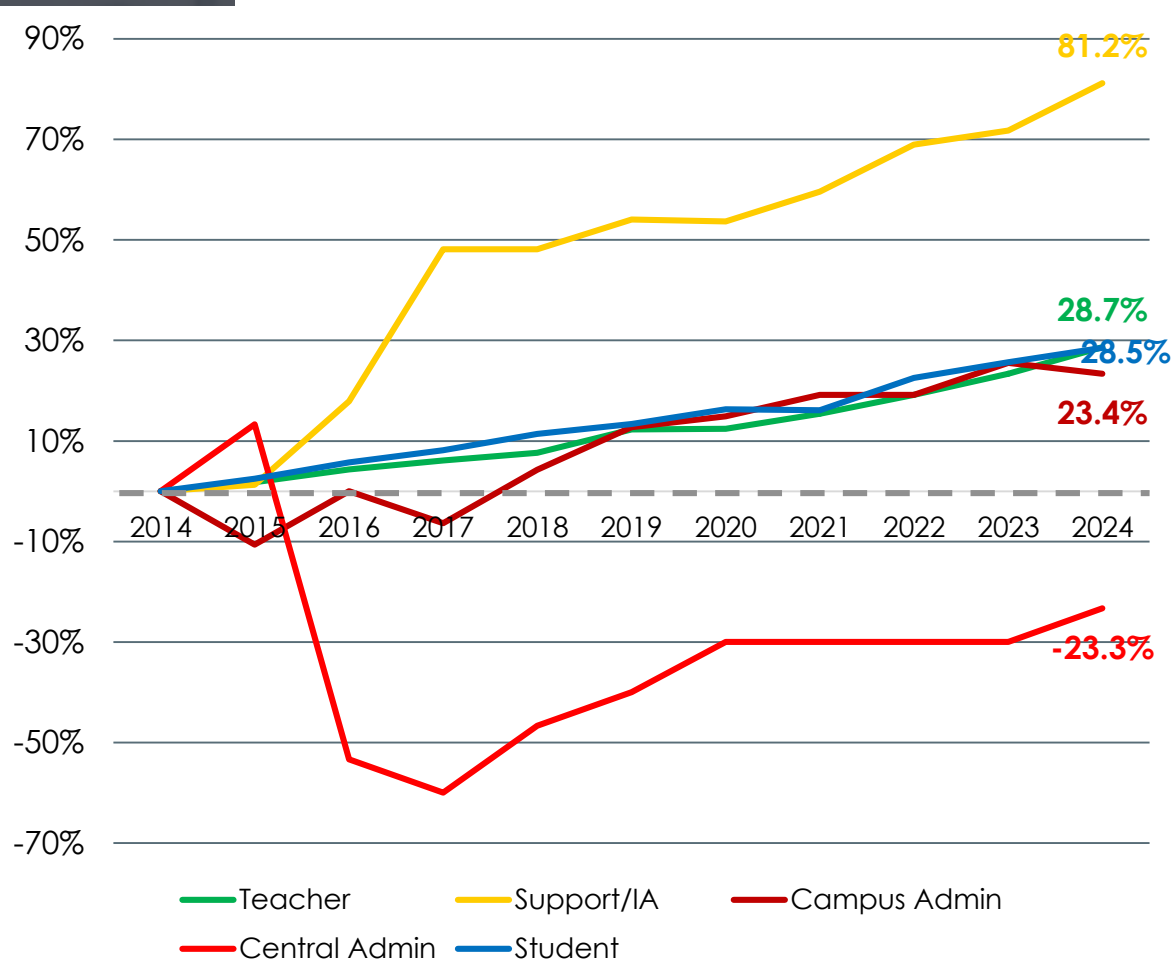
CHANGE IN STAFFING LEVELS

Over the previous 10-year time period, the student enrollment increased approximately 28.5% and the total number of teachers slightly outpaced student growth increasing by 28.7%. The combined campus and central administration positions essentially remained the same only increasing 0.1% over the same 10-year time span. Central administration decreased over 23% in the timeframe.

	2013-2014	2023-2024	10-year Change
	District Totals	District Totals	% Increase
Students	14,626	18,798	+28.5%
Teachers	903	1,162	+28.7%
Campus-Admin	47	58	+23.4%
Central-Admin	30	23	(23.3%)

