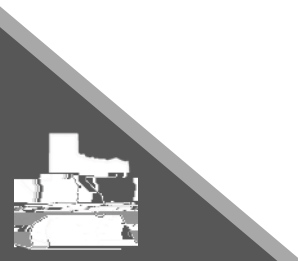
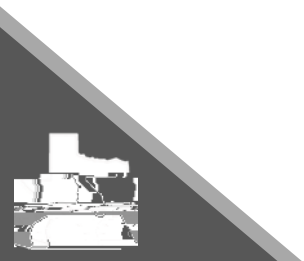




Exhibits

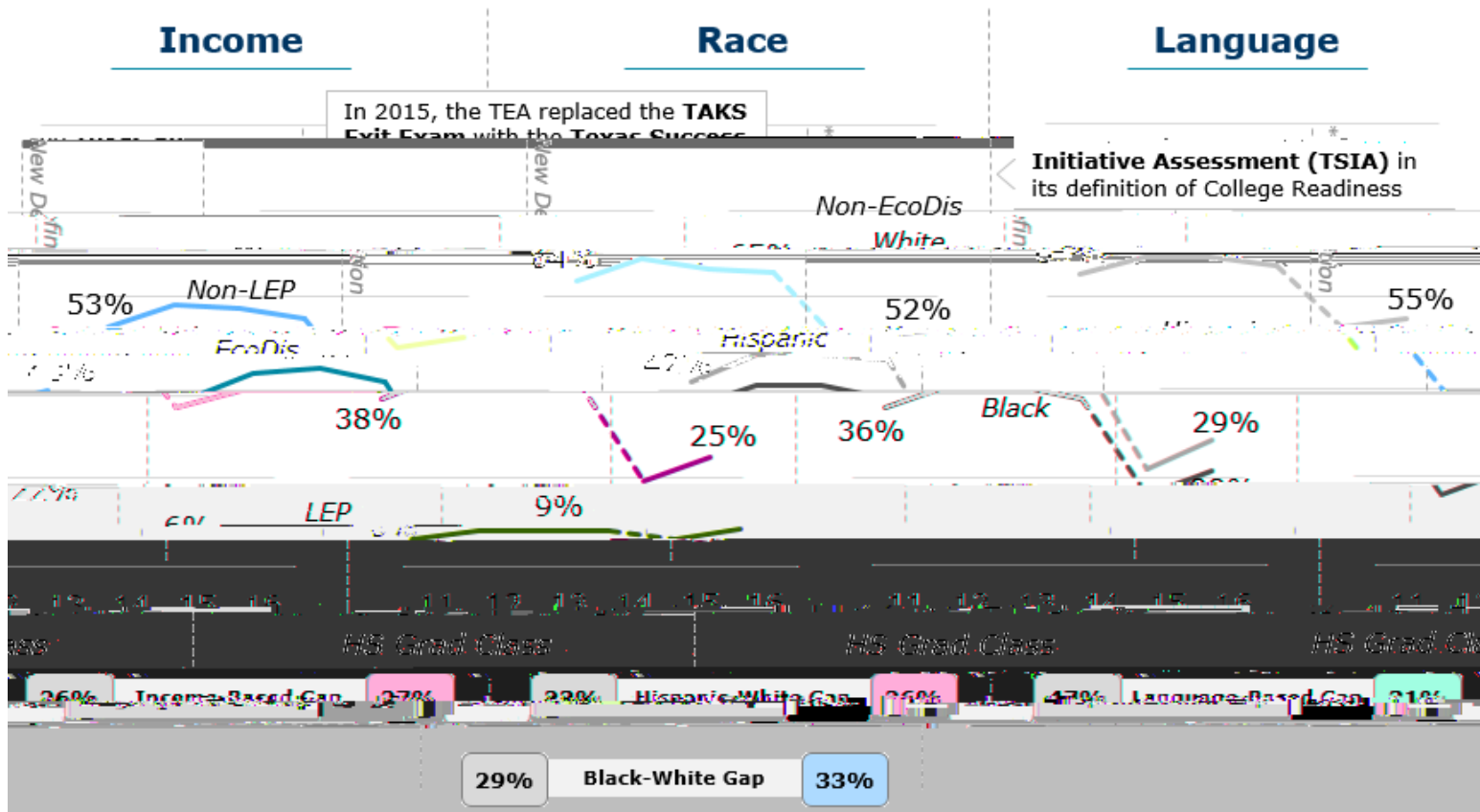






College Readiness Rates Show That Achievement Gaps Persist Into High School

Statewide College Readiness Rates (SAT/ACT/TSIA) of High School Graduates by Demographic, 2011-2016 HS Grad. Classes

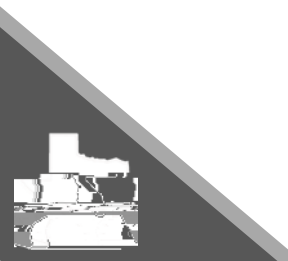
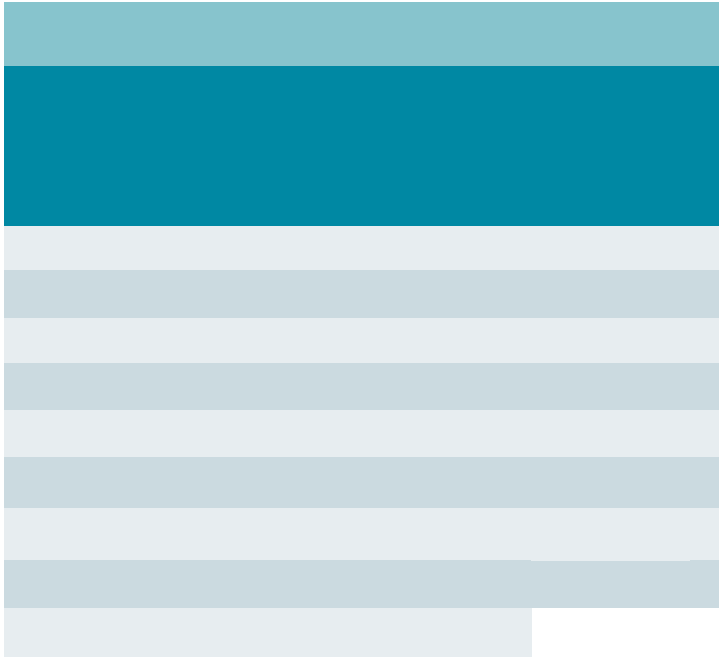


Source: TEA TAPR 2012-2017 reports; for weighted averages (Non-EcoDis, non-LEP), TEA Accountability Reports (2012-2017), 4-Year HS Graduation Rates

Note: LEP/non-LEP HS grad counts are not published by TEA TAPR standard files; these numbers found in TEA Accountability Reports (4-Year Longitudinal Graduation Rates, 2011-2016)

