



Galveston Independent School District
Economic Impact Assessment



GALVESTON CENTER
FOR INNOVATION AND TRANSFORMATION

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Front Cover: Ball High School North

Back Cover: Ball High School North

Executive Summary

Galveston Independent School District (GISD) continues to serve as one of Galveston's most significant economic anchors, generating substantial employment, consumer activity, and regional investment. Through its annual operations and its long-term capital modernization program, GISD supports hundreds of jobs, drives local spending, and strengthens Galveston's long-term economic competitiveness.

Economic Impact:

GISD's day-to-day operations generate strong and consistent annual economic benefits for Galveston.

- The district maintains an annual operating **budget of \$106.6 million**, supporting instructional services, student programming, transportation, food services, facilities maintenance, and administrative operations.
- GISD generates **\$53.7 million in direct labor income** each year, making it one of Galveston's largest and most stable employers.
- GISD employees contribute significantly to the local consumer economy. Total **employee spending reaches \$43.39 million** annually, of which an estimated **\$32.72 million to \$35.28 million occurs within Galveston**.
- This internal spending produces approximately **\$20.4 million in taxable retail** activity per year, reinforcing the City's sales-tax base.
- Through multiplier effects, routine GISD household spending **generates an additional \$69.42 million** in induced household economic activity, supporting local businesses across food services, retail, and personal services.

Collectively, GISD's operational footprint provides a predictable and recurring flow of economic value, making the District a stabilizing force within Galveston's year-round economy.

Bond Impact:

In addition to operational spending, GISD is executing a **\$315 million bond program** to modernize facilities, upgrade learning environments, and strengthen the District's long-term educational competitiveness. This investment has produced major economic spillovers throughout the region:

- **87.46% of all bond spending has occurred within the Houston–Galveston Region**, ensuring that the majority of construction, professional services, and procurement dollars recirculate locally.
- To date, **\$167.51 million has been spent directly in Galveston** or within its immediate surrounding area, supporting local contractors, trades, suppliers, and service firms.
- Over the full duration of project completion, the **total economic output** from the bond program is projected to fall between **\$504 million and \$567 million**, a significant input to the local economy.

These investments not only support short-term job creation in construction and related industries but also enhance the community's long-term attractiveness for families, employers, and future workforce development.

1. Introduction

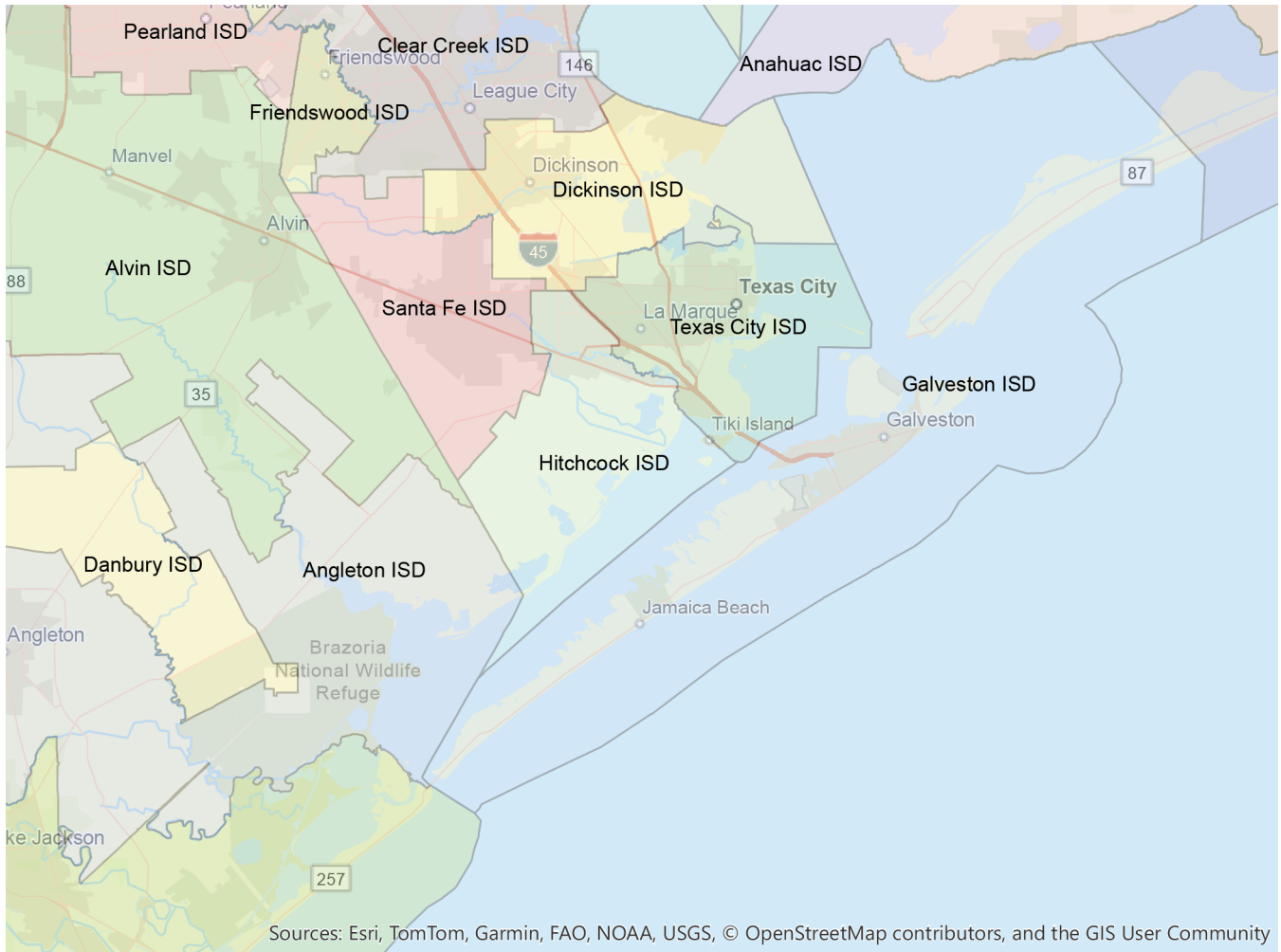
1.1 Purpose

The purpose of this report is to provide a comprehensive and data-driven assessment of the economic, fiscal, and workforce contributions of the GISD to Galveston and the surrounding region. While the primary mission of GISD is the education and long-term development of the community's children, the district also functions as one of the largest employers, consumers, and economic stabilizers in the local economy. This report seeks to quantify these broader contributions and articulate the district's role as a foundational economic institution.

Specifically, the report aims to:

- **Measure GISD's direct economic footprint** through payroll, employment, capital investments, procurement, and operational expenditures.
- **Analyze employee household spending patterns** to estimate local sales activity, tax revenue generation, and the multiplier effects associated with employee consumption.
- **Evaluate the district's role in workforce development**, including its production of human capital, certification pathways, and partnerships with major local employers such as UTMB, Texas A&M University Galveston, the Port of Galveston, and the tourism and hospitality sectors.
- **Assess long-term economic impacts** derived from student achievement, career readiness, and the lifetime earnings potential of GISD graduates.
- **Quantify induced and indirect economic activity** using RIMS-II multipliers to demonstrate how GISD spending circulates throughout the regional economy.
- **Provide an objective foundation for strategic planning and community decision-making**, supporting the district, civic leaders, and economic development stakeholders in understanding the full scope of GISD's contributions.

In fulfilling these objectives, the report integrates administrative data, district financial statements, survey results, and regional economic modeling tools to create a consolidated picture of GISD's economic value. The analysis is designed to be accessible to policymakers, taxpayers, business leaders, and the broader public by demonstrating how investment in public education generates measurable economic returns for Galveston.



Above: A map of GISD in context with neighboring districts. Source: Texas Education Agency

1.2 Study Area

The study area for this economic impact assessment is Galveston Island and a portion of the Bolivar Peninsula located within Galveston County, Texas. The island and peninsula serves as both the primary geographic boundary of the GISD and the main economic environment in which GISD’s expenditures, employment, and operational activities generate measurable impact.

Galveston Island is a 32-mile-long barrier island situated on the Gulf Coast and includes the City of Galveston, a unique coastal economy with strong tourism, healthcare, education, maritime, and port-related sectors. The Bolivar Peninsula forms a narrow strip of land with an area of 42.5 square miles GISD is one of the city’s largest year-round employers and service institutions, and its operations interact deeply with the island’s labor market, local businesses, and resident population.

For this analysis, the study area includes:

Primary Economic Geography

- The City of Galveston, the City of Jamaica Beach, and the Bolivar Peninsula
- Residential neighborhoods, commercial districts, and industrial/service corridors within the city limits
- Local vendor networks, supplier relationships, and workforce commuting patterns tied to Galveston

Economic Linkages Considered

- Employee spending in Galveston (food, services, retail, housing, and recreation)
- Local procurement, vendor contracts, and construction activity occurring in Galveston
- Secondary impacts generated through households and businesses supported by GISD's expenditures

Regional Spillover Considerations

Although the analysis centers on the City of Galveston, certain impacts may extend to nearby mainland areas of Galveston County particularly through commuting patterns and vendor supply chains. These spillover effects are acknowledged but are not the primary geographic focus unless directly connected to GISD operations.