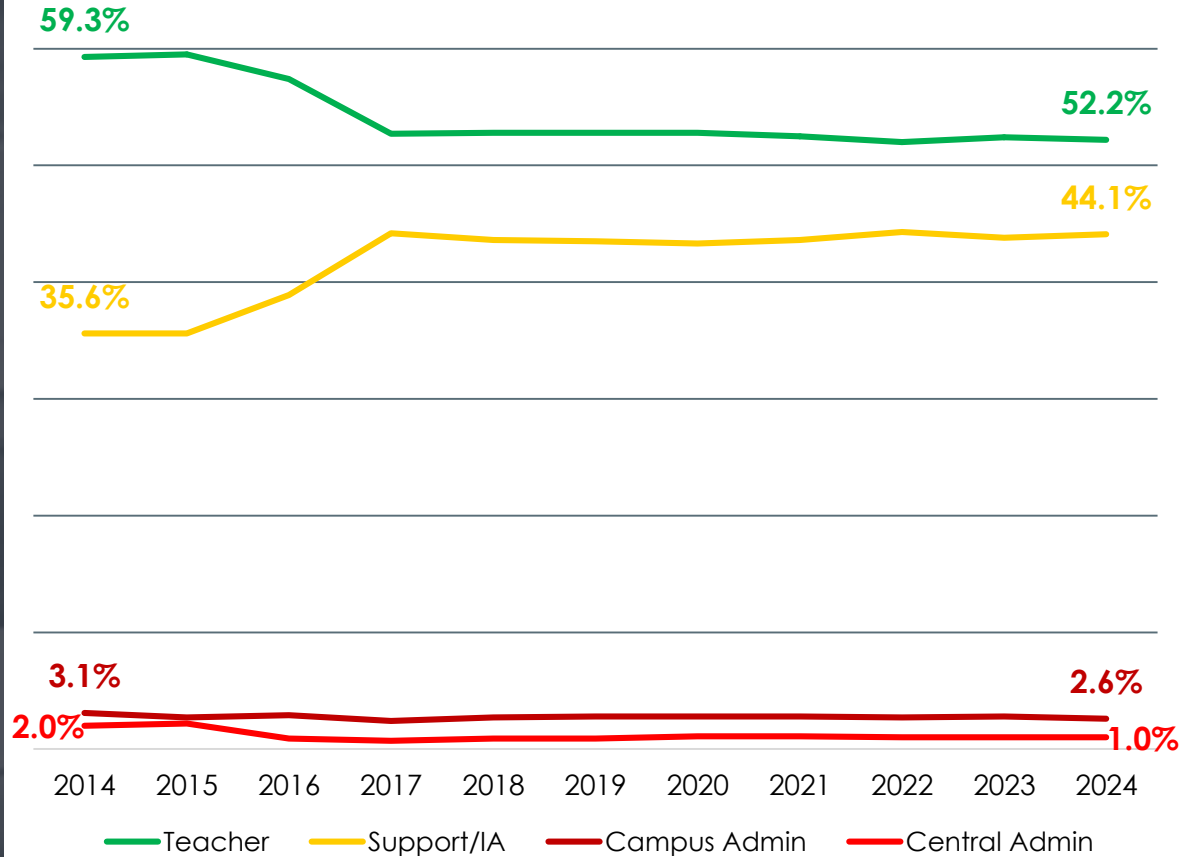
CHANGE IN STAFFING LEVELS

When comparing campus and central administration as a percentage of the overall staff, Rockwall ISD allocates less resources to administrative staff relative to 10 years ago.



CHANGE IN STAFFING LEVELS

When comparing campus and central administration as a percentage of the overall staff, Rockwall ISD allocates less resources to administrative staff relative to 10 years ago.



ADMIN SPENDING PER STUDENT

On general administration expenditures, the District spends

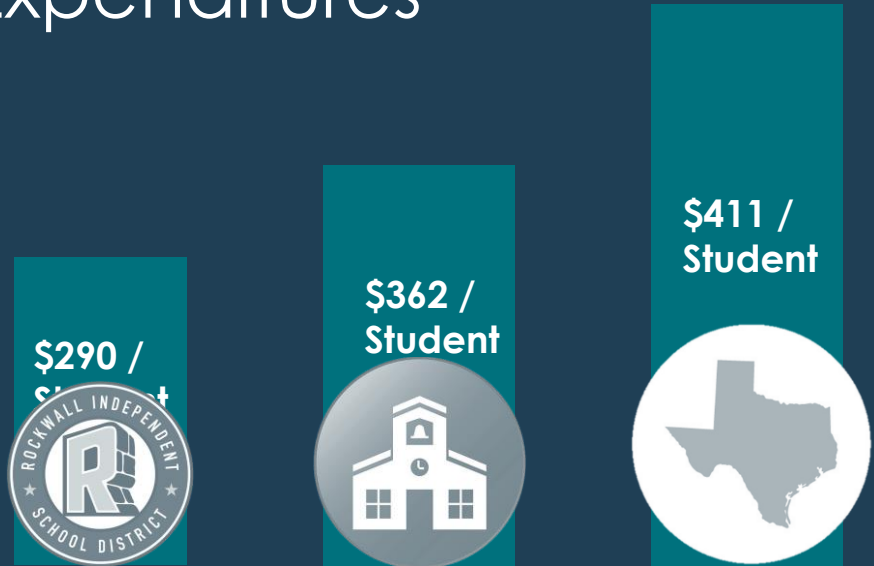
\$72 Less

per student than its peer districts and

\$121 Less

per student than the state average,
respectively.

