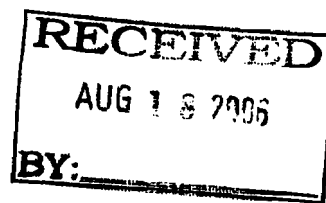


POPULATION AND SURVEY ANALYSTS

Largest Demographic Firm in Texas
26 Years of Excellence in Demographic Consulting



August 14, 2006

Mr. Bob Hart
Assistant Superintendent
Lake Travis I.S.D.
3322 RR 620 South
Austin, TX 78738

Dear Mr. Hart:

This letter confirms the agreement previously reached in which Lake Travis I.S.D., herein of referred to as "School District", has employed our firm, Population and Survey Analysts ("PASA") to perform a Demographic Update.

Attached is a Statement of Work prepared by PASA personnel. The Statement of Work outlines specific tasks and associated costs for the Demographic Update, for the time period September 1, 2006 – January 30, 2006.

As compensation for our services, the School District will pay PASA \$ 43,330.00. PASA will bill the School District at the end of each month for those portions of the work which have been completed or partially completed during that month. PASA will provide data and a report summarizing PASA activities on the project during that month, upon request.

The following data items must be provided by the School District:

1. Two electronic student data files (one current and one 2-3 years old) with as many fields as possible from those listed on the attached Addendum A (to be used for geocoding students). ***It is imperative that these student data files data be accurate, with all deletions and additions of students for the current school year;***
2. Past enrollment history by grade and by campus for mid-October, mid-January, and mid-May for the past three completed school years;
3. Maps detailing the location of current, unimproved parcels of land of five acres or greater, currently owned by the District, including the outline of each;
4. Capacity information pertaining to the size and use of each current facility, including counts of regular education classrooms and square footage of all permanent structures; and

5. All current information the District has available on plats, and names of any developers, builders, real estate experts and landowners of undeveloped land.

Regarding the data and the formulas contained in PASA's reports, PASA agrees that the School District can use the data for its own purposes. However, the School District agrees that the formulas used to derive the data are proprietary information of PASA and cannot be used or manipulated without PASA's prior written consent. Further, the School District agrees that if any of PASA's Geographic Information Systems ("GIS") deliverables are reproduced, PASA will receive attribution credit. Any maps which use the GIS information and which are reproduced must have PASA's name and company logo printed on the maps.

Please date and sign one copy of this letter and return it to PASA to confirm this agreement. Also, please sign (or initial) each page of the attached Statement of Work to validate the tasks which are to be undertaken, and return it to PASA. For any optional tasks listed, please initial separately those tasks that the School District wants performed. PASA will begin work on the project after we receive this signed agreement from the School District.

We appreciate the opportunity to undertake this demographic project for Lake Travis I.S.D. and plan to proceed in a timely manner to complete the assigned tasks in order to meet the specified needs of the District.

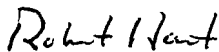
Sincerely,



Dr. Patricia Knight Guseman
President
Population and Survey Analysts

The undersigned agrees to the terms stated in this letter.

Dated: August 25, 2006



Mr. Bob Hart
Assistant Superintendent
Lake Travis I.S.D.

Lake Travis I.S.D.: Statement of Work

Population and Survey Analysts

DEMOGRAPHIC UPDATE, LONG-RANGE FACILITIES PLANNING, AND TIMING OF NEW FACILITIES

A. Tasks Relating to Geocoding and Analyzing the Existing Student Population

1. Generate Lake Travis I.S.D. computer-generated map, which will include importing in parcel information as it is available from Travis County, as well as obtaining map layers dealing with floodplain, current oil and gas easements, current land uses, current and planned zoning, current and planned annexation, city and regional thoroughfare plans, subdivision layers (current and planned, based on preliminary and final plats), Landiscor's aerial maps, and recent streets with address ranges. (Coordinating with L.T.I.S.D.'s bus transportation's geographic information system will help keep PASA's costs low for this task). **\$2,840.00**
2. Obtain from Lake Travis I.S.D. two Excel, ASCII, or dBase files of all students (current and 3 year historical file). THESE FILES MUST HAVE COMPUTER-READABLE ADDRESSES AND NO P.O. BOXES OR OTHER NON-COMPUTER-READABLE ADDRESSES. - **\$0 -**
3. Geo-code current students at their places of residence and aggregate students into Census-defined block groups (Planning Units), with information on total students and any other demographic characteristics including grade, school of attendance, ethnic characteristics, free lunch, reduced lunch, special education, bilingual, gifted students, and any other programs that might be "magnetized." These data will then be used as the base-level data for the projections of total students and of student characteristics for the next ten years. **\$1,300.00**
4. Geo-code a historical dataset of student addresses (i.e., from Fall 2004 or Fall 2003) and aggregate students into Census-defined block groups (Planning Units), with information on total students and any other demographic characteristics, including grade, school of attendance, ethnic characteristics, free lunch, reduced lunch, special education, bilingual, gifted students, and any other program that might be "magnetized". **\$1,300.00**