1.3 Methodology

This economic impact assessment utilizes a mixed-methods approach that integrates established regional economic modeling with primary survey data and detailed district financial information. Together, these sources provide a comprehensive view of how Galveston Independent School District influences the local economy through spending, employment, and household activity. The foundation of the analysis is the Regional Input–Output Modeling System (RIMS II) developed by the U.S. Bureau of Economic Analysis. RIMS Type II multipliers specific to Galveston County were used to estimate the direct, indirect, and induced effects generated by GISD's operations and capital investments. These multipliers allow the study to track how each dollar spent by the district ripples through the local economy, supporting vendors, contractors, and household spending. By matching GISD's expenditures to the appropriate RIMS II industry categories, the model provides a reliable framework for quantifying economic linkages across the region.

To better understand the role GISD employees play in the local consumer economy, the study incorporated a district-wide employee consumption survey. This primary data collection effort measured weekly and monthly spending patterns in the district, including expenditures on food and beverage establishments, groceries, retail, services, entertainment, and transportation. The survey also gathered insight into commuting patterns and residency, allowing the analysis to estimate the share of employee spending that remains within the local economy. These findings were extrapolated to the full GISD workforce to produce an estimate of total induced household spending associated with district employment. The analysis also relied heavily on district budget and financial records provided directly by GISD, including General Fund expenditures, payroll and benefits data, procurement and vendor information, and capital and bond program spending. This financial data serves as the basis for calculating GISD's direct economic footprint and providing the necessary detail for classifying operational and capital expenditures within the RIMS II modeling framework.

To contextualize GISD within the broader economic landscape the City of Galveston and Galveston County, the study incorporated employment and demographic data from JobsEQ. This included information on local industry composition, wage and salary structures, commuting flows, and demographic characteristics of the regional labor force. JobsEQ data helped situate GISD as an employer within the local economy and provide a benchmark for understanding the district's relative scale and influence. Together, these methodological components create an integrated and data-driven assessment of the economic impact of Galveston Independent School District, capturing not only the district's direct spending but also its wider contributions to Galveston's labor market, businesses, and households.

2. Overview of Galveston Independent School District

2.1 Background

GISD is one of the oldest continuously operating public school systems in Texas, with origins that trace back to the mid-19th century. Public education on Galveston began as the city emerged as a major commercial and cultural center, and GISD was formally established in 1884 during a period of rapid growth and prosperity. As Galveston became one of the most important ports in the Southwest, the district developed in parallel, reflecting the community's early commitment to education, civic development, and social opportunity. Throughout its long history, GISD has played a central role in shaping Galveston's identity. The district's growth mirrors Galveston's own economic and demographic evolution from a booming port city in the late 1800s, through the recovery and rebuilding efforts after the 1900 Storm, to the modern, diversified coastal economy of today.

After the 1900 hurricane devastated much of the community, GISD was one of the institutions that helped re-establish stability for families, coordinating the reopening of classrooms, rebuilding damaged facilities, and restoring a sense of normalcy during a period of profound community loss. Over the decades that followed, the district continued to expand, modernize, and adapt to changing conditions, adding new campuses, consolidating older facilities, and developing innovative instructional programs that aligned with the needs of Galveston's workforce and industries. GISD has long been recognized as a pioneering district, particularly in its development of specialized programs and pathways. The district has introduced magnet academies, early college opportunities, and Career and Technical Education (CTE) programs that connect students to Galveston's key economic sectors: healthcare through partnerships with the UTMB, maritime and ocean science through ties to Texas A&M University Galveston, hospitality and tourism through the Galveston's service economy, and skilled trades through regional industry demand. Students have the opportunity to receive credit and earn an associates degree from Galveston College while enrolled. These programs continue GISD's historical role as a generator of human capital, ensuring that local students are prepared for both immediate employment and long-term career development.

Beyond its instructional mission, GISD has consistently served as a civic anchor for Galveston. School campuses have functioned not only as educational spaces but also as community hubs, public gathering places, voter precincts, storm shelters, and emergency support facilities. During hurricanes, floods, and major regional events, GISD has frequently provided logistical support, shelter capacity, and continuity of services for residents. This broader civic function has helped make the district a stabilizing force in both prosperous and challenging times.

Today, GISD operates a network of elementary, middle, and high school campuses, along with specialized programs that serve a diverse and evolving population. The district is one of the city's largest employers, supporting a workforce that includes teachers, administrators, professional staff, custodial teams, transportation workers, food service personnel, and numerous contracted service providers. Its economic influence extends across the district through payroll, procurement, capital investment, and the day-to-day spending of employees and families making GISD a major contributor to Galveston's year-round economic activity. With a legacy spanning well over a century, GISD continues to be foundational to the community's long-term social and economic vitality. Its historical presence, community role, and ongoing investments in educational excellence position it as both a steward of Galveston's past and a key driver of its future development.

2.2 Operating Budget

Galveston ISD's 2024–2025 operating budget outlines the district's financial plan for delivering high-quality education while sustaining the personnel, facilities, and services required to support students across the district. For the 2024–25 fiscal year, GISD adopted a total operating budget of \$106.6 million, a decrease from the previous year's \$110.2 million. This reduction reflects adjustments to major cost centers, updates in projected revenues, and moderating expenditures across several functional categories. As in most Texas school districts, instruction remains the core of GISD's financial commitments.

Instruction (Function 11) accounts for \$42.99 million in the 2024–25 budget, up from \$40.25 million the year prior. This adjustment reflects better teacher pay representing the district's largest single expenditure. This expenditure supports teacher salaries, classroom aides, academic materials, and day-to-day instructional operations. Instructional Resources (Function 12) total \$346,921, while Curriculum and Staff Development (Function 13) is funded at \$643,246, an increase from 382,559 from the prior year as the district restructures its professional development model. This investment signals a deliberate effort to strengthen instructional quality and align staff training with emerging student needs.

School-level leadership also plays a central role in student outcomes, and GISD allocates \$3.88 million to School Administration (Function 23), supporting principals, assistant principals, and campus operations. Instructional Administration (Function 21) receives \$1.53 million. Student support services remain a critical investment area. Guidance and Counseling (Function 31) is funded at \$2.40 million, and Health Services (Function 33) at \$888,773. Social Work Services (Function 32) total \$63,053. Transportation (Function 34) receives \$4.05 million, reflecting fuel costs, vehicle maintenance, driver compensation, and preparation for the integration of new buses funded through the 2022 bond. Co-curricular programs (Function 36), including athletics, fine arts, and extracurricular student activities, are funded at \$1.91 million for 2025–26.

Operational and administrative services make up another substantial portion of the budget. General Administration (Function 41) totals \$3.5 million, covering district leadership, board services, and compliance functions. Plant Maintenance and Operations (Function 51) receives \$9.65 million, representing custodial services, utilities, facilities upkeep, and grounds management. Security and Monitoring Services (Function 52) total \$1.39 million, continuing GISD's investment in campus safety. Data Processing Services (Function 53), vital for instructional technology and districtwide digital infrastructure, total \$2.22 million.

Community Services (Function 61), which include after-school enrichment and parent engagement programs, receive \$827,764 for the year. Facilities Acquisition and Construction (Function 81) totals \$175,000 within the operating budget, as the district's major capital investments including the construction of the new Ball High School are funded through the 2022 bond package rather than daily operating funds. One of the most consequential components of GISD's financial structure continues to be its recapture obligation under Texas' school finance system. For 2024–25, recapture (Function 91) declines to \$28.96 million, down from \$35.94 million the previous year. While this reduction provides meaningful relief to the district's operating budget and slightly increases flexibility for programmatic investments it remains a substantial obligation, representing a significant share of total expenditures and continuing to constrain long-term strategic capacity. Other intergovernmental obligations include \$40,050 in payments to fiscal agents (Function 93) and \$1.1 million in other state-required intergovernmental charges (Function 99). Debt Service within the operating budget totals \$110,000, reflecting interest payments outside the bonded debt fund.