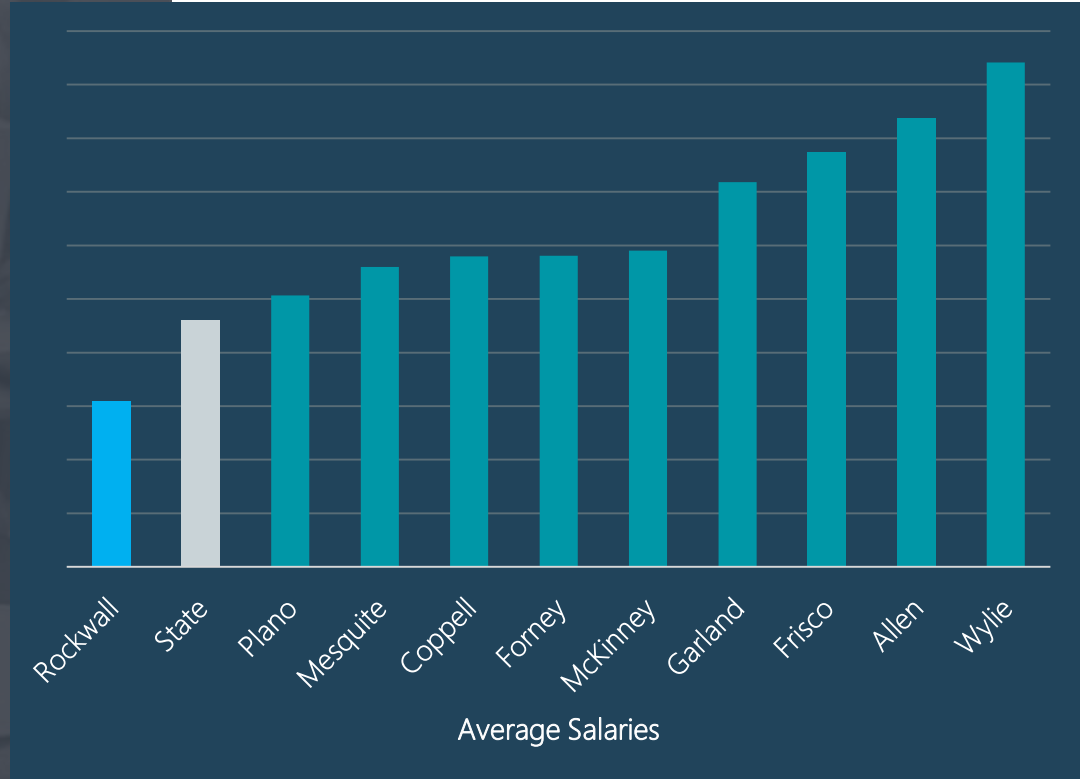
Administration Expenditures



ADMIN SALARY COMPARISON

Compared to nine neighboring peer districts the average salaries for Rockwall ISD administration were the lowest. Additionally, the District administrative salaries were lower compared to the statewide average and lower compared to the peer district average by approximately

\$31K



SALARY CHANGES

Over the previous 10-year time period, Rockwall ISD has increased average teacher salaries by 22.8% compared to an average increase of central administrative salaries of 3.8%.

Change in Salaries (%)



ADMIN STAFFING RATIOS

The District maintains an efficient student to teacher classroom ratio. Additionally, there are approximately 35 teachers and 571 students for every one administrator.

Admin Staffing Ratios

Student : Teacher

16 : 1

Teacher : Administrator

35 : 1

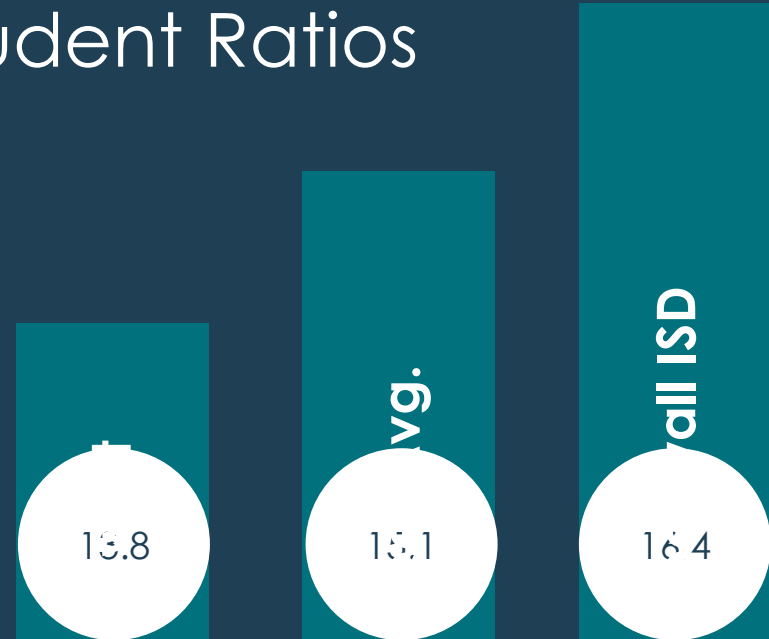
Student : Administrator

571 : 1

TEACHER TO STUDENT RATIO

The District maintains an efficient student to teacher classroom ratio. The current student to teacher ratio is 16 to 1, compared to its peer districts who average a 15 to 1 ratio and the statewide average of 14 to 1 ratio, respectively.

Teacher : Student Ratios

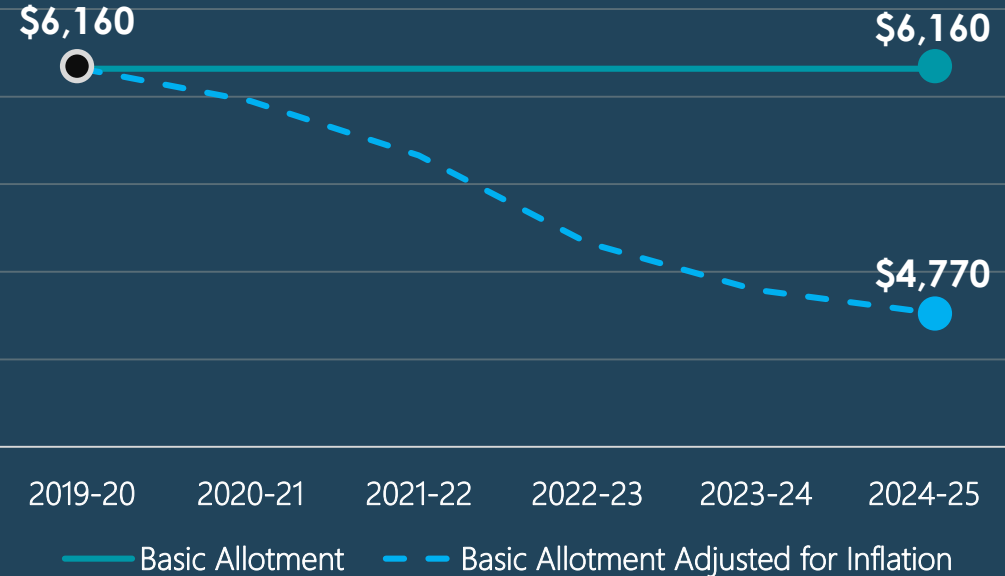


LESS BUYING POWER

In the previous 10 years, the Basic School Allotment has only been adjusted twice. During this time, school districts have been impacted by a worldwide pandemic, unfunded mandates, teacher shortages, and unprecedented inflation. Since 2019, schools district's buying power has declined due to inflation by nearly