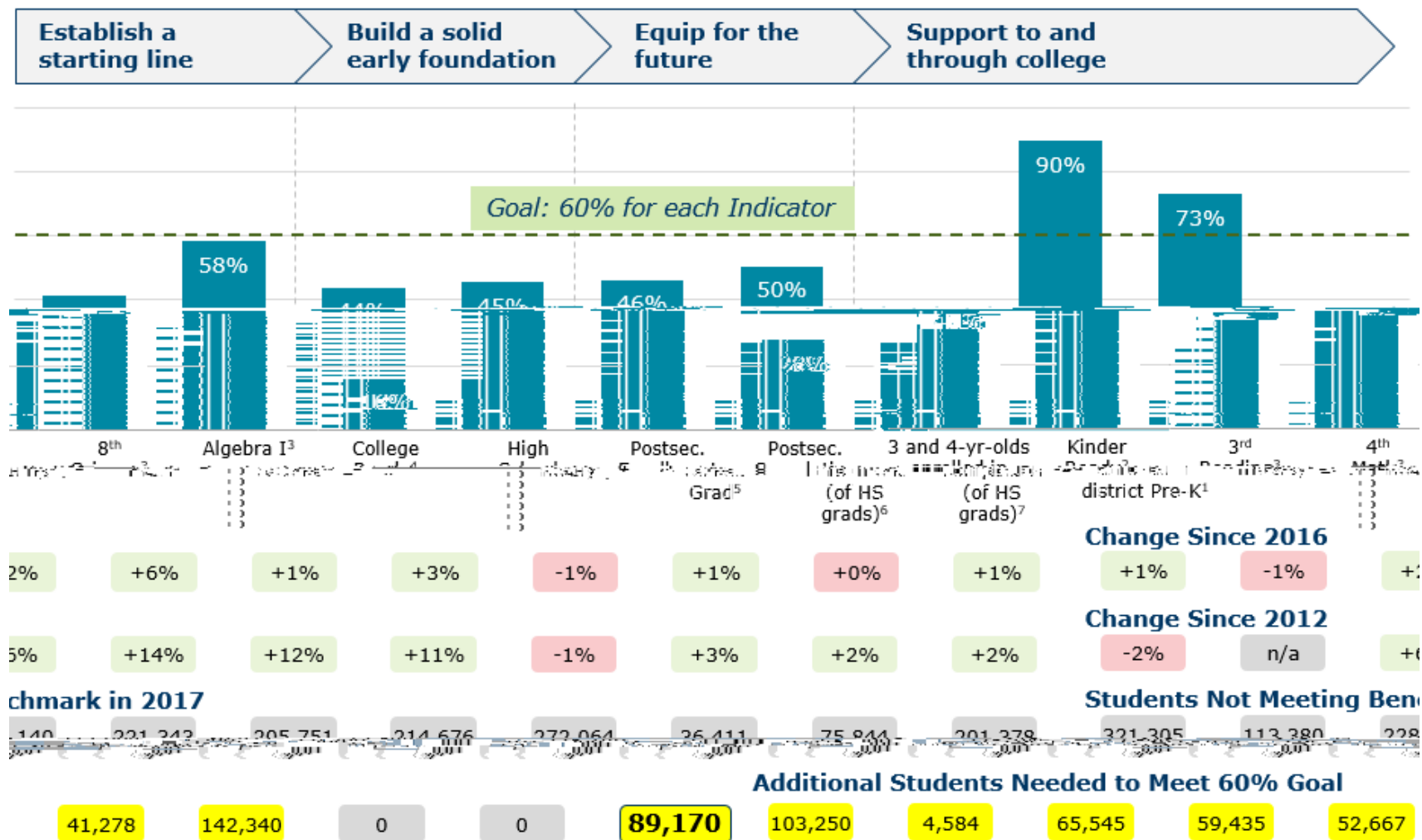
The Need for Targeted Resources:

Even the State's 15 Highest Performing Systems Serving Low Income and English Language Learners Fall Well Below a 60% STAAR Proficiency Goal



Where We Stand Today: Texas' Education/Workforce Pipeline

Need for ~90,000 Additional Students Completing to Meet TX 60x2030 Goal



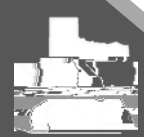
(1) Pre-K Enrollment: Percent of 3- and 4-year-olds enrolled in district Pre-K programs. Texas Education Agency (TEA) – Texas Public Education Information Report (TPEIR) – Texas Pre-Kindergarten Report; (2) Kindergarten Readiness: The percent of students deemed Kindergarten Ready based on assessments given by districts at the beginning of the year to Kindergarteners; (3) STAAR indicators: Achievement levels represent percentage of students achieving “meets grade level” standard on 2017 STAAR exams. (4) College ready: The percent of HS grads who took the SAT or ACT and scored at least a 24 on the ACT or 1110 on the SAT (reading and math) – TEA TAPR 2017. (5) Graduation rate: the percent of the 9th grade cohort from 2012 – 2013 school year that graduated four years later in 2rs1/9ndarrTa.9(r)-o ion A122(e)-5(n(t)-8(cy)-9((-7(T)-5(:Tc 0 Tw (-)T] -0.001 Tc 0.016 Tw -67.5 0 Td [37.0]T] 0.00(h)Tc 0.026]T] -0.0c -0.016 Tw -93.54

Troubling outcomes resulting from relationship of our spending relative to our growing student needs, particularly in literacy

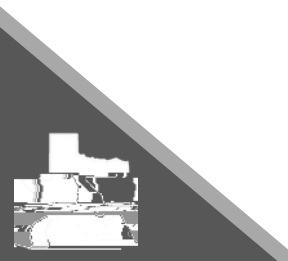
2017 "Nation's Report Card" (NAEP) TX Rankings

46 out of 50 in 4th Grade Reading
41 out of 50 in 8th Grade Reading

19 out of 50 in 4th Grade Math
24 out of 50 in 8th Grade Math

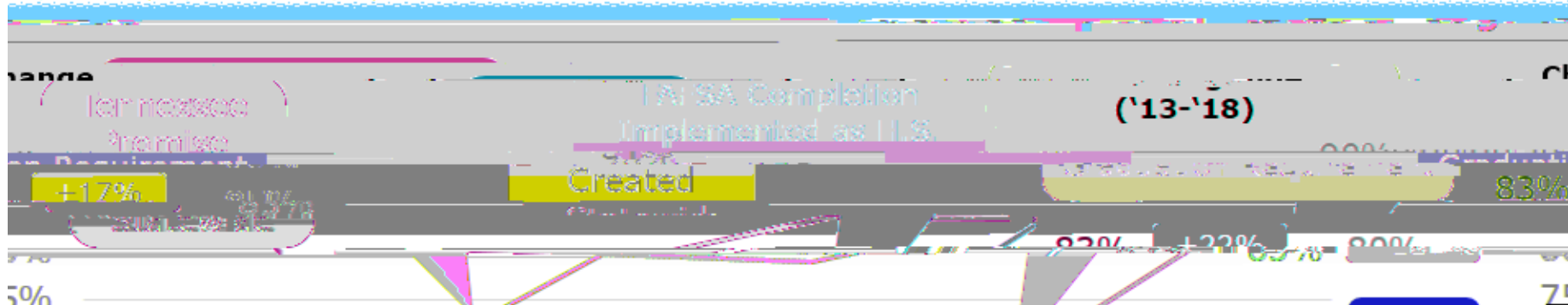


Across Texas, Community College Tuition Rates (4th Lowest in U.S.)