**GALVESTON INDEPENDENT SCHOOL DISTRICT
2024-2025**

Budgets For Adoption - ALL FUNDS

	<u>General Fund</u>	<u>Debt Service</u>	<u>Food Service</u>
	<u>Proposed</u>	<u>Proposed</u>	<u>Proposed</u>
REVENUES			
5711 Current Property Taxes	94,242,164	23,402,852	-
5712 Delinquent Prop. Taxes	1,250,000	305,000	-
5719 Other Tax Revenue	900,000	125,000	-
5739 Tuition & Fees	90,000		
5742 Interest	1,998,614	190,000	120,000
5743 Rent	25,000	-	-
5748 Activity Revenue	10,000	-	-
5749 Local Sources	398,000	-	-
5751 Food Service Sales	-	-	460,000
5752 Athletic Activity	130,000	-	-
5755 Community Education	-	-	-
5811 Per Capita Apportionment	3,410,123	-	-
5812 Foundation School Program	411,942	-	-
5826 Pre-K State Program	-	-	-
5829 Revenues From TEA	-	1,175,156	23,000
5831 TRS On-Behalf	3,678,764	-	-
5919 Federal Revenue-NonState/Fed	20,000	-	-
5921 School Breakfast Prog	-	-	1,200,000
5922 Nat'l School Lunch Prog	-	-	3,200,000
5923 USDA Commodities	-	-	390,814
5929 Federal Revenue flow-thru TEA	-	-	-
5931 SHARS	305,139	-	-
5932 Medicaid Administrative Claims	50,000	-	-
5939 Federal Revenue not thru TEA	-	-	425,000
5949 Federal Revenue (direct)	75,000	-	-
7915 Transfers In	15,000	-	-
TOTAL REVENUES	107,009,746	25,198,008	5,818,814
EXPENDITURES			
11 Instruction	40,244,540.00	-	-
12 Instructional Resources	324,304.00	-	-
13 Curr & Inst Staff Dev	382,559.00	-	-
21 Instructional Leadership	1,683,262.00	-	-
23 School Leadership	3,705,590.00	-	-
31 Guidance/Counseling	2,449,917.00	-	-
32 Social Work Services	187,355.00	-	-
33 Health Services	836,517.00	-	-
34 Student Transportation	3,600,711.00	-	-
35 Food Services	-	-	6,643,988
36 Extracurr Activities	2,045,959.00	-	-
41 General Administration	3,374,289.00	-	-
51 Maintenance and Operations	9,916,273.00	-	60,000
52 Security and Monitoring	1,368,121.00	-	-
53 Data Processing Svcs	2,223,730.00	-	-
61 Community Services	801,400.00	-	-
71 Debt Service	219,100.00	24,762,109	-
81 Construction	75,000.00	-	-
91 Recapture	35,943,269.00	-	-
93 Shared Services	27,850.00	-	-
99 Intergov Charges	800,000.00	-	-
8911 Transfers Out	-	-	-
TOTAL EXPENDITURES	\$ 110,209,746	\$ 24,762,109	\$ 6,703,988
BUDGET SURPLUS (DEFICIT)	(3,200,000)	435,899	(885,174)

Overall, the 2025–26 adopted operating budget of \$106.6 million demonstrates GISD’s effort to balance instructional needs, staffing demands, rising operational costs, and substantial recapture obligations. Even with a year-over-year reduction in total expenditures, the district maintains strong support for core educational programs while simultaneously advancing major facility improvements funded separately through the 2022 voter-approved bond package.

The Debt Service Fund provides the financial resources Galveston ISD needs to fulfill its annual bond repayment obligations, including principal and interest associated with voter-approved debt. The 2025–26 revenue outlook reflects shifts in both local property tax collections and state support, largely influenced by changes in property valuations and state debt allotment formulas. Local and Intermediate Sources for the 2025–26 fiscal year are projected at \$22,720,320, a decrease from the prior year’s \$24,022,852.

This reduction suggests moderating taxable value growth or adjustments in the Interest & Sinking (I&S) tax rate needed to meet scheduled payments. Despite the decline, local property taxes remain the backbone of the Debt Service Fund and represent the district’s primary mechanism for financing long-term capital improvements. State Program Revenues for 2025–26 are estimated at \$2.2 million, up significantly from the \$1,175,156 GISD received in 2024–25. The increase reflects formula-driven increases in the state’s Instructional Facilities Allotment (IFA) or Existing Debt Allotment (EDA). In combination, the 2025–26 Debt Service Fund revenues provide GISD with the necessary capacity to maintain timely repayment of outstanding bonds, including those issued under the voter-approved 2022 bond program. While declining state aid presents a growing reliance on local revenue, overall debt service capacity remains stable, ensuring the district can continue advancing major capital projects such as the construction of the new Ball High School while maintaining compliance with bond repayment schedules.

2.3 Workforce

GISD Workforce Profile and Economic Significance

GISD employs 1,018 workers, making the district one of the Galveston’s most stabilizing and locally embedded employers. The composition of this workforce spanning instructional, operational, administrative, and student-support roles reflects the broad and complex labor requirements of a modern public school district. The district’s employees not only deliver core educational services but also generate substantial economic activity through wages, household spending, and participation in the regional labor market.

Workforce Composition

GISD’s workforce includes a wide distribution of occupations that support both instruction and district operations. **Teachers constitute the largest single job category, representing 42.1% of all employees,** or approximately 429 teaching positions. When combined with instructional aides, who make up 10.5% (around 107 employees), more than half of all GISD personnel are directly engaged in student learning.

Additional groups include:

- Transportation (6.2%) – 63 staff members who facilitate daily student access to schools across the district.
- Child Nutrition (7.6%) – 77 employees responsible for preparing and serving meals essential to student well-being.

- Maintenance (8.5%) – ~87 employees ensuring facilities remain safe, functional, and operational
- Security (2.5%) – ~26 positions providing campus safety and crisis response capacity
- Counselors (1.6%) – ~16 staff providing academic guidance and student support
- Nurses (0.88%) – ~9 licensed professionals delivering health and wellness services
- Social Workers (0.2%) – ~2 staff specializing in family support and student stability
- Secretaries (2%) – ~20 administrative support personnel embedded across campuses
- Principals (1%) – ~10 campus-level leaders
- Assistant Principals (1.6%) – ~16 instructional and operational leaders
- Specialists (3.9%) – ~40 roles supporting curriculum, intervention, and district programs
- MIS / Technology (1.4%) – ~14 staff maintaining critical IT infrastructure
- Directors (0.9%) – ~9 operational department leaders
- Executive Directors (0.2%) – ~2 senior administrators guiding major divisions
- Chiefs (0.2%) – ~2 individuals in high-level district administration roles
- Superintendents (0.1%) – One role, representing district-level leadership
- Clerical (3.1%) – ~32 employees supporting business and campus offices
- Human Resources (0.6%) – ~6 staff
- Library Services (0.1%) – ~1 librarian
- Athletics (0.4%) – ~4 employees supporting extracurricular and UIL programs
- Diagnosticians (0.7%) – ~7 licensed evaluators
- LSSP (0.1%) – ~1 Licensed Specialist in School Psychology
- Instructors (0.1%) – ~1 additional instructional professional
- Business Office (1.2%) – ~12 employees in accounting, purchasing, payroll, and finance
- Administrative Assistants (0.2%) – ~2 individuals supporting senior district operations

This distribution reflects a workforce heavily concentrated in direct student services, with a smaller but vital base of technical, operational, and administrative employees who maintain district functionality.



Above: Crenshaw Elementary and Middle School on Bolivar Peninsula

Labor Income, Compensation, and Economic Stability

The average annual salary across all GISD employees is \$52,761.96, accompanied by a competitive benefits structure that includes district-supported insurance plans and membership in the Teacher Retirement System of Texas (TRS). Applying the average salary to the full workforce yields an estimated annual payroll of approximately: **\$53.7 million in direct labor income**. This recurring injection of payroll dollars, much of which is spent locally, forms a major source of induced economic activity within Galveston's retail, service, housing, and hospitality industries. Public-sector jobs also provide year-round stability in a city with pronounced seasonal employment cycles tied to tourism, helping offset volatility during off-peak months.

This recurring injection of payroll dollars, much of which is spent locally, forms a major source of induced economic activity within Galveston's retail, service, housing, and hospitality industries. Public-sector jobs also provide year-round stability in a city with pronounced seasonal employment cycles tied to tourism, helping offset volatility during off-peak months.

Strategic Workforce Importance

Beyond its economic role, the GISD workforce is central to Galveston's long-term human capital development. Teachers, instructional aides, specialists, nurses, counselors, diagnosticians, and related professionals prepare students for career pathways aligned with the district's core industries: healthcare, hospitality, maritime services, technology, and higher education partnerships with UTMB and TAMUG.

Operational roles including: transportation, nutrition, maintenance, MIS, clerical, and security mirror occupational clusters found throughout the broader Galveston economy, offering opportunities for both entry-level employment and long-term career advancement.

As one of the district's largest employers, GISD's staffing levels have implications that extend beyond education. Workforce fluctuations influence the following:

- Household stability
- Consumer spending
- Residential demand
- Sales and property tax bases
- Strengthened local labor market

3. Direct Economic Impacts

3.1 Operational Spending

Galveston Independent School District's operational spending represents one of the largest and most consistent annual economic injections into the Galveston economy. For FY 2025–26, GISD's total operating budget is approximately \$106 million, supporting daily educational functions, staffing, student services, facilities operations, and district-wide administration. These recurring expenditures create a broad economic footprint, not only through internal district functions but also through the network of local vendors and service providers who depend on GISD as a client.