22%

Basic Allotment vs. Basic Allotment Adjusted for Inflation

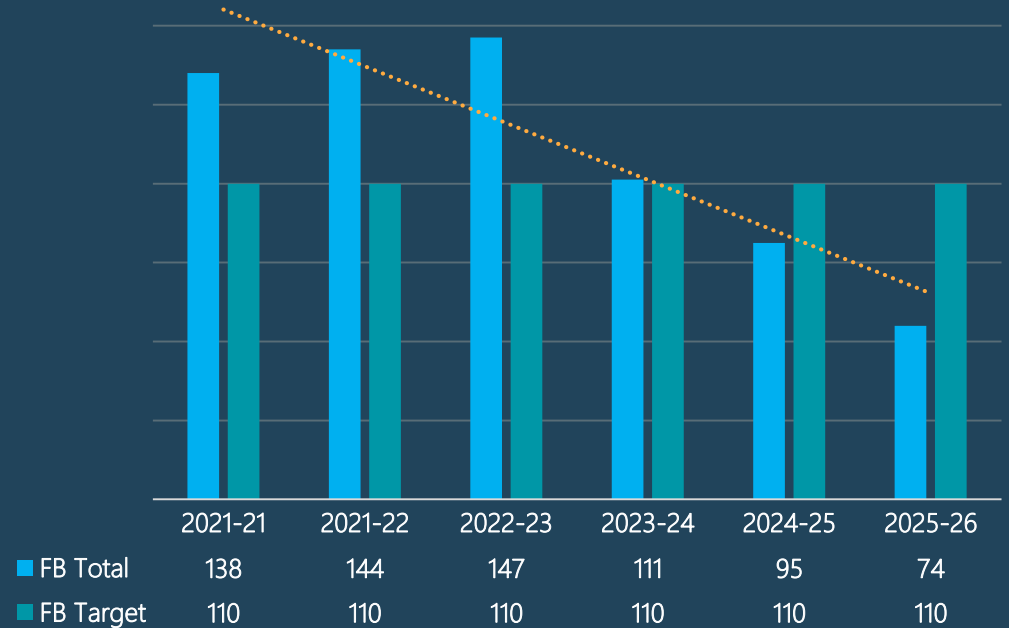


FUND BALANCE HISTORY

In recent years, the District has maintained a healthy fund reserve above its informal target of 30% of annual operating expenditures.

However, due to the recent financial challenges caused by inflation and made worse by the Basic Allotment being frozen since 2019, the district is projecting that its fund reserves will fall below its optimal target beginning in 2024-25.

Comparison of Actual vs. Optimal Fund Balance Level (in days)



BOND REFUNDINGS

The District is continuously monitoring ways to mitigate the tax impact of bonds on local taxpayers and maximize efficiencies. Due in part to its excellent financial ratings, the District has been able to take advantage of favorable market conditions to reduce the bond carrying cost to the local taxpayer by

\$91.1M

Refunding Bond Series	Debt Service Savings
Series 2015	\$16,711,525
Series 2015A	\$16,872,326
Series 2017	\$7,448,775
Series 2019	\$8,578,286
Series 2020	\$40,842,904
Series 2023A	\$683,472
TOTAL TAXPAYER SAVINGS	\$91,137,288

The seal of the State of Texas is faintly visible in the background, featuring a five-pointed star in the center, surrounded by a wreath of olive and live oak branches. The words "THE STATE OF TEXAS" are inscribed around the perimeter of the seal.

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Efficiency

Independent Opinions

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Texas school districts are required to have their financial records audited by an independent certified public accounting firm annually. Rockwall ISD has perennially received the **highest** possible audit opinion regarding its Annual Comprehensive Financial Report (ACFR).



Rockwall
INDEPENDENT SCHOOL DISTRICT

Annual Comprehensive Financial Report
FOR THE YEAR ENDED JUNE 30, 2024



1050 Williams Street
Rockwall, Texas 75087

FINANCIAL CREDIT RATINGS



The premier credit rating agencies Moody's and S&P have both recently assigned very strong credit ratings to Rockwall ISD and have commented that "...the district's finances are strong..." and "...the district has a strong track record of positive budgetary performance..."



Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
C	C	C	
/	D	D	In default
/			



EFFICIENCY AUDIT

Rockwall ISD recently commissioned an efficiency audit to be performed by an independent certified public accounting firm. The results of this audit found that the district maintains an extremely efficient operation.

- ✓ **HIGH** Academic Performance
- ✓ **SUPERIOR** Financial Accountability Rating
- ✓ **LOWER** Revenue per Student
- ✓ **HIGHER** Percentage of Teachers to Overall Staff
- ✓ **EFFICIENT** Use of Teachers to Student Ratio
- ✓ **LOWEST** Teacher Turnover Ratio



STATE F.I.R.S.T. RATING

The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve these practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.



'A'

SUPERIOR RATING
22 YEARS IN A ROW!

COMPTROLLER SMART SCHOOLS RATING

The Texas Comptroller rating system *Smart Schools*, ranks Rockwall ISD as one of the most efficient school districts in the state, for “Very High Academic Progress” combined with “Very Low Spending”.



STATE & NATIONAL RECOGNITIONS

Multiple state and national organizations have recognized Rockwall ISD for its excellence in various fields including Finance, Budgeting, Purchasing and Operations.



NICHE RATING

Niche is an independent organization that annually analyzes and ranks U.S. schools and neighborhoods. The scores are based upon analyzing comprehensive data points, reviews and surveys, grades, rankings, profiles, etc. Rockwall ISD perennially ranks as one of the top school districts in the state and nation.