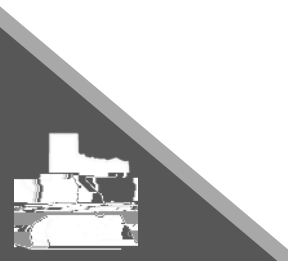
Statewide Initiatives Have Led to LA and TN Leading the Nation (and Texas) in FAFSA Completion and Accessing U.S. Aid via Pell Grants Despite Ranking 9th in U.S. in % Economic Disadvantage, TX Also Trails U.S.

FAFSA Completion Rates through June 30



Source: U.S. Department of Education FAFSA Report

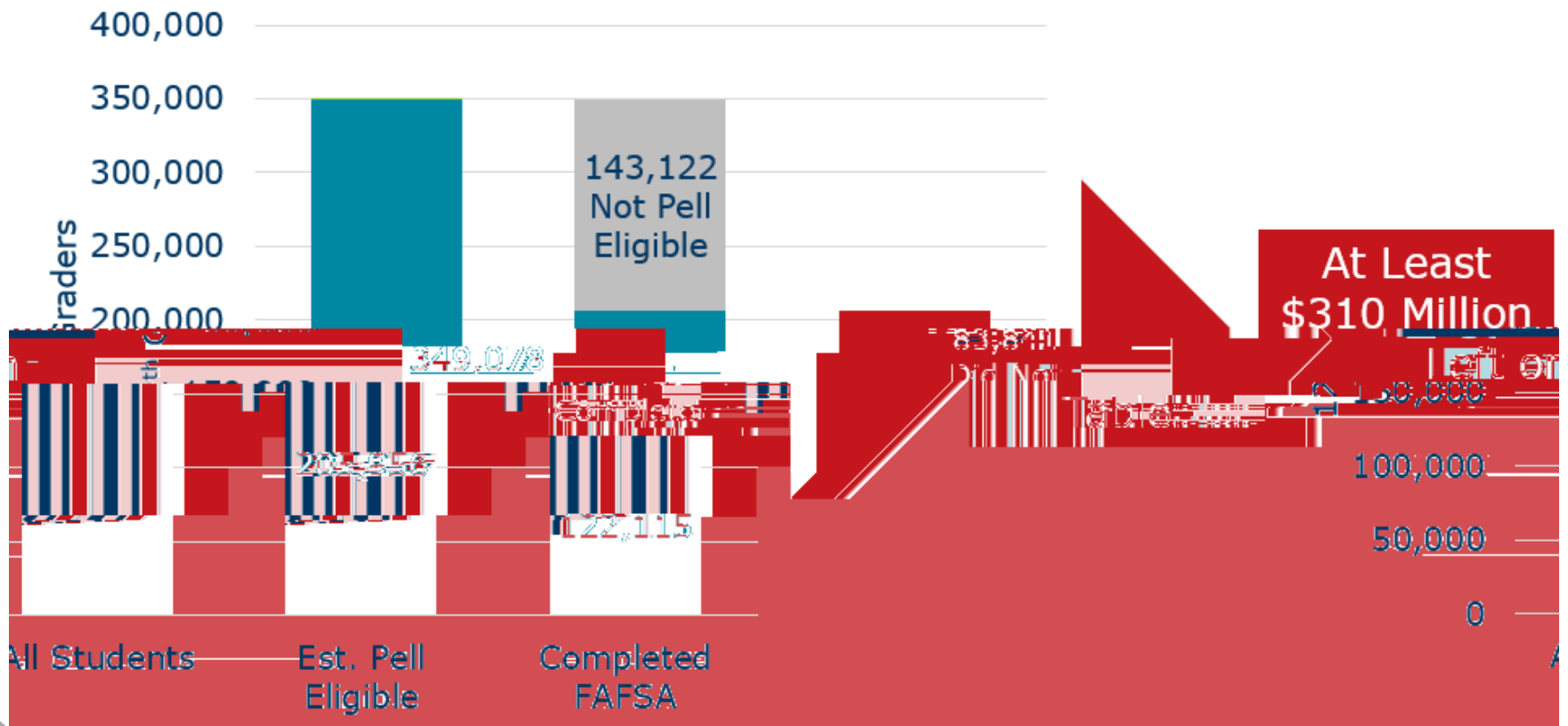
Economically Disadvantaged Students, Whether as a Pct. of 8th graders or of HS Grads, Enroll in Post Secondary Education at Rates 2/3rds to 3/4ths of Their Non-



Texas Students Leave at Least \$310 Million in Annual U.S. Aid for EACH H.S. Senior Cohort On the Table Due to Failure to Complete FAFSA