Local Procurement and Vendor Spending in Galveston

GISD is a major institutional purchaser of goods and services, sourcing from dozens of local suppliers. Although not all goods can be procured locally (e.g., specialized software or national instructional materials), a significant portion of non-personnel spending circulates within Galveston.

Local procurement supports industries such as:

- Construction and building services (maintenance contractors, HVAC specialists, electricians, custodial contracts)
- Food and beverage suppliers (for school cafeterias and meal programs)
- Transportation services (fuel providers, vehicle maintenance vendors, fleet equipment)
- Retail and wholesale suppliers (office supplies, classroom materials, technology hardware)
- Professional services (local architects, engineering firms, legal services, communications, and printing)
- Local small businesses engaged in landscape services, uniforms, signage, and event support

Based on FY 2025–26 expenditure distributions, GISD generates at least:

- \$10–12 million in annual demand for facility and operations vendors
- \$4–5 million in food service purchases, a meaningful share of which is sourced from regional suppliers
- \$3–4 million in transportation and fleet-related local purchases
- \$2–3 million in local retail and supply-chain spending

In total, GISD's locally captured vendor spending is estimated between \$20 million and \$25 million annually, supporting Galveston-area jobs and revenue in multiple sectors.

Capital Investment: The 2022 Bond Program and the New Ball High School

In May 2022, Galveston ISD voters approved a major \$315 million bond package to modernize facilities and strengthen long-term educational competitiveness. The centerpiece of this bond program is the construction of the new Ball High School, a transformative capital project that is reshaping the city's educational and workforce landscape.

Ball High School + Transportation Fleet Modernization

Total: \$233,855,000

This is the largest component of the bond program and includes:

- Construction of a new, state-of-the-art Ball High School campus

Designed around workforce pipelines, modern STEM environments, maritime programs, hospitality training, and Career & Technical Education (CTE) labs.

- Transportation modernization investments

The district purchased thirteen new school buses, white fleet vehicles for district operation and transportation management software to improve routing, safety, and efficiency.

This component alone drives a multi-year construction cycle and significant local economic impact.

Aquatics Center

Total: \$15,980,000

This investment provides district-wide and community-wide benefits, supporting:

- Competitive swim programs
- PE instruction
- Lifesaving water literacy
- Partnership opportunities with UTMB, TAMUG, and local recreation programming

The construction of a new aquatics facility also supports specialty contractors (HVAC, structural engineering, tiling, filtration, etc.) often sourced from regional markets.

Upgrades to Austin, Weiss, and Central Middle School

Total: \$36,160,000

These targeted renovations include:

- HVAC and roofing upgrades
- Classroom modernization
- Safety and security improvements
- ADA compliance enhancements
- Technology infrastructure and learning environment improvements

These projects rely on multiple subcontracting tiers, including mechanical, electrical, roofing, interior and finishes producing higher indirect economic multipliers.

Software and Technology Modernization

Total: **\$4,535,000**

This allocation of funds is for the following:

- District-wide instructional technology upgrades
- Cybersecurity enhancements
- Modernized student information and administrative systems
- Network and server infrastructure

While less labor-intensive than construction, these expenditures generate activity for regional IT vendors and ongoing support services.

Replacement of Courville Stadium

Total: **\$24,270,000**

Courville Stadium, the home stadium for GISD athletics, community events, and regional competitions, is being fully replaced. The project includes:

- New grandstands and seating
- Updated locker rooms and fieldhouse improvements
- Press box and media facilities
- Lighting, turf, and track upgrades

Athletic facility projects typically rely on highly specialized contractors, often yielding higher per-dollar economic impacts due to intensive equipment scopes.

Economic Impact of the Bond Program: \$504-\$567 Million

Scale of Spending

The bond program's construction and modernization expenditures represent one of the larger public-sector investments in Galveston's recent history.

Local & Regional Economic Capture

Typical local capture for construction and facility modernization ranges from 20% to 35%, however, the GISD bond spending has resulted in 87.46% spending in the Houston-Galveston Region. This means that from 2022 to date:

- \$167.51 million has been spent directly in Galveston or in the immediate region.
- Additional spending circulates through workers' household spending, subcontractor payrolls, and supplier purchases, leading to more robust regional multipliers.

Multiplier Effects

Using standard RIMS-II multipliers for construction (1.6–1.8): Total economic output from the bond program will likely fall between **\$504 million** and **\$567 million** over the duration of project completion. This includes direct construction activity, indirect supply-chain spending, and induced labor income effects.

Relationship of Bond Spending to Annual Operations

While operational spending provides stability, the bond program delivers:

- Peak economic stimulus during construction phases
- Long-term facility enhancements that reduce maintenance burdens
- Strategic workforce development infrastructure
- Increased property values, community amenities, and educational competitiveness

Operational Spending as a Driver of Economic Stability

Because school districts operate year-round and maintain stable budgets independent of seasonal tourism fluctuations, GISD acts as an economic stabilizer within the Galveston economy. Even in off-season periods, GISD's spending continues uninterrupted, providing:

- Predictable business for vendors,
- Continued employment for district staff, and
- Consistent household spending in the local community.

4. Workforce Development and Human Capital Impacts

4.1 Student Achievement and Long-Term Economic Impact

Galveston Independent School District functions not only as a major employer and economic anchor but also as a long-term generator of human capital. Student achievement measured through graduation rates, college and career readiness indicators, and participation in high-value academic and technical pathways forms the basis for the district's enduring economic contributions to the region. Higher educational attainment is closely associated with increased lifetime earnings, lower unemployment risk, higher civic participation, and overall regional economic competitiveness.

Graduation Rates

Graduation rates remain one of the most widely used indicators of a school district's effectiveness and a strong predictor of lifetime economic outcomes. Students who graduate high school earn substantially more over their careers and are more likely to pursue additional postsecondary training. Higher graduation rates translate into a more stable, employable adult population. For Galveston ISD, the district's combined 4-year longitudinal graduation, continuation, and Texas Certificate of High School Equivalency rate stands at **96.7%**, reflecting strong student persistence and successful completion across multiple pathways. This exceptionally high completion rate not only underscores the effectiveness of GISD's instructional programs and student support systems but also strengthens the community's economic outlook. Higher graduation and continuation rates translate into a more stable, skilled, and employable adult population. This contributes consistently to Galveston's labor force, expands the local tax base, and supports the community's long-term economic resilience.

College and Career Readiness

GISD's emphasis on preparing students for postsecondary pathways contributes directly to workforce quality. College readiness measures such as dual-credit course participation, AP/IB involvement, and TSI readiness expand students' access to higher education, while career readiness programs ensure students leave high school with employable skills. Students who graduate college ready are more likely to earn degrees or credentials aligned with high-growth industries in Texas, including healthcare, engineering, and business services. GISD works in conjunction with Galveston College (GC) to provide access to college classes. Many students take advantage of this program, with 856 students enrolling in fall 2024 & spring 2025. Dual credit programs are associated with positive effects in degree attainment, college access and enrollment, credit accumulation, completing high school, general academic achievement, staying in high school, college readiness, and attendance. In the 2024-2025 school year, 50 students graduated with their associates degrees and 28 students graduated with certificates. Transferring to a four-year institution with an associates degree has massive financial implication for the student. The average total cost of attendance for in-state public tuition is \$34,513, while the average total cost of attendance of a major private college in Texas can be upwards of \$65,000.

STEM Pathways

STEM education plays a significant role in shaping regional competitiveness. GISD's focus on science, technology, engineering, and mathematics pathways prepares students for some of the highest-value occupations in the labor market. Exposure to STEM coursework increases interest in engineering, computer science, and applied sciences skills that align with employer demand in the Houston-Galveston Region. Over time, these pathways help expand the local talent pool, making the region more attractive to innovation driven industries.

Career & Technical Education

GISD's Career and Technical Education programs provide students with industry-recognized skills, certifications, and hands-on experiences. Pathways such as maritime studies, healthcare, welding, culinary arts, construction trades, and cybersecurity directly support regional workforce needs. Students completing CTE programs often enter the workforce more quickly, filling critical roles in local industries and contributing immediate economic value. The presence of strong CTE options also helps retain young talent in the district by connecting students with employment opportunities in their home community.

4.2 Pipeline for Local Employers

Galveston Independent School District plays a central role in developing a reliable and skilled talent pipeline for local employers. Through its Career & Technical Education programs, industry-recognized certifications, and partnerships with key regional institutions, GISD supports sectors that are foundational to the community's economy including healthcare, higher education, tourism, maritime industries, and skilled trades. By aligning educational offerings with employer needs, the district strengthens Galveston's workforce readiness and enhances long-term economic sustainability.