Rockwall ISD ranked

TOP 3%

In the Nation and
the State of Texas





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Efficiency

“The peak level of performance that uses the **LEAST** amount of inputs to achieve the **HIGHEST** amount of output”

BEST SCHOOL DISTRICTS IN TEXAS

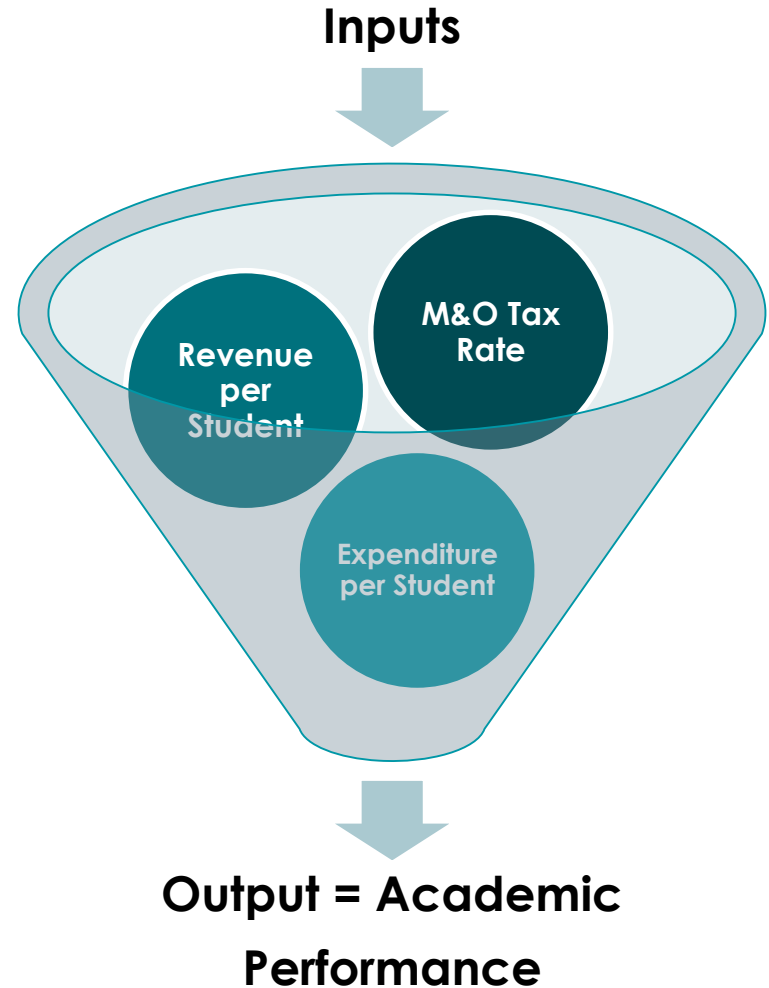
According to the 2025 Niche Ratings, Rockwall ISD ranked as #27 of 883 Best School Districts in Texas that were evaluated. For this efficiency comparison charter schools and academies were not included given they utilize different funding mechanisms.



#1	Eanes	#15	Midway
#2	Carroll	#16	Tomball
#3	Grapevine-Colleyville	#17	Franklin
#4	Coppell	#18	Friendswood
#5	Allen	#19	Leander
#6	Katy	#20	H-E-B
#7	Lovejoy	#21	College Station
#8	Argyle	#22	Prosper
#9	Hudson	#23	Dripping Springs
#10	Frisco	#24	Pearland
#11	Highland Park	#25	Clear Creek
#12	Wylie	#26	Plano
#13	Alamo Heights	#27	Rockwall
#14	Frenship		

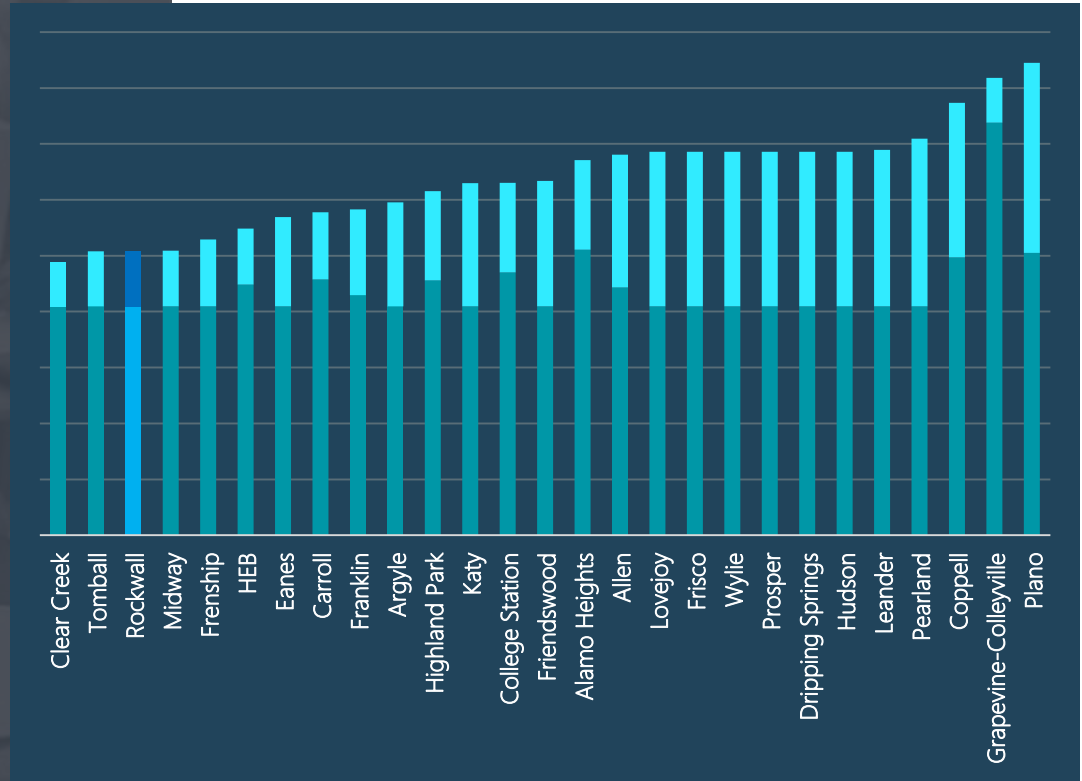
CALCULATING EFFICIENCY

An analysis comparing certain taxpayer inputs relative to the output of overall district academic performance will be used to help illustrate potential differences in levels of efficiency from one district to another.