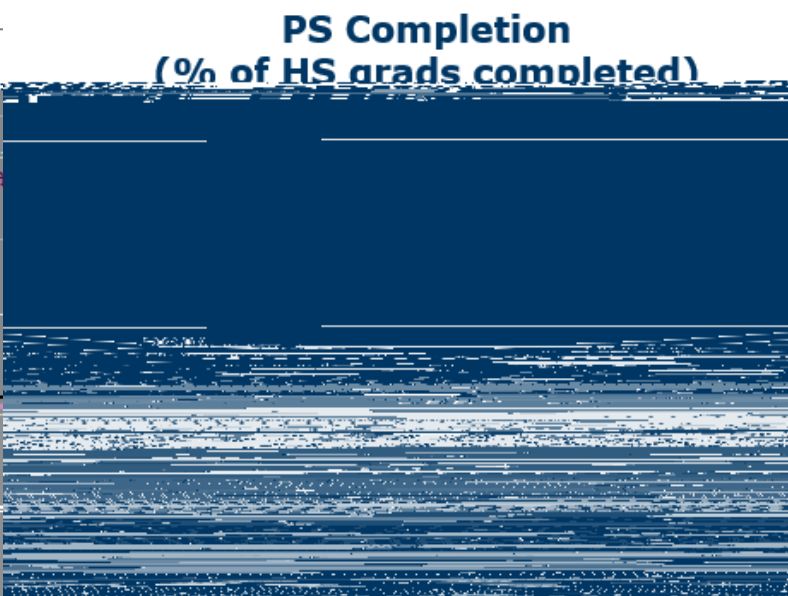
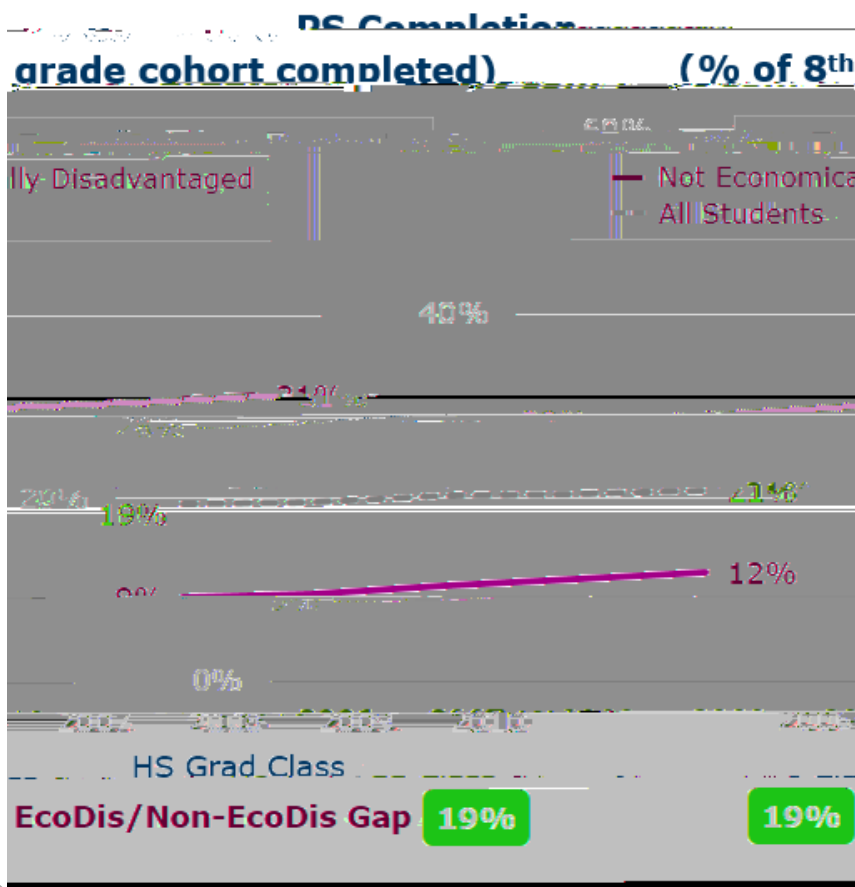
Texas Students Qualifying for Federal Financial Aid via FAFSA

(conservatively assumes that only those considered economically disadvantaged qualify for federal aid)



Economically Disadvantaged Students, Whether as a Pct. of 8th graders or of HS Grads, Ultimately Attain a Post Secondary Degree at Rates 1/3rd to 1/2th of Their Non-Disadvantaged Peers

Postsecondary Completion Rates by Income



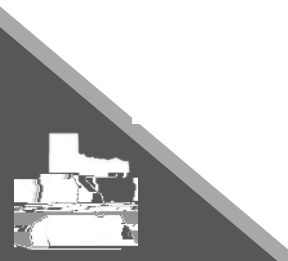
Source: Texas Higher Education Coordinating Board 8th Cohort Study

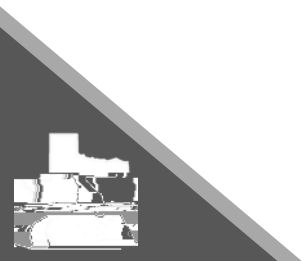
Roughly **\$200 Billion Dollars** Foregone by Each Texas H.S. Class by not Obtaining Postsecondary Credentials

Estimated Lifetime Earnings by Education Level, H.S. class of 2010

Within each Texas H.S. graduating class, students subsequently not earning a postsecondary credential lose up to **~\$200 Billion** in future lifetime earnings (equal to **1/8th of Texas \$1.6 trillion GDP**)

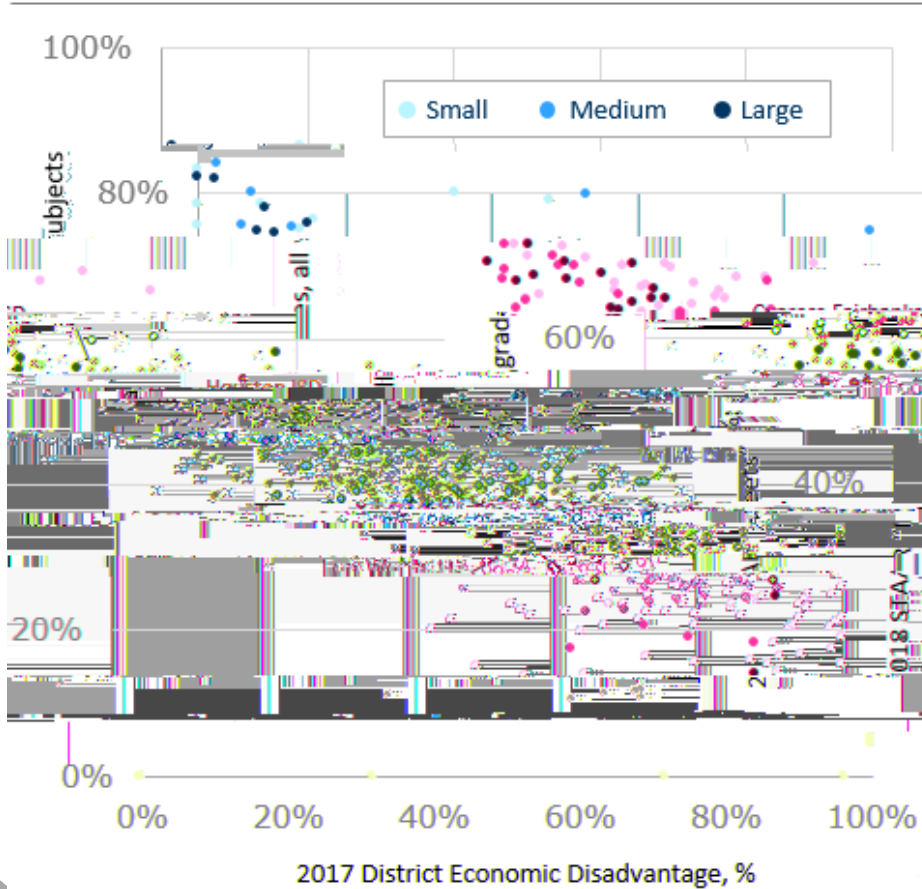
Source: The Commit Partnership, Median earnings found and adjusted for inflation (2017 Dollars) in U.S. Census, American Community Survey Briefs, "Work-life Earnings by Field of Degree and Occupation for People with a Bachelor's Degree: 2011"; PS attainment numbers estimated using the THECB Higher Education Attainment report, HS grad classes '08-'10





Current Outcomes Impacted by Poverty...But Wide Variations in Outcomes Among Districts with Similar Demographics Show That Strategies, Priorities and Resource Allocations Can Matter Greatly