Career & Technical Education Offerings

GISD provides a diverse set of CTE pathways designed to equip students with practical, employment-oriented skills. Programs span healthcare, maritime operations, hospitality, welding, construction, information technology, culinary arts, engineering, and public safety.

These offerings reflect both student interest and regional labor demand. CTE pathways give students access to hands-on training, dual-credit opportunities, and exposure to high-wage and high-growth occupations in the Houston–Galveston Region.

Certifications and Job Placements

A key measure of CTE effectiveness is the number of students earning industry-recognized credentials. Certifications in areas such as Certified Nursing Assistant (CNA), welding (AWS certifications), OSHA safety, maritime operations, culinary safety and service, and information technology enable students to enter the workforce immediately with validated skills. Many of these credentials align directly with local employer needs, allowing GISD graduates to transition into full-time positions, apprenticeships, or internships upon graduation. Early workforce entry generates immediate economic benefits by supplying local businesses with trained, job-ready candidates.

Partnerships with UTMB, TAMUG, Tourism, and Maritime Sectors

GISD maintains strategic partnerships with some of the most significant employers and industries in the community.

- **University of Texas Medical Branch** provides students with exposure to one of the region’s largest medical and research institutions through shadowing, internships, and health science pathways.
- **Texas A&M University at Galveston** supports maritime and marine science pathways, connecting students to specialized careers unique to the Galveston.
- **Tourism and hospitality partners**, including hotels, restaurants, and attractions, help prepare students for service industry roles that sustain Galveston’s visitor-driven economy.
- **Maritime industry collaborations** offer training in port operations, vessel maintenance, logistics, and maritime safety fields with strong employment demand along the Gulf Coast.

These partnerships not only expand learning opportunities but also strengthen the alignment between coursework and real employer needs. By working directly with industry leaders, GISD ensures that the skills taught in classrooms translate into competitive advantages in the labor market.

Economic Contribution of the Talent Pipeline

The district’s ability to connect students with relevant training and certifications creates a continuous stream of qualified workers for local industries. This reduces recruitment costs, supports business retention, and enhances the overall competitiveness of the Galveston economy. As more students complete CTE pathways and transition into local employment, GISD’s role as a workforce generator becomes a substantial long-term economic asset.

4.3 Multiplier Effect of Human Capital

The long-term economic impact of Galveston Independent School District extends far beyond annual operations and immediate workforce development. By educating, training, and supporting the district's youth, GISD strengthens the community's human capital, an asset that yields compounding economic benefits over decades. Higher earnings, increased productivity, and reduced social costs collectively amplify the district's return on investment to the broader Galveston economy.

Long-Term Lifetime Earnings of Graduates

Students who complete high school and attain career or college readiness experience have substantially higher lifetime earnings than individuals who do not complete secondary education. Research consistently shows that high school graduates earn hundreds of thousands of dollars more over their working lives, contributing greater spending power to the regional economy. For GISD, each graduating cohort represents an infusion of future economic value: more stable employment, higher wages, and increased local consumption. As more GISD students pursue postsecondary credentials, industry certifications, or skilled trades, their earning potential continues to rise, translating into higher tax revenues, increased housing stability, and greater economic participation within the Galveston community.

Graduation rates present gains in the average salary of the community. A non-high school graduate makes 3,000 dollars lower per year than a high school graduate. Similarly, an associate's degree holder makes 15,000 dollars more than a high school graduate and 18,000 dollars more than a non-high school graduate. Taking the lifetime work expectation (47 years post-graduation) of a Ball High School Class, individuals with a high school diploma will make 141,000 dollars more than those without this certification. For individuals with an associate's degree through Ball High and Galveston College, this number grows to 846,000 dollars more in lifetime earnings over the course of a student's life. To put this into perspective, a graduating class of 467 will make a combined 65,857,000 dollars more during their lifetime of work than non-graduates. Overall, these earnings differentials demonstrate that each additional level of educational attainment secured through Ball High School and its pathways with Galveston College generates substantial long-term economic value not only for individual graduates, but for the community. When multiplied across graduating classes year after year, the increased lifetime earnings associated with high school and associate degree completion translate into millions of additional dollars circulating through Galveston's local economy. Higher earnings strengthen household stability, expand the city's tax base, and support a more resilient workforce.

Reduced Social Costs

A strong educational foundation is also associated with reduced long-term public costs. Higher graduation rates correlate with lower rates of crime, unemployment, and reliance on public assistance. Effective K-12 education decreases the likelihood that individuals will require costly social services, judicial intervention, or long-term support programs. GISD's investments in counseling, health services, social work, special education, and behavioral supports all contribute to mitigating downstream social costs. By helping students remain academically engaged, mentally supported, and workforce-ready, the district prevents issues that would otherwise impose financial burdens on the city and state.

Compounding Community Benefits

These individual effects higher earnings potential and reduced reliance on public resources create a multiplier effect that benefits the broader local economy. As graduates achieve stable careers and higher income trajectories, they reinvest in the community through housing, consumption, philanthropy, and civic engagement. In turn, local businesses gain access to a more capable workforce, strengthening Galveston's economic competitiveness. Over time, GISD's role in building human capital becomes a powerful engine for economic resilience, supporting long-term growth across multiple generations.

5. Consumption Survey

This survey seeks to collect information on the weekly spending patterns of GISD employees in Galveston. These survey responses helped quantify how much economic activity is generated through employee spending on food, beverages, groceries, personal services, retail, transportation, and other common expenditures. Data was analyzed along with employment and financial information to estimate the total direct and indirect contributions of GISD employees to Galveston's economy.

5.1 Survey Methodology

Methodology and sampling frame:

The target population for this survey consists of all employees of GISD, including instructional staff, administrative personnel, support staff, transportation and food service employees, and maintenance workers. The GISD human resources department provided a complete list of active employees, including work location, position category, and, where available, home location. This comprehensive employee roster serves as the sampling frame for the survey.

Given the goal of measuring weekly spending behaviors across diverse roles and locations within GISD, the survey was designed to be administered to all employees (census approach) rather than a subset. This approach ensures representation of all job categories and campus types, capturing variations in consumption patterns linked to employment role, income, and work schedule.

5.2 Survey Design

The survey was developed as a short, structured questionnaire to maximize response rates while gathering sufficient detail on economic activity. Key sections include:

- 1. Demographics and Employment Information:** Captures job category, work location, and residential status
- 2. Weekly Consumption Expenditures:** Measures typical weekly spending in key categories including meals, beverages, personal services, retail, transportation, and entertainment
- 3. Local Business Engagement:** Identifies frequent interactions with local businesses, providing insight into GISD employees' support of the Galveston's economy
- 4. Perceptions of Economic Impact (Optional):** Captures employees' qualitative perspectives on the role of GISD in the local economy

The questionnaire was designed for self-administration, either digitally via online survey platforms or as a printed form distributed on-site. Responses were anonymized to ensure confidentiality and encourage accurate reporting.

Data Collection and Administration

Survey distribution was coordinated with GISD administration to maximize participation. Employees received an invitation explaining the purpose of the study, instructions for completion, and assurance of confidentiality. Data collection was conducted over a two-week period to accommodate varying schedules and work shifts. Follow-up reminders were issued to increase response rates. Completed surveys were collected electronically or physically, and data were subsequently cleaned and aggregated for analysis. Weekly expenditure amounts were standardized to U.S. dollars and categorized for input into economic impact models.

Considerations and Limitations

While the survey was designed to capture a representative snapshot of employee consumption, it is subject to typical limitations of self-reported expenditure data, including recall bias and under- or over-reporting. Additionally, temporary or irregular expenditures may not be fully captured. Despite these limitations, the survey provides a robust foundation for estimating the direct and induced economic impact of GISD employee spending on the Galveston's economy.

Survey Questions can be found in Appendix (A)

5.3 Survey Results

Survey Results: Employee Consumption Patterns and Local Economic Impact

The updated employee consumption survey provides a refined and representative picture of how GISD employees participate in the local economy through everyday spending. As one of the largest and most stable employers in Galveston, GISD supports a substantial level of recurring economic activity that extends far beyond district operations. Employee household spending represents a major source of induced economic impact, generating consistent demand for goods and services across the city.

Survey findings indicate that the *average* GISD employee spends \$3,551.74 per month across major consumption categories. Monthly spending averages include:

- Meals Out: \$524.90
- Groceries: \$536.80
- Personal Services: \$243.48
- Transportation: \$214.04
- Retail Purchases: \$349.35
- Entertainment: \$349.50
- Rent/Housing: \$1,333.67

These expenditures total approximately \$42,620.88 per employee annually.

With 1,018 employees in the district, GISD generates an estimated: $\$42,620.88 \times 1,018 \approx 43.39$ million in annual direct consumer spending by employee households.