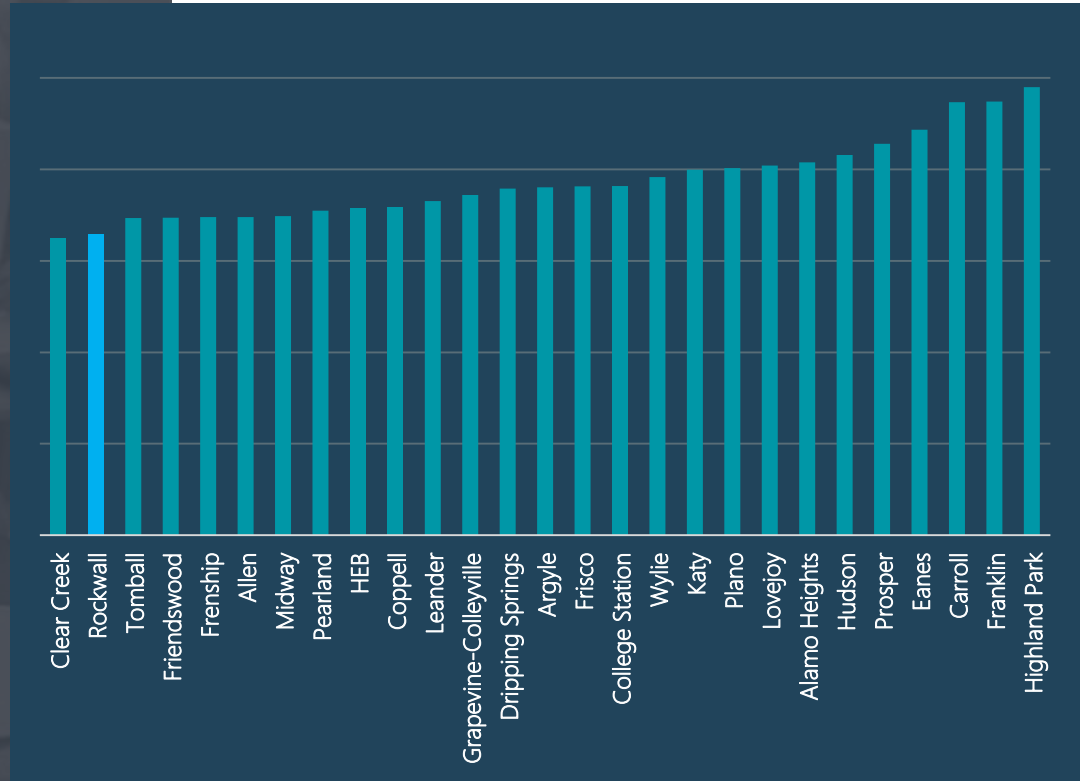
INPUT: M&O TAX RATE ASSESSED

Compared to 26 districts scoring higher Niche ratings, Rockwall ISD's tax rate was the third lowest. The District's tax rate was only one cent higher than the lowest tax rate and six cents lower than the average tax rate. The District's tax rate was the lowest of any district located in the DFW metroplex area.



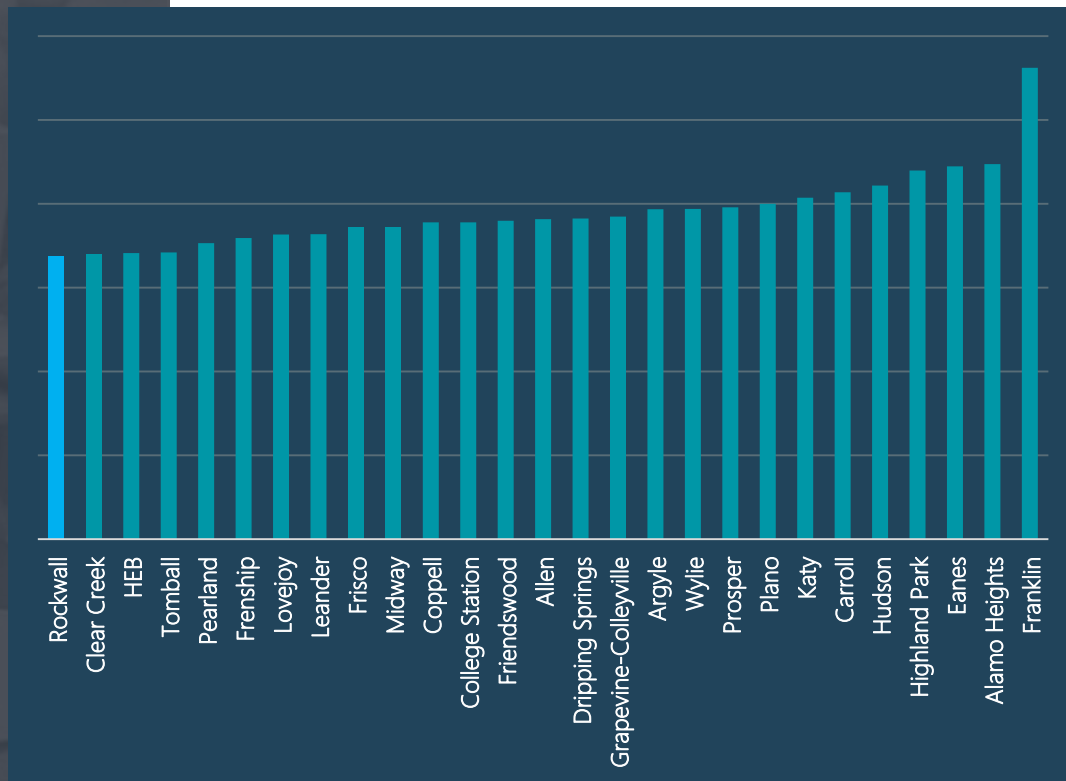
INPUT: REVENUE PER STUDENT

Compared to 26 districts scoring higher Niche ratings, Rockwall ISD's revenue per student was the second lowest. The District's revenue per student was \$1,157 per student lower than the average revenue per student. The District's revenue per student was the lowest of any district located in the DFW metroplex area.