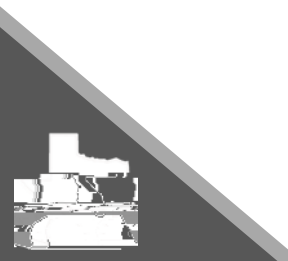
2018 STAAR “Meets Grade Level” Rates by District: All Grades, All Subjects



Student Group	Proficient % at Meets for Highest Perf. ISD or Charter	Proficient % at Meets for Lowest Perf. ISD or Charter	Gap Between Highest and Lowest
All Students	86%	25%	61%
Non-Low Income Students	87%	35%	52%
Low Income Students	55%	21%	34%
ELL Students	42%	9%	33%

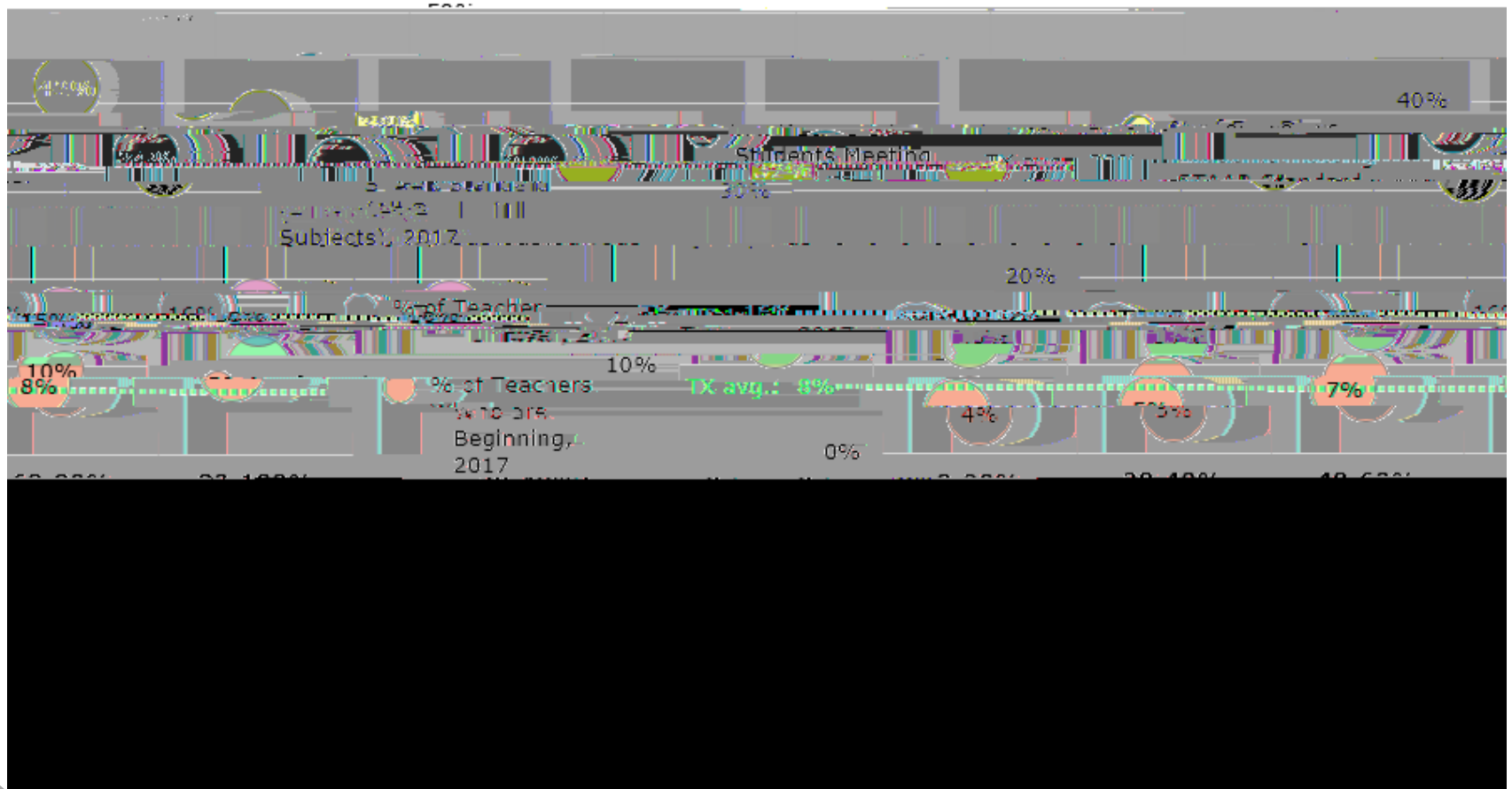
Teacher Supply Provided by Schools of Higher Education Continues to Decline Statewide (15% Decline since 2012)

State of Texas Teacher Supply and Demand, 2012 -2017

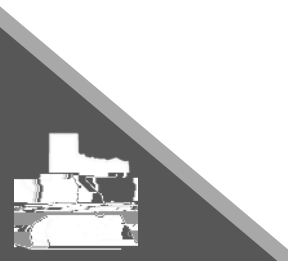


Lower Income ISD's Increasingly Have More Beginning Teachers and Higher Teacher Turnover, Impacting Low Income Achievement

Eco-Dis Student Achievement vs. Teacher Characteristics, by District Eco-Dis Rate (200 Largest ISDs)



Dallas ISD Has Made Significant Academic Progress by Implementing a
Number of Key Initiatives Focused on Early Childhood, Educator
Pay/Strategic Staffing, and Early College/P-Tech



Dallas ISD Retains 90%+ of Teachers Rated at Higher Levels of Proficiency, with Salaries Ranging as High as \$75k to \$90k Before Adjustments for Participation in ACE or Increases Due to TRE Passage

2018-2019 Effectiveness Levels	N Teachers	% Change from Previous Year	Average CYS	N/% Retained in TEI Eligible Position	Average % Salary Increase	Average Salary	
						2017-2018	2018-2019
Unsatisfactory	82	-6.8%	8.4	48 (58%)		\$53,371	\$53,371
Progressing I	1414	-8.2%	2.7	1098 (78%)	1.6%	\$51,739	\$52,548
Progressing II	2002	-15.5%	7.0	1597 (81%)	2.7%	\$53,515	\$54,945
Proficient I	4206	2.6%	11.6	3549 (84%)	2.7%	\$56,913	\$58,447
Proficient II	1172	5.3%	12.7	1058 (90%)	3.5%	\$59,669	\$61,734
Proficient III	702	26.3%	13.2	654 (93%)	4.3%	\$63,644	\$66,392
Exemplary I	133	30.4%	14.3	124 (94%)	9.1%	\$68,610	\$74,843
Exemplary II	110	48.6%	14.4	102 (93%)	4.9%	\$79,209	\$83,051
Master	3	100%	8.3	3 (100%)	9.8%	\$82,000	\$90,000
Total*	9824		9.7	8292(84%)	2.9%	\$56,671	\$58,309

*This total reflects preliminary Effectiveness Level data through 09/26/2018; teachers with No Level are excluded from this data set. Dallas ISD recently passed a \$126 million Tax Ratification Election on 11/6/2018 to provide additional funding to in part continue to grow teacher compensation, including adding more effective teachers who qualify for higher salary bands.