5. Print out maps and spreadsheets of all geo-coded students (by grade and grade-group, and by special populations, such as bilingual, PreKindergarten, etc.). Also generate and print maps of Census data such as socioeconomic indicators and travel times to work that illustrate competitive advantages one District may have relative to its neighbors. These maps not only assist PASA in developing future projections, but they are informative to share with the experts in the area that must be interviewed to gather the primary data described in Section B. **\$865.00**
6. Subdivide Census-defined block groups into Planning Units to be contiguous with current and future attendance zones. These areas will remain constant through time for facility planning purposes and optimizing attendance zones. **\$475.00**
7. Conduct a trend analysis of changes that have occurred by Planning Unit over the past ten years. Analyze the loss and increases of students in each Planning Unit for each grade group, as well as the changes in socioeconomic composition of students (i.e., percent of free and reduced lunch students), and changes in ethnicity by Planning Unit over a three year period. **\$980.00**
8. Develop layers through ArcGIS that will allow catchment areas for new schools and/or future attendance zone options to be planned (referred to in Section "C" of this proposal). Print out big (and small) maps and spreadsheets showing characteristics of current attendance zones for administrative purposes or future boundary planning committees. **\$970.00**

SUB-TOTAL \$8,730.00

B. Tasks Relating to Projecting Student Population

9. Prepare projections of total District student population through the 2015-16 school year (using a leading indicators model of employment, projections of housing starts and housing abandonments, and other existing data) and allocating the impact of ethnic and socioeconomic changes and trends on Lake Travis I.S.D. based on apportionment. Compare to other districts undergoing (or which have already undergone) comparable changes to determine the patterns that affect growth in L.T.I.S.D. Develop three projections series—the lowest and highest feasible projections, and a most-likely pattern of growth annually throughout the next ten years. **\$1,560.00**
10. Considering the changing age structure of the student population, attrition (drop-out) rates, and retention rates, use a stepwise (cohort) procedure to determine the number of students per grade per year through 2015-16. **\$430.00**
11. Contact city and county engineers, planners, and housing permit representatives, builders, developers, landowners, and real estate experts, Texas Department of Housing and Community Affairs (regarding tax-credit oriented apartments) and other experts to learn about future residential development in the District. **\$9,700.00**

12. Prepare projections of housing by Planning Unit for a ten-year period, including the use of build-out formulas (for housing and other land uses). **\$7,580.00**
13. Determine the ratio of students per household for every major subdivision and apartment complex, in order to estimate the number of students in new subdivisions as well as regeneration in older neighborhoods. **\$3,340.00**
14. Assimilate data from new housing occupancy projections, ratios of students per household, and regeneration trends within the District to develop projections of students (by grade group) for each Planning Unit for a ten-year period. These data can then be aggregated into current and/or future attendance zones to provide projections at the attendance zone level and to provide data for any long range planning endeavors. **\$2,620.00**
15. Compare Districtwide student projections developed in Tasks 9 and 10 above (i.e. deductively) to student projections prepared through Tasks 11 through 14 above (i.e. inductively) and weight the Planning Unit projections where necessary. **\$2,150.00**
16. Evaluate current transfers (on a paired comparison basis [of two schools at a time]), in order to allow more precise projections of the number of students per school for every school for short-term planning purposes. **\$610.00**

SUB-TOTAL \$27,990.00

C. Tasks Relating to Siting of New Facilities and Attendance Zone Planning

17. Relate student projections to the existing (and planned) capacity of each school for the next ten years (annually). This task requires a brief capacity analysis based on data provided by the District (i.e., classroom counts, square footage, calculated capacity information, etc.). This will allow the District to understand the future facility needs based on current attendance zones so that future zones can be planned with future growth in mind. **\$970.00**
18. Develop a plan for (1) siting of new facilities and (2) expansion and/or abandonment of older facilities, based on delineating catchment areas for each of the existing schools. Provide maps of the current and planned facilities, and the projected students in each of the catchment areas for these schools (annually over the next ten years). After these "starter" options have been analyzed by the administration, PASA can further develop additional options in cooperation with administration recommendations (billed additionally at the hourly rate). This task includes the preparation of color maps and tables indicating projected students by school (annually over the next ten years) for each attendance zone option. **\$2,280.00**
19. **OPTIONAL:** After preparing the initial options above (Task 18), undertake real-time planning of attendance zones with laptop computer, in conjunction with Lake Travis I.S.D. administrators or a Planning Committee. Print out large preliminary and final

maps of attendance zones. Print out spreadsheets showing the characteristics of students in each of the final zones.

\$1,750.00 PER MEETING

20. **OPTIONAL:** Estimate the number of students per grade per school for the Fall of 2006. The use of grandfathering, and transfers based on bilingual and other programs, as well as on-going voluntary transfers will be estimated. Student growth per grade per school will also be incorporated into the estimates. **\$2,250.00**
21. Prepare comprehensive report summarizing the Demographic Update (with 10 color copies and an electronic PDF version of the report provided to District). If more copies of the report are needed, the District will provide an additional printing allowance. This report will summarize results of projections and new facility site and/or attendance zone planning, relating these projections to existing and planned capacity of Lake Travis I.S.D. schools (with accompanying spreadsheets and large maps). Present results to Board and/or a public forum. **\$3,360.00**

SUB-TOTAL: \$ 6,610.00 (Excluding Optional Tasks)

TOTAL: \$43,330.00 (Excluding Optional Tasks)

The costs listed in this proposal are valid as long as a contract is signed between PASA and Lake Travis I.S.D. by September 1, 2006. After this date the cost of each task is subject to change. The project will take approximately four months to complete, beginning when PASA receives a signed contract from L.T.I.S.D., and ending with a presentation to the Board on December 4, 2006..