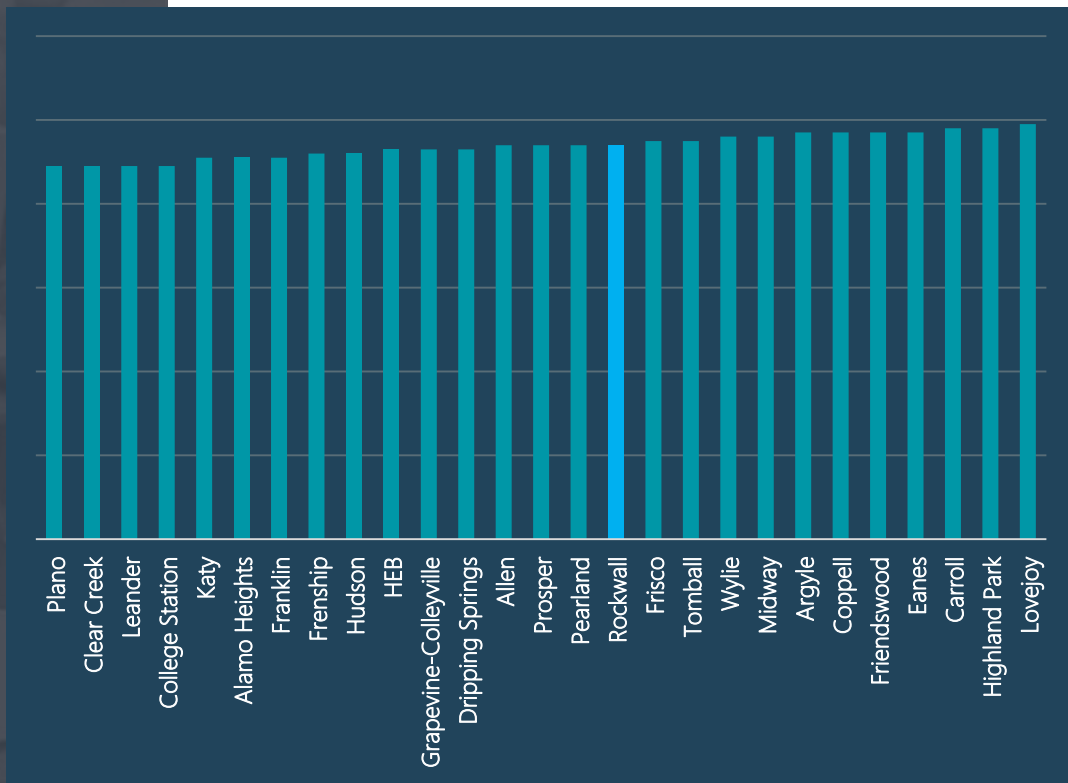
INPUT: EXPENDITURE PER STUDENT

Compared to 26 districts scoring higher Niche ratings, Rockwall ISD's expenditure per student was the lowest. The District's expenditure per student was \$1,075 per student lower than the average expenditure per student. The District's expenditure per student was the lowest of any district located in the DFW metroplex area.



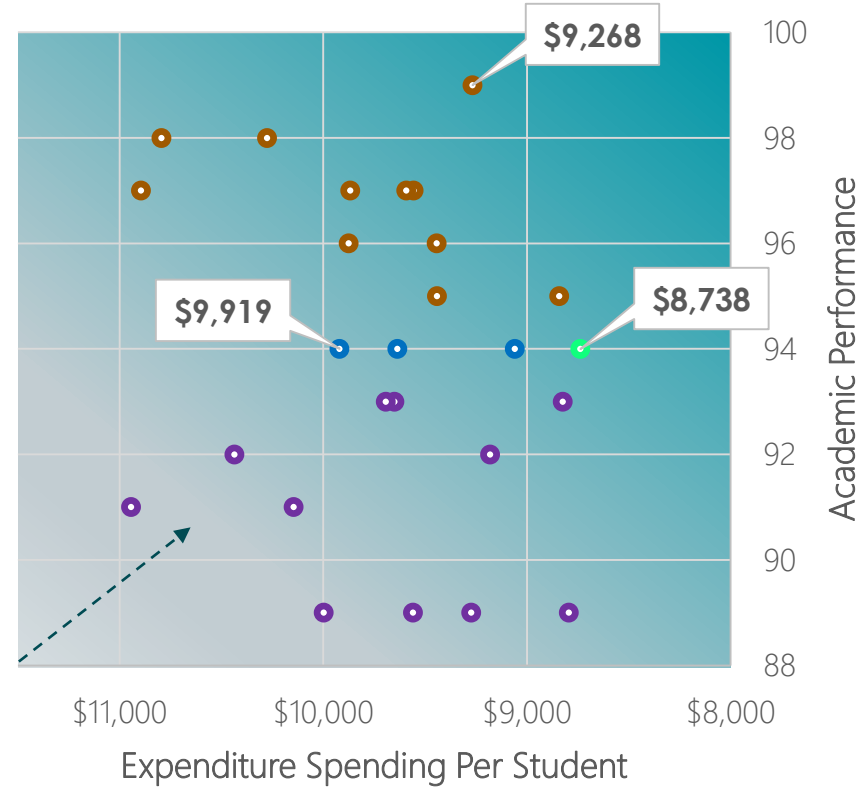
OUTPUT: ACADEMIC RATING

Compared to 26 districts scoring higher Niche ratings, Rockwall ISD's most recent academic rating was only five points less than the highest rating and six points above the lowest rating. The District's academic rating was right at the average rating for the top school districts in the state.



EFFICIENCY SCATTERPLOT

This scatterplot of the Best School Districts in the state according to Niche, illustrates the relationship of Academic Performance relative to the expenditure per student for each district. Rockwall ISD's academic rating was high relative to the expenditure per student which was the lowest of any district.