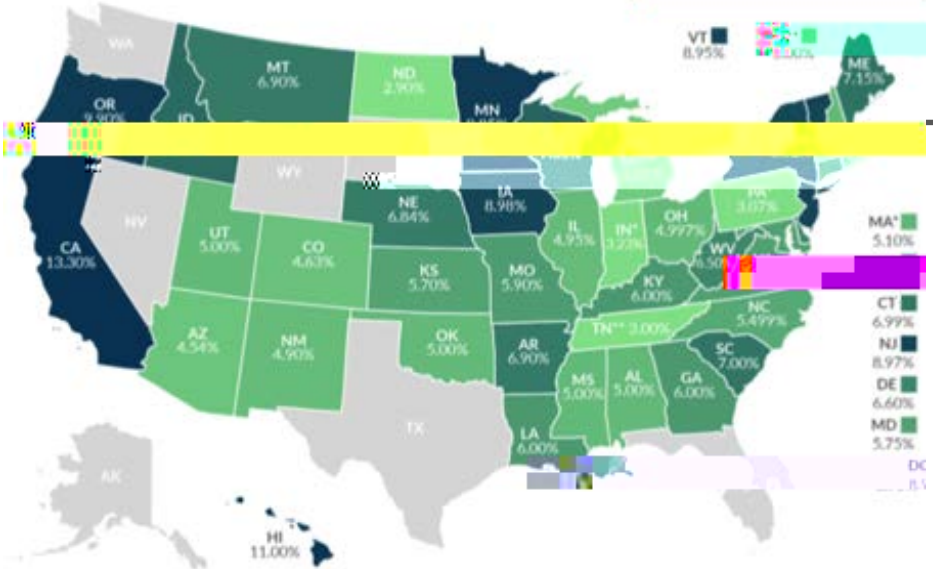
The ACE Initiative in Dallas ISD Resulted in 12 of 13 Multi-Year IR
mpuses (92%) Going Off State's Improved Required List After One Yr.



How High Are Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates, 2018

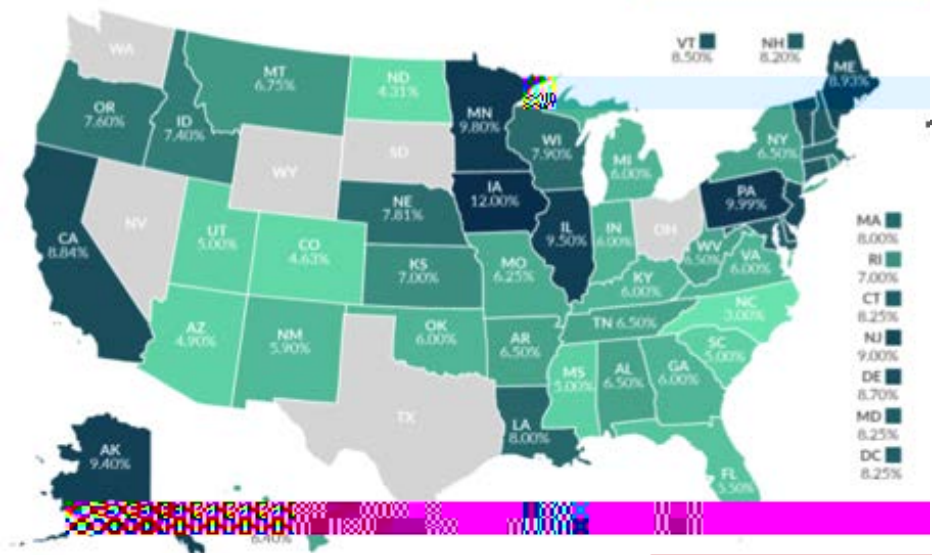
TX one of 7 states with 0%



How High Are Corporate Income Tax Rates

Top State Marginal Corporate Income Tax Rates in 2018

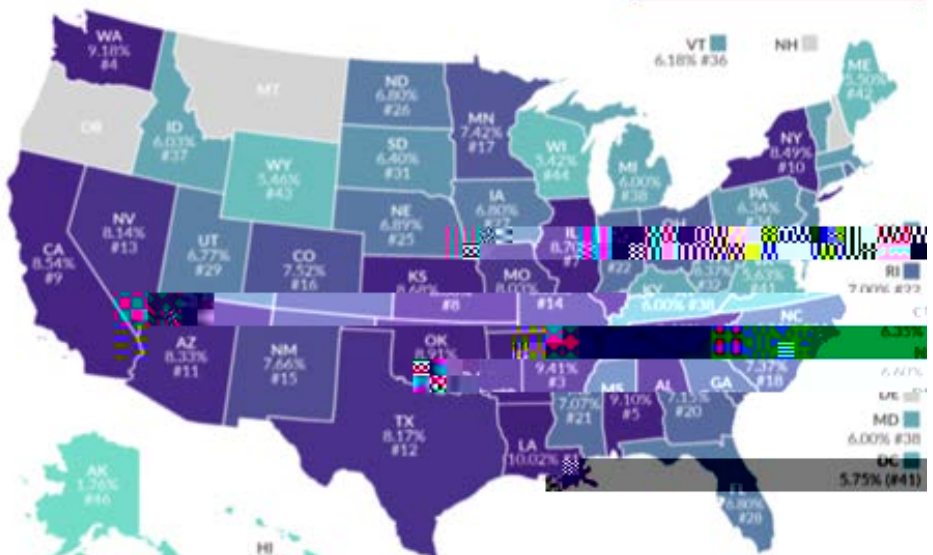
TX one of 6 states with 0%



How High Are Sales Tax Rates in Your State?

Combined State & Average Local Sales Tax Rates, Jan. 1 2018

TX ranks 12th (<OK, AR)