Because GISD employees demonstrate a well-above-average local spending preference 75.4% across all categories, and 81.3% (see survey preference equation) excluding groceries a large portion of this spending remains in the community. Based on these preferences, between \$32.72 million and \$35.28 million in GISD household spending likely occurs within Galveston itself each year.

This makes GISD employees one of the single strongest anchors of year-round, non-tourism-driven consumer demand in the city. Unlike seasonal visitation patterns, employee household spending is stable, predictable, and resilient, providing consistent revenue for local restaurants, retailers, personal service providers, fuel stations, entertainment venues, and the rental housing market.

Economic Significance of Employee Spending

The economic implications of this spending are substantial:

- **Support for small businesses:** With over **\$40 million** circulating through local establishments, GISD employees help maintain the viability of many locally owned restaurants, salons, independent retailers, repair shops, and entertainment venues.
- **Employment and wage support:** Local spending translates directly into payroll hours, job retention, and expanded staffing capacity within Galveston's service sector.
- **Housing market stability:** With over **\$21 million** spent annually on rent and housing payments alone, GISD employees contribute to year-round residential occupancy. This strengthens neighborhood stability in a city with high proportions of short-term and second-home rentals.
- **Multiplier effects:** Dollars spent locally recirculate through subsequent rounds of economic activity. Businesses purchase additional goods and services, hire more workers, and contribute to the city's tax base.

The net multiplier effect, once modeled through RIMS-II, significantly amplifies the initial **\$58 million in direct spending**.

Tax Implications of GISD Employee Consumer Spending

The approximately **\$43.39 million** in annual consumer spending generated by GISD employees has direct and measurable fiscal implications for the City of Galveston and associated public entities. Because GISD workers exhibit unusually high local spending rates between 75.4% and 81.3% (see survey preference equation) a substantial portion of this economic activity translates directly into municipal revenue streams through sales taxes, commercial property value stabilization, and secondary tax effects tied to local business growth.

Local Sales Tax Revenues

Galveston levies a 2% local sales tax, comprising 1% for the City of Galveston and 1% for local purpose allocations. While some spending categories (notably groceries and housing) are exempt from sales tax in Texas, several major categories captured in the survey are fully or predominantly taxable, including:

- Meals out
- Retail purchases
- Entertainment
- Most personal services
- Portions of transportation expenditures

Using the updated monthly spending averages, approximately \$1,667 per employee per month falls into categories that are generally subject to sales tax.

Annually, this represents roughly: $1,667 \times 12 = \mathbf{\$20,004}$ taxable dollars per employee.

Scaling to the full workforce: $\$20,004 \times 1,018 = \mathbf{\$20.4}$ million dollars in estimated taxable spending each year.

Applying the 2% local rate yields between **\$400,000 and \$440,000 annually** in total local sales tax revenue attributable to GISD employee consumption, depending on the precise share of personal and transportation services taxed. This represents a highly stable source of municipal revenue, especially important in a city where sales tax collections are otherwise heavily influenced by tourism seasonality.

Indirect Fiscal Effects

GISD employee spending also produces broader, indirect fiscal impacts:

- Business-to-business transactions expand, increasing taxable activity within restaurants, retailers, salons, and service providers.
- Commercial property valuations improve as businesses experience steadier year-round demand.
- Employment stability reduces turnover costs and payroll volatility across local businesses, strengthening the city's overall economic resilience.
- Higher local preference rates reduce tax leakage, keeping spending in Galveston that might otherwise migrate to mainland chain stores or external ecommerce vendors.

This combination of direct tax contributions and secondary fiscal effects underscores GISD's importance as a stabilizing force in Galveston's tax base.

RIMS-II Induced Economic Impact of Employee Spending

To assess the broader economic effects of GISD employee consumption, RIMS-II multipliers are applied to estimate induced economic activity economic effects generated when employees spend their earnings in the local economy. A typical RIMS-II household spending (induced) multiplier for a small urban region similar to Galveston County generally ranges between 1.5 and 1.8. Using a conservative multiplier of 1.6, the \$43.39 million in annual employee spending produces:

$\$43.39 \text{ million} \times 1.6 = \mathbf{\$69.42}$ million in total induced economic activity for the Galveston area.

This includes:

- Additional business revenue for local restaurants, grocery outlets, retail stores, and service providers
- Secondary worker earnings, as businesses expand hours, hire additional staff, or invest in wage increases
- Further rounds of spending, as those workers then purchase goods and services within the region

In employment terms, induced multipliers for household spending typically generate:

- **10 to 14 jobs per \$1 million in induced activity** for service-heavy economies
- Meaning GISD employee consumption supports an estimated **930–1,300 additional jobs** in the district's service, retail, healthcare, and hospitality sectors

These induced impacts highlight GISD's role as not only a major employer but also a driver of sustained local economic circulation.

Methodological Consideration: Possible Oversampling of Higher-Salaried Employees

While the survey results provide valuable insights into consumption patterns, it is important to note a potential methodological limitation: the sample may disproportionately represent higher-salaried employees, such as administrators, specialized professionals, or veteran teachers.

This could occur for several reasons:

- Higher-income employees may be more likely to respond to email surveys or participate in research.
- Administrators and experienced teachers often have more predictable schedules that allow completion of surveys.
- Lower-wage employees, including paraprofessionals, food service workers, and custodial staff, may be underrepresented due to work demands, limited time, or reduced access to survey technology.

If higher-income employees are overrepresented, the survey may slightly overestimate average monthly spending relative to the full workforce.

Additionally:

- Higher-income individuals spend more on discretionary categories (meals out, entertainment, personal services).
- Their housing payments may be higher than those of entry-level or part-time staff.

Even with these considerations, the overall conclusions remain robust:

1. GISD employees collectively generate tens of millions in annual spending.
2. The vast majority of this spending occurs locally.
3. The economic and fiscal impacts described above remain directionally correct and substantively significant.

Future surveys could mitigate this by stratifying outreach by job classification or calibrating results using district wage distributions.

Summary

Taken together:

- \$43.39 million in annual employee household spending
- ~\$32.9 million likely spent locally
- \$400,000–\$420,000 in annual local sales tax revenue
- \$76.6 million in induced economic activity after applying RIMS-II multipliers

GISD is one of the community's most important anchors of year-round economic stability. Employee spending alone supports local businesses, strengthens the city's tax base, and sustains hundreds of jobs across the district.

Survey Preference Equation

Understanding consumer preference requires more than simply observing where individuals spend their money; it requires a structured framework that can quantify how people value different attributes of competing options. Discrete choice theory provides such a framework. By modeling consumer utility as a combination of observable features such as price, ambience, convenience, or the "localness" of an establishment and unobserved factors represented by an error term, we can estimate the probability that a consumer selects one option over another. This probabilistic structure is especially useful when comparing choices between locally owned businesses and national chains, where preferences may reflect not only economic considerations but also community attachment, identity, and perceived social value.

Let the utility the consumer gets from option j be

$$U_j = V_j + \varepsilon_j$$

where V_j is the observable (deterministic) part of utility (a function of attributes: price, taste, ambience, "localness", etc.) and ε_j is an unobserved error term.

For a simple two-option case (Local L vs Chain C) let

$$V_L = \beta_0 + \beta_1 \cdot \text{price}_L + \beta_2 \cdot \text{ambience}_L + \beta_3 \cdot \text{local_preference} + \dots$$

and similarly for V_C .

If the errors ε_j are i.i.d. Type-I extreme value (the standard logit assumption), the probability the consumer chooses the local restaurant is

$$P(L) = \frac{e^{V_L}}{e^{V_L} + e^{V_C}}.$$

A. Probability of choosing local (a direct measure of preference) $P(L)$ above is often the most interpretable “expected preference”: the probability the consumer will pick the locally owned restaurant.

B. Probability-weighted (expected) utility if you want an expected utility (a scalar), compute

$$E[U] = P(L) \cdot E[U_L | L] + P(C) \cdot E[U_C | C].$$

Under the Gumbel/logit assumption the expected maximum utility (the “log-sum” or inclusive value) is

$$E[\max_j U_j] = \ln \left[\sum_j e^{V_j} \right] + \gamma,$$

Because *utility is arbitrary*, you can only express the expected maximum utility as a *percentage relative to something else*.

As a percent above the chain’s utility:

$$\begin{aligned} \text{Pct above chain} &= \frac{E[\max U] - V_C}{V_C} \times 100 \\ &= \frac{2.551 - 1.0}{1.0} \times 100 = 155.1\% \end{aligned}$$

Interpretation: the total expected (maximum) utility from having both options available is about 155% higher than the base utility of just eating at the chain.