CALCULATING EFFICIENCY

Efficiency is a measurable concept that can be determined using the ratio of useful output to total input. Increased efficiency minimizes the waste of resources while accomplishing the desired output.

Efficiency is measurable and can be expressed as a ratio or percentage. You can measure it by using the following formula:

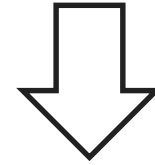
$$\text{Efficiency} = \text{Output} \div \text{Input} \times 100\%$$



CALCULATING INPUTS

To calculate the district efficiency score, the individual district input was compared to the average of the group of districts. The efficiency score is a calculation relative to the average.

Inputs



M&O
Tax
Rate

Revenue
per
Student

Expenditure
per
Student

Above the
Average

Below the
Average

= Total
Input

CALCULATING INPUTS

To illustrate the relative efficiency of the academic performance rating for each district, an efficiency score was developed for each input reviewed. The score was determined by calculating the district's input relative to the group average for each input category.

Lastly, the individual input score was averaged for all categories to determine the total Efficiency Score for each district.

Rockwall ISD had the second highest Efficiency Score.

Input Efficiency Scores				
	Tax Rate Score	Rev/Student Score	Exp/Student Score	Total Input
Rockwall	0.93	0.88	0.89	0.90
Clear Creek	0.92	0.87	0.90	0.90
Tomball	0.93	0.92	0.90	0.92
H-E-B	0.96	0.94	0.90	0.93
Frenship	0.94	0.92	0.94	0.93
Midway	0.93	0.92	0.96	0.94
Pearland	1.00	0.92	0.98	0.97
Friendswood	1.04	0.93	0.92	0.97
Allen	1.03	0.92	0.98	0.98
...
Hudson	1.03	1.06	1.06	1.05
Plano	1.12	1.03	1.02	1.06
Alamo Heights	1.02	1.04	1.12	1.06
Eanes	0.97	1.12	1.11	1.06
Carroll	0.97	1.18	1.05	1.07
Highland Park	0.99	1.21	1.10	1.10
Franklin	0.97	1.18	1.35	1.17

CALCULATING EFFICIENCY

Efficiency is a measurable concept that can be determined using the ratio of useful output to total input. Increased efficiency minimizes the waste of resources while accomplishing the desired output.

Efficiency is measurable and can be expressed as a ratio or percentage. You can measure it by using the following formula:

$$\text{Efficiency} = \text{Output} \div \text{Input} \times 100\%$$



EFFICIENCY CALCULATION

To illustrate the relative efficiency of the academic performance rating for each district, the Efficiency Score was applied to the Academic Rating to provide a relative scale. In other words, this quantifies each district's efficiency at achieving their Academic Rating relative to the amount of expenditures per student. Rockwall ISD had the highest performance efficiency of any district.

Efficiency Calculation					
	Output: Academic Rating	÷	Total Input	=	Efficiency
Rockwall	94	÷	0.90	=	104.2
Tomball	95	÷	0.92	=	103.6
Midway	96	÷	0.94	=	102.2
Friendswood	97	÷	0.97	=	100.4
H-E-B	93	÷	0.93	=	99.9
Clear Creek	89	÷	0.90	=	99.2
Lovejoy	99	÷	1.00	=	98.7
Frenship	92	÷	0.93	=	98.6
Argyle	97	÷	0.99	=	97.9
...
Katy	91	÷	1.02	=	89.2
Highland Park	98	÷	1.10	=	89.0
Hudson	92	÷	1.05	=	87.6
Alamo Heights	91	÷	1.06	=	85.9
Plano	89	÷	1.06	=	84.4
Franklin	91	÷	1.17	=	77.9



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Is Rockwall ISD
Efficient ?

Summary: Quick Comparisons...

- RISD has the lowest revenue per student compared to state & peers
- RISD has the lowest expense per student compared to state & peers
- RISD spends less on admin compared to state & peers
- RISD spends less on admin than it did 10 years ago

Independent Opinions...

- Audit Reports, Financial Ratings, Credit Ratings are excellent
- Multiple state and national recognitions
- RISD is ranked in the Top 3% in the Nation and State of Texas

Efficiency Measures...

- Objectively and quantifiably, Rockwall ISD is one of the most efficient districts of the 'Best School Districts' in the State of Texas

THANK YOU



- **Revenue per Student.** Texas Education Agency. PEIMS District Financial Actual Reports. 2022-2023. Retrieved from https://rptsvr1.tea.texas.gov/school.finance/forecasting/financial_reports/2223_FinActRep.html
- **Expenditure per Student.** Texas Education Agency. PEIMS District Financial Actual Reports. 2022-2023. Retrieved from https://rptsvr1.tea.texas.gov/school.finance/forecasting/financial_reports/2223_FinActRep.html
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- **Administrative Spending per Student.** Rockwall ISD 2024 Efficiency Audit. Retrieved from <https://www.rockwallisd.com/departments1/business-and-finance/financial-reports>
- **Administrative Salary Comparison.** Texas Education Agency. Texas Academic Performance Reports (TAPR). 2023-2024. Retrieved from <https://rptsvr1.tea.texas.gov/perfreport/tapr/2024/index.html>
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- **Administrative Staffing Ratios.** Texas Education Agency. Texas Academic Performance Reports (TAPR). 2023-2024. Retrieved from <https://rptsvr1.tea.texas.gov/perfreport/tapr/2024/index.html>
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- **SMART Schools Ratings.** TX Smart Schools. Cost-adjusted Spending Per Pupil vs. Academic Progress. Retrieved from <https://txsmartschools.tamu.edu/Apples2Apples/chart.aspx>
- **Niche Rating.** Niche. Best School Districts in Texas. 2025. Retrieved from <https://www.niche.com/k12/search/best-school-districts/s/texas/>