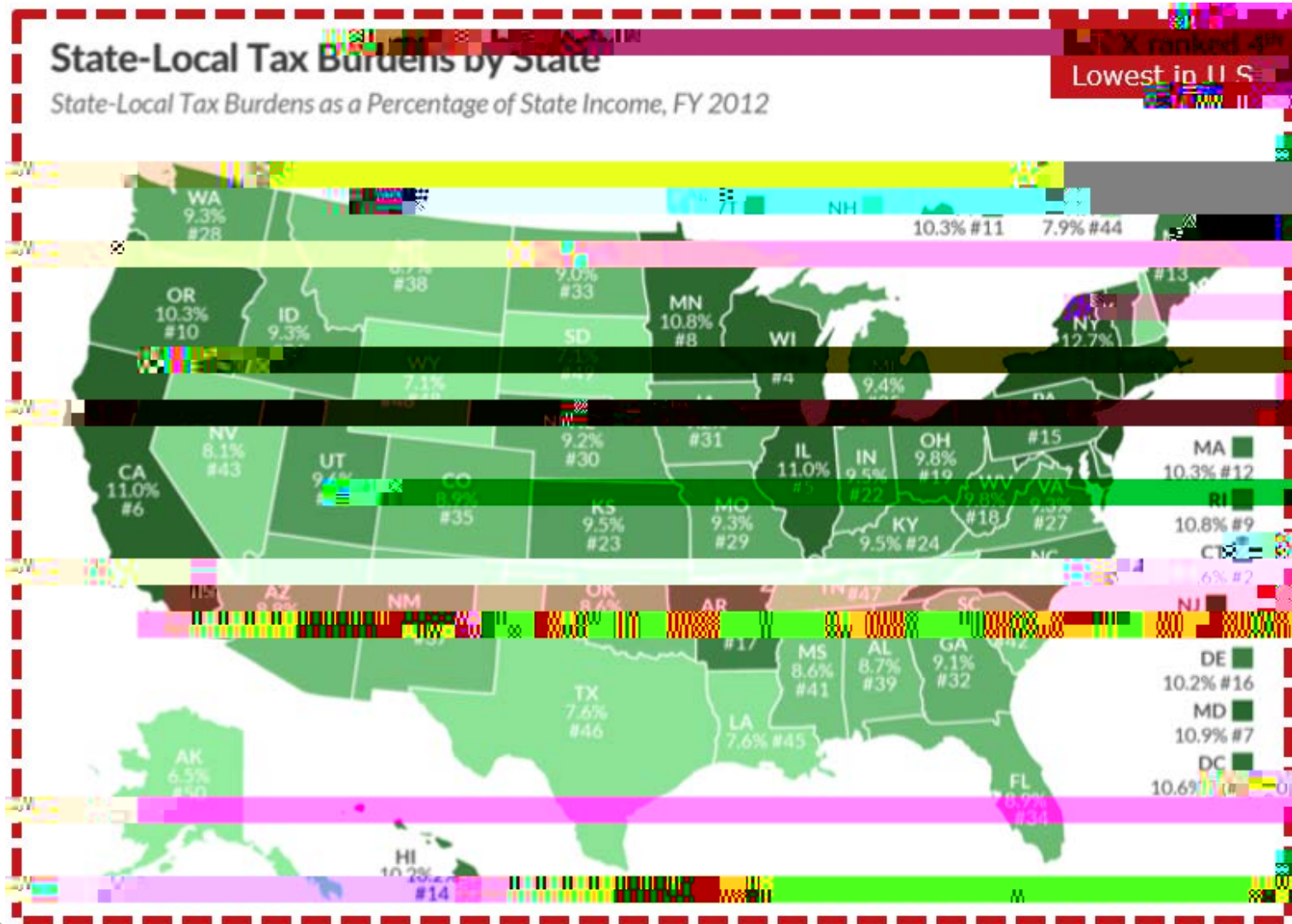


TX ranks 6th Highest in U.S.



Source: Tax Foundation, Nicole Kaeding Testimony, 4.19.18 ; U.S. Census Data

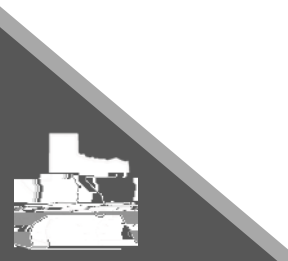
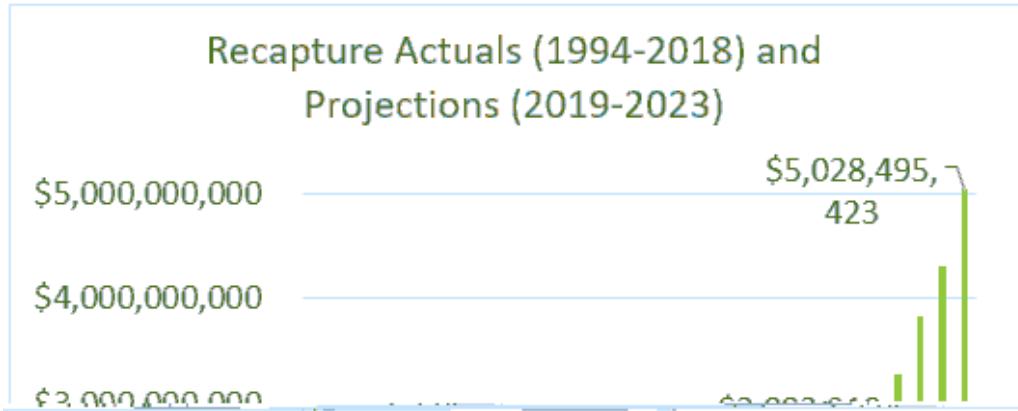
Total State and Local Tax Burden Ranked 46th in 2012



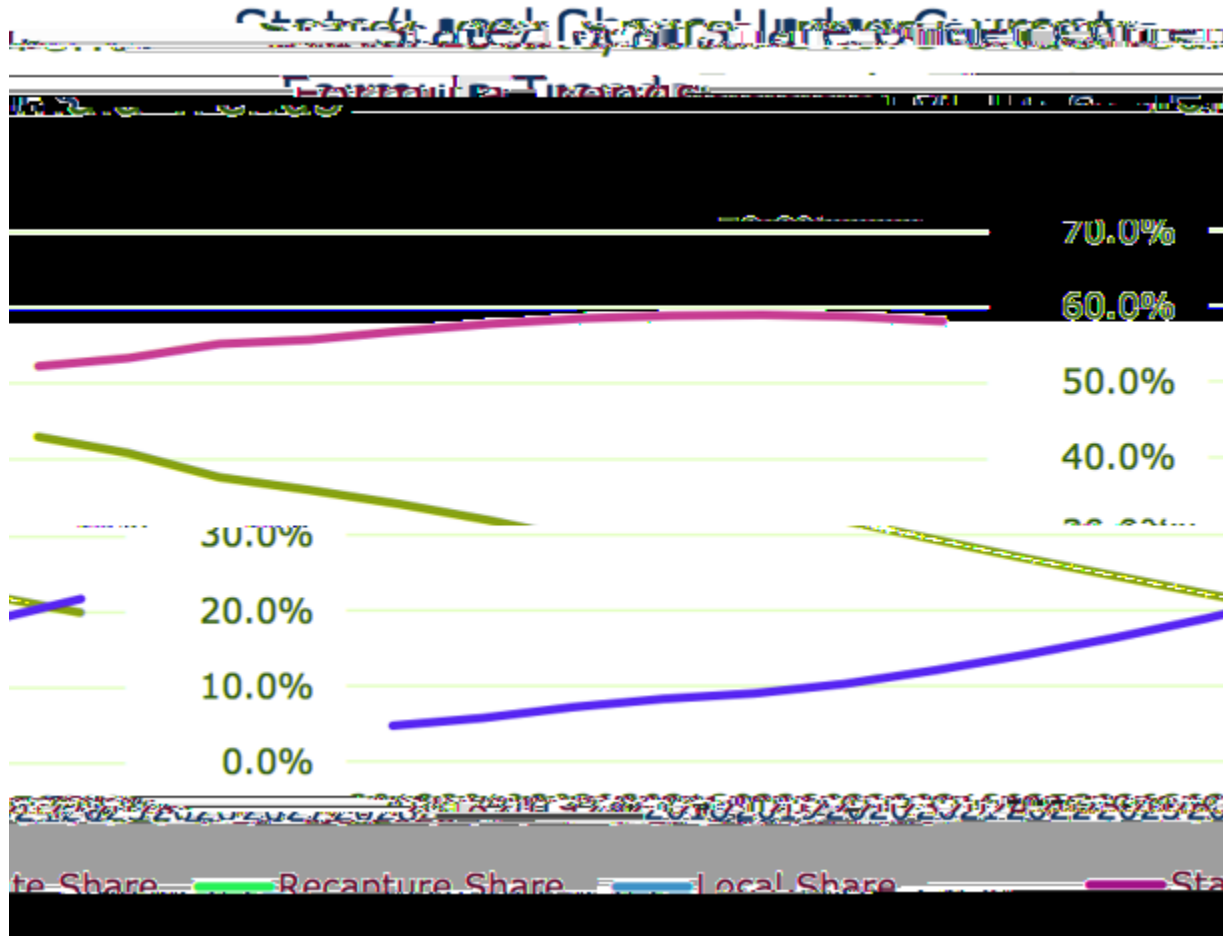
Source: Tax Foundation, Nicole Kaeding Testimony, 4.19.18