As a share of the sum of deterministic utilities

$$\frac{E[\max U]}{V_L + V_C} \times 100 = \frac{2.551}{2.5} \times 100 = 102.0\%$$

Interpretation: expected overall utility is roughly 2% higher than the simple average of the deterministic utilities showing the “log-sum” adjustment for probabilistic choice. As a probability-equivalent measure if you normalize the total utility into choice probabilities (as in the logit model):

$$P(L) = 62.2\%, P(C) = 37.8\%.$$

Where: $P(L)$ is the expected preference for local businesses and $P(C)$ is the expected preference for chains. Survey results indicate that Galveston Independent School District (GISD) employees exhibit a notably strong preference for spending within the local economy. Across all categories, GISD employees show a 75.4% local preference value, meaning that, on average, employees choose locally owned or locally operated establishments roughly three out of every four times they make a purchase. When grocery purchases are excluded this preference value rises even higher, reaching 81.3%. Exclusion of grocery purchases may be appropriate in this context because national chains make up the supermajority of grocery options in Galveston.

Both figures significantly exceed the expected probability of local spending typically observed in comparable mid-sized communities. In most local economies, consumers distribute spending across local, regional, and national outlets in patterns closer to an even split, especially in sectors such as quick-service dining, household goods, and everyday retail. The GISD employee spending pattern therefore reflects a meaningfully higher-than-expected inclination toward local establishments, suggesting a distinct behavioral preference and a strong underlying connection to the Galveston community.

This elevated local preference has important economic implications. Higher rates of local spending amplify the economic multiplier effect, as dollars spent at locally owned businesses recirculate through the economy at greater levels than dollars spent with national chains. Local businesses are more likely to source goods and services locally, hire local workers, and retain profits within the community. Thus, GISD employees' above-expected local spending generates greater secondary and tertiary economic impacts, supporting additional jobs, increasing local labor income, and strengthening the revenue base for both small businesses and the broader service economy of Galveston.

6. Indirect & Induced Impacts

6.1 Vendor Supply Chain Impact (Indirect Effects)

Indirect impacts capture the economic activity generated when GISD purchases goods and services from local and regional vendors. These suppliers, in turn, buy materials, hire workers, and procure transportation and professional services to meet the district's needs, creating a cascading effect across the regional economy. GISD's annual operating budget, capital outlays, and bond-funded construction projects generate significant demand in sectors such as:

Construction & Facilities Services

The district's ongoing investments most notably the 2022 voter-approved bond program and the construction of the new Ball High School require architectural, engineering, construction, electrical, HVAC, and specialized subcontracting services. Each contract supports not only the primary contractor but also secondary suppliers providing building materials, safety equipment, surveying, logistics, and environmental compliance services.

Retail & Procurement Suppliers

Routine district operations rely on a steady stream of purchases, including classroom supplies, technology equipment, maintenance materials, custodial products, and office resources. Local retailers and regional wholesalers benefit from this consistent institutional demand, stabilizing revenue streams that are otherwise sensitive to seasonal fluctuations.

Transportation, Logistics, and Fleet Services

With more than 1,000 students transported daily, GISD contracts fuel suppliers, mechanics, parts vendors, and fleet maintenance services. These expenditures ripple through petroleum distributors, automotive service providers, and parts manufacturers, reinforcing industrial and service clusters connected to transportation.

Professional & Technical Services

GISD regularly engages local and regional firms for legal services, auditing, information technology, educational programming, consulting, and staff development. These providers often subcontract components of their work, further extending the economic chain.

Summary of key inputs used

- GISD operating expenditures (total): \$106,605,246 (district adopted operating budget)
- GISD workforce used in induced calculations: 1,018 employees
- Employee monthly consumption (survey averages): meals \$524.90; groceries \$536.80; personal services \$243.48; transportation \$214.04; retail \$349.35; entertainment \$349.50; rent \$1,333.67
- >Monthly per employee = \$3,551.74; annual per employee = \$42,620.88
- Annual employee household spending (all employees): $\$42,620.88 \times 1,018 = \$43,388,056$ (rounded)
- Average salary used to estimate payroll: \$52,761.96 payroll = $\$52,761.96 \times 1,018 = \$53,711,675$
- Non-payroll operating expenditures = total operating expenditures – payroll = $\$106,605,246 - \$53,711,675 = \$52,893,571$

Important Methodological Notes

1. Local procurement share of non-payroll spending (for indirect impacts): 40% of non-payroll expenditures are assumed to be purchased from local vendors (a conservative assumption you can raise/lower this if you have vendor lists or procurement locality rates).
2. Indirect multiplier (vendor supply chain): total output multiplier of 1.40 (i.e., each \$1 of local procurement generates \$1.40 in output in the local economy incremental effect of \$0.40 per \$1). This is a conservative, blended RIMS-II style multiplier for a mixed set of supplier industries.
3. Induced (household spending) multiplier: total output multiplier of 1.60 for household consumption (a conservative estimate for a service-oriented economy).
4. Labor income shares: for reporting labor-income effects, we use conservative labor-income shares of 35%–40% of total output depending on effect type (indirect vs induced), recognizing industry differences.

Estimated Local Vendor Purchases

- Non-payroll operating expenditure: \$52,893,571
- Assumed share purchased from local vendors: 40% > Local procurement = $\$52,893,571 \times 0.40 = \$21,157,428$

Apply indirect (supply-chain) multiplier

- Indirect total output supported = Local procurement $\times 1.40$
> $\$21,157,428 \times 1.40 = \$29,620,400$ (approx.)
- Indirect incremental output (the additional output beyond the local procurement) = $\$29,620,400 - \$21,157,428 = \$8,462,972$ (approx.)

Jobs and labor income (ranges / conservatively estimated)

- Using a conservative jobs intensity for supplier activity ($\approx 5-8$ jobs per \$1 million of output):
> Indirect jobs supported ≈ 148 to 237 jobs (i.e., $\$29.62M \times 5-8$ jobs per \$1M)

- Estimated labor income from indirect output (conservative 35% labor income share):
> Indirect labor income $\approx \$29,620,400 \times 0.35 = \$10,367,140$ (approx.).

Interpretation (Vendor supply chain)

- Every dollar GISD spends on local suppliers supports further business activity in construction, maintenance, retail suppliers, transportation, professional services, and logistics. Using conservative assumptions, local procurement of roughly **\$21.16M supports a total vendor-related economic output of ~\$29.6M, sustains ~150–240 jobs, and generates roughly \$10.4M in labor income for the regional economy.**

6.2 Household Spending Impact (Induced Effects)

Induced effects occur when GISD employees spend their earnings within the regional economy. With approximately **1,018 employees** and an average annual salary of **\$52,761.96**, the district delivers over **\$53 million** in annual labor income to households most of which is spent locally on housing, food, transportation, services, and recreation.

Local Consumer Spending Patterns

Based on employee survey data, the average staff member allocates monthly spending toward:

- Rent: \$1,333.67
- Groceries: \$536.80
- Meals Out: \$524.90
- Entertainment: \$349.50
- Retail Purchases: \$349.35
- Transportation: \$214.04
- Personal Services: \$243.48

These categories alone generate more than \$44,000 per employee per year, and when multiplied across 1,018 staff, translate to tens of millions of dollars in consumer spending circulating through Galveston's economy each year.

Industry Impacts

Local businesses across several sectors benefit directly from this steady economic activity:

- **Retail:** Clothing stores, household goods, specialty shops, and retail corridors experience recurring demand from district employees.
- **Food & Beverage:** Restaurants, cafés, and takeout establishments benefit from consistent weekday and weekend dining spending.
- **Housing:** Rental and real estate markets rely on stable-income residents, many of whom are GISD teachers and staff.
- **Transportation:** Auto repair shops, gas stations, and insurance providers see consistent purchasing behavior tied to commuting needs.
- **Personal Services:** Hair salons, fitness centers, medical services, childcare providers, and other local services derive revenue from GISD household budgets.

Stabilizing Economic Influence

Because GISD employment is not tied to seasonal tourism cycles, employee household spending provides a year-round stabilizing force in sectors that often face sharp seasonal fluctuations. In a local economy with significant reliance on tourism and hospitality, GISD's induced impact helps sustain businesses during off-peak months and supports the long-term vitality of local service industries.

RIMS-II Induced Impact

Applied RIMS-II multipliers indicate that household spending by GISD employees generates:

- Additional labor income as local businesses hire workers to meet demand
- New economic output across retail, housing, services, and food & beverage
- Secondary job creation tied directly to the recurring, stable consumption of GISD households

Direct household spending by GISD employees

- Annual household spending per employee = \$42,620.88
- GISD employees = 1,018 > Total direct employee household spending = $\$42,620.88 \times 1,018 = \$43,388,056$ (rounded).

Apply induced (household spending) multiplier

- Induced total output = Direct household spending $\times 1.60 > \$43,388,056 \times 1.60 = \$69,420,889$ (approx.)
- Induced incremental output (additional rounds) = $\$69,420,889 - \$43,388,056 = \$26,032,833$ (approx.)