Costs of Additional Services:

If the District needs PASA to undertake additional tasks outside the scope of the Statement of Work, the following hourly rates will be charged:

- Long-range planning committee meetings or bond meetings: *\$270.00 per hour for preparation; \$1,750.00 per meeting*
- Work related to preparing or revising housing projections: *\$382.00 per hour*
- Professional tasks, including changes made in capacity analyses of individual schools, subdividing Planning Units and distributing the projections: *\$195.00 per hour*
- GIS-related tasks including updating and printing maps: *\$150.00 per hour*
- Various technical tasks, such as revising spreadsheets: *\$45.00 to \$95.00 per hour*
- Training of District personnel in the use of PASA's projections in ArcGIS, including a one-day seminar for 1-5 District representatives: *\$2,500.00 per trip*
- Professional support and assistance in interpreting data beyond the initial presentation of the report: *\$195.00 per hour*

Tasks dealing with attendance zone planning and with siting of new facilities could have cost overruns, especially with unanticipated input from outside groups, board members, and others to try new attendance zone options, or to develop plans for alternative sites.

Software:

PASA uses ArcGIS from ESRI for our mapping applications. This software is quickly becoming the industry standard, especially with cities and counties, so obtaining data from these entities is facilitated by using the same software. Further, ArcGIS is an extremely powerful tool that allows accurate placement and analysis of many layers of data, including aerial photography, floodplains, streets, current and planned land uses, current and planned zoning, municipal boundaries and ETJs, oil and gas easements, Planning Units, etc.

Should the District wish to obtain a license for ArcGIS, PASA will provide the mapping layers we have developed, and the student projections in a format that can be linked to the map. The District will need to obtain the software license directly from ESRI, and PASA can facilitate this communication. A single-user Educational license will cost approximately \$250-\$300 based on a quote from ESRI in early Spring, 2006.

Should the District decide not to use ArcGIS, PASA will provide electronic versions of all data included in the report (including housing and student projections) in Excel format so that the District can manipulate and utilize this data in tabular format.

Future Demographic Studies:

If a group were to simply extrapolate new growth based on past growth, then developing a database in the first year would be the bulk of the work, and subsequent updates would be faster and cheaper. However, PASA's approach depends heavily on planned development (prior to platting). Since these developments tend to change as land is sold, etc., it is important that each demographic study PASA undertakes is as rigorous and lengthy as the previous years' studies, updating the status of all potential developments. Therefore, each study requires the same amount of time, so the cost is the same regardless of the regularity of previous studies. Typically, each study is priced based on a 4% annual increase to account for inflation.

Annual geo-coding of the student population is also possible, outside of a full Demographic Update and would be priced based on the inflation-adjusted Task #3 in this Statement of Work. However, PASA generally advises against this approach in Districts with potential for high growth such as Lake Travis, because so many changes are continually made in residential development plans, schedules, price points, and other factors that affect the number of students projected. Therefore, it could be a disservice to the District to append the previous year's projections onto recently geocoded student data and could be quite misleading for long range planning.

ADDENDUM A

Student Data from Lake Travis Independent School District:

We will need a download of the student data in an Excel format (preferably) or CSV-delimited text file, including as many of the following fields as are applicable to the District:

<u>Column Width</u>	<u>Field Description</u>
1-3	Campus Number
4-9	Student ID Number
10-33	Student Name
34-58	Address (PHYSICAL RESIDENCE as one field, this means <u>just the street number and the street name</u> , but not the city or zip code)
59-65	Street Number as a separate field
66-85	Street Name as a separate field
86-90	Zip Code
91-109	City
110-112	Grade Level
113	Race
~ 114-115	Code Indicating Transfer from Another School District (if available)
116	Gifted/Talented Code
117	Free/Reduced Lunch Code
118	LEP Code
~ 119	Bilingual Code (a separate code from LEP if possible)
120-121	Special Education Code
122-123	Magnet program participation, if applicable

whole ed. 0 - City code?

PLEASE BE SURE THAT THE DATA HAS BEEN UPDATED, AS WE WANT ACCURATE FLAGS FOR SPECIAL PROGRAMS, INCLUDING FREE AND REDUCED LUNCH, BILINGUAL (LEP) PROGRAM PARTICIPATION, GIFTED AND TALENTED PARTICIPATION, ETC.

We will need appropriate documentation of the file (i.e. whether the file is fixed column length or comma-delimited, the order of the fields, and a key to decipher the codes). The data *does not* need to be in the exact order listed above, nor do the fields need to be this exact length. This is merely an example.