If unaddressed, recapture will become an even larger burden over a growing number of Chapter 41 school districts over the next 5 years

Actual and Projected Recapture Collections, 1994 to 2023



If current formulas and structure not addressed, recapture will become an even larger burden, exceeding the state's share of funding in a decade

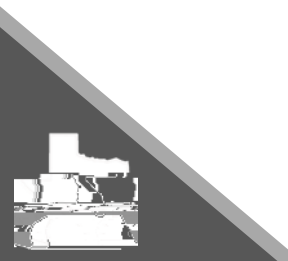


Source: Texas Commission on Public School Finance, 11.13.18, Presentation by Governor's Office of Budget and Policy

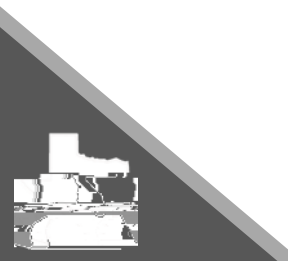
Initial State Investment of ~\$780 Million in 3rd Grade Reading Allotment and ~\$400 Million of Outcomes-Based Funding Could Meaningfully Increase 3rd Grade Reading Achievement

Economically Disadvantaged 3rd Grade Students

Outcomes Based Funding Per Student	Current Proficient % in Reading	Current Number of				



Proposed 3



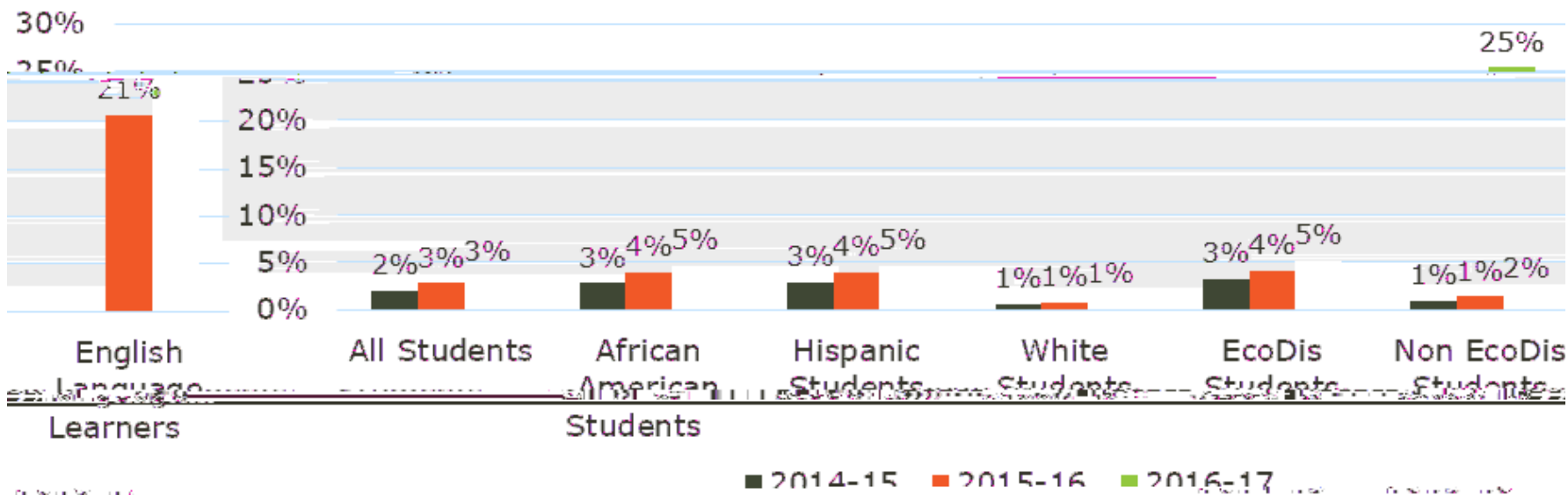
Proposed CCMR Outcome Funding in Year 1 Will Equitably Support Campuses and Can Improve as Outcome Dollars are Wisely Invested

Assuming a District Has 1,000 Seniors

District Economic Disadvantage %	0%	25%	50%	75%	100%
Number of Eco. Dis. Students	-	250	500	750	1,000
Number of NON Eco. Dis. Students	1,000	750	500	250	-
Proficient Eco. Dis. Students <i>(Using State Average of 25%)</i>	-	62	123	185	247
Proficient NON Eco. Dis. Students <i>(Using State Average of 50%)</i>	500	375	250	125	-
Funding for Eco. Dis. Students @ \$5,380/student	-	\$332,214	\$664,428	\$996,642	\$1,328,856
Funding for NON Eco Dis Students @ \$2,015/student	\$1,007,934	\$755,950	\$503,967	\$251,983	-
Total Outcome Funding (in \$000's)	\$1.01m	\$1.09m	\$1.17m	\$1.25m	\$1.33m

Increasing Number of Students Graduating Through Individual Graduation Committees (IGCs), Having Not Passed All Required STAAR EOC Exams

IGC Graduates as a Percent of All Graduates by Student Sub-Population



Student Type	Individual Graduation Committee Graduates		
	2014-15	2015-16	2016-17
All	6,279	9,014	11,422
African American	1,121	1,622	1,994
Hispanic	4,265	6,131	7,772
White	645	885	1,174
EcoDis	4,654	6,131	7,772
NON EcoDis	1,625	2,267	2,725
English Language Learners	N/A	3,186	4,479

Source: Texas Education Agency IGC Annual Reports 2014-2017