Jobs and labor income

- Jobs intensity for consumer-driven service economies typically ranges ~10–14 jobs per \$1M of output
Using that range:
 - > Induced jobs supported ≈ 694 to 972 jobs (i.e., $\$69.42M \times 10\text{--}14$ jobs per \$1M)
- Estimated labor income from induced output (conservative 40% labor income share):
 - > Induced labor income $\approx \$69,420,889 \times 0.40 = \$27,768,356$ (approx.)

Local tax (sales) revenue from employee spending

- Taxable categories (conservative): exclude groceries and rent; treat other categories as taxable. Taxable annual per employee = \$20,175.24 (calculated by removing groceries and rent from monthly total and annualizing).
- Taxable spending for 1,018 employees = $\$20,175.24 \times 1,018 = \$20,538,394$ (approx.).
- City/local sales tax rate (City + local purpose): 2% > Local sales tax revenue $\approx \$20,538,394 \times 0.02 = \$410,768$ annually (approx.).

Interpretation (Household spending)

- GISD employee household consumption of ~\$43.4M per year supports a total induced economic output of ~\$69.4M, supports roughly 700–970 local jobs, and contributes an estimated \$27.8M in labor income across the district through subsequent rounds of spending. Local sales tax receipts attributable to taxable employee purchases are approximately \$410,000 per year under our conservative taxable-share assumptions.

Combined Impact (Indirect + Induced)

- Direct employee household spending (annual): \$43.39M
- Vendor (local procurement) direct purchases (estimated): \$21.16M (portion of non-payroll assumed local)
- Total secondary output (indirect + induced): \$29.62M (vendor) + \$69.42M (household) = ~\$99.04M
- Total incremental (additional) output beyond the direct dollars: \$8.46M (indirect) + \$26.03M (induced) = \$34.49M
- Estimated jobs supported by these secondary effects: ~842 – 1,209 jobs (sum of indirect job range 148–237 and induced job range 694–972)
- Estimated labor income from these secondary effects: ~\$10.37M (indirect) + \$27.77M (induced) ≈ \$38.14M

7. Community & Social Impacts

7.1 GISD as a Community Anchor Institution

Galveston Independent School District functions as one of the most prominent anchor institutions, providing stability, workforce continuity, and community resilience in ways that extend far beyond traditional educational functions. Anchor institutions such as universities, hospitals, and public-school districts play an outsized role in local economies because they are immobile, mission-driven, and deeply embedded in the long-term wellbeing of the communities they serve. GISD exhibits these anchor characteristics through its stable employment base, continuous capital investment, and its pivotal role in emergency response and community support systems.

Stability and Security of Public-Sector Employment

Public-sector employment provided by GISD offers a level of stability that is uncommon in Galveston's tourism-dominated economy, where employment frequently fluctuates with seasonal visitor activity, market cycles, and storm-related disruptions. GISD employs more than 1,000 full-time workers, making it one of the largest year-round employers in Galveston. The district's workforce includes teachers, aides, transportation personnel, administrators, counselors, maintenance staff, and specialized support roles. This diverse and stable employment base ensures consistent household income for hundreds of families, supporting year-round demand for goods, services, and housing.

During periods of economic uncertainty, such as the COVID-19 pandemic or post-storm recovery phases, GISD's sustained payroll helped anchor the local economy by maintaining consumer spending levels at a time when many private-sector employers faced major disruptions. The district's financial structure supported by state allocations, local property tax revenue, and federal grants provides a buffer against rapid economic shocks, making GISD's salaries and benefits a stabilizing force in Galveston's broader economic landscape.

Contributions During Emergencies and Disasters

Galveston's location on the Gulf Coast exposes the community to frequent and sometimes severe tropical weather events. In this context, GISD plays an essential role in disaster preparedness, response, and recovery. GISD campuses often serve as community shelters, staging areas, and logistical hubs during storms and public emergencies. The district coordinates closely with the City of Galveston, the Galveston County Emergency Management Office, UTMB, and regional public safety agencies to ensure that facilities, transportation resources, and communication systems remain available when needed most.

During major weather events, GISD transportation staff and bus fleets can be mobilized to support evacuations, transport vulnerable populations, or assist with re-entry operations. Following storms, GISD personnel are frequently involved in damage assessment, food distribution, and community support efforts, demonstrating the institution's commitment to public welfare beyond educational services. The district's ability to continue operations or quickly resume them after emergencies provides significant economic and social benefits. Schools reopening allows parents to return to work, helps restore normalcy for students, and accelerates the community's overall recovery timeline. In this sense, GISD's operational resilience serves not only its students but the entire local economy.

7.2 Property Value Impacts

Galveston Independent School District plays a central role in shaping neighborhood desirability and supporting long-term property values across Galveston. The relationship between public schools and real estate markets is well documented: strong, well-resourced school districts with modern facilities improve community attractiveness, stabilize residential demand, and enhance homeowner equity. GISD's ongoing capital improvements, including the 2022 bond program and the construction of a new Ball High School, contribute meaningfully to these dynamics.

Relationship Between Schools and Neighborhood Desirability

Public schools are one of the most influential signals that prospective residents consider when deciding where to live. Families frequently cite school quality academic performance, campus safety, extracurricular offerings, and facility condition as a top factor in their housing decisions. Even for households without children, high-quality schools reflect strong local governance, workforce stability, and community investment, which contribute to broader neighborhood appeal.

GISD's sustained investments in curriculum, instructional quality, and school climate have led to rising parent satisfaction levels and improved academic outcomes in several areas. These improvements enhance the perception of neighborhood stability and can reduce turnover rates within surrounding residential areas. When schools function effectively they foster a sense of cohesion that increases the desirability of nearby neighborhoods.

Because Galveston faces unique housing challenges tied to seasonality, second-home ownership, and storm vulnerability, GISD's presence as a stable, permanent institution helps reinforce long-term residential demand. Households that rely on year-round employment, including educators, healthcare workers, public servants, and service-sector professionals, often view school quality as a key determinant of remaining within the city rather than relocating to mainland Galveston County.

Impact of Capital Investments on Surrounding Property Values

Capital improvements under GISD's 2022 bond program have an additional and measurable effect on local property values. Modernized and newly constructed school facilities improve both the functional and aesthetic qualities of neighborhoods, signaling long-term confidence in the area's future. Research consistently shows that school renovations and new school construction correspond with increases in nearby home values. These values often range from 3% to 10% depending on the scope of improvement and local market conditions.

The construction of the new Ball High School, one of the largest public works projects in Galveston's recent history, exemplifies this effect. A modern, well-designed high school enhances both educational performance and neighborhood perception. Its workforce-aligned design featuring maritime, healthcare, STEM, hospitality, and technical pathways positions the campus as a major educational and community asset, reinforcing demand for nearby housing and increasing the attractiveness of Galveston for families deciding whether to live on the island.

Similarly, upgrades to Austin Middle School, Weiss, and Central Middle School, as well as major improvements to Courville Stadium and district-wide safety and software upgrades, contribute to property value stability across multiple neighborhoods. These capital investments signal long-term institutional commitment and reduce the need for emergency repairs or future tax shocks, which can otherwise discourage residential investment.

Long-Term Economic Implications

Higher property values create a reinforcing cycle of community benefits:

- Increased homeowner equity strengthens family financial stability.
- Higher taxable valuations support the district's long-term fiscal health.
- Stable residential neighborhoods reduce turnover and support stronger school–community relationships.
- Rising property confidence encourages reinvestment in housing stock, infrastructure, and commercial activity.



Above: Austin Middle School, 3904 Avenue T

8. Conclusion

Galveston Independent School District plays an essential and multifaceted role in the economic, social, and civic life of Galveston. As one of the community's largest employers, a major procurer of goods and services, and a sustained investor in capital infrastructure, GISD generates economic impacts that extend far beyond the boundaries of its campuses. The district's operational spending, employee payroll, household consumption, vendor purchases, and large-scale construction activities collectively drive tens of millions of dollars in annual economic output across the community. When these expenditures circulate through the local economy, they support additional employment, household income, and business activity in a wide range of sectors from retail and food services to construction, transportation, and professional services.

GISD's role as a community anchor institution further magnifies these impacts. The district provides stable, year-round employment in an economy often shaped by seasonality, serving as a foundation of financial security for more than 1,000 families. Its capital investments especially the transformative 2022 bond program, including the redevelopment of Ball High School help stabilize property values, enhance neighborhood desirability, and signal long-term confidence in Galveston's future. The district's educational programs, particularly its STEM and CTE pathways, create a pipeline of talent that supports key local industries such as healthcare, maritime logistics, hospitality, engineering, and public safety. These human-capital benefits, though often less visible than financial flows, generate significant lifetime economic value for graduates and reduce long-term social costs.

Sustained and strategic investment is essential to preserving and expanding these benefits. Continued support for competitive teacher salaries, talent recruitment, facility modernization, and academic innovation will strengthen GISD's role within the regional workforce ecosystem. Investments in infrastructure such as the new Ball High School, enhanced safety systems, upgraded technology, and modern learning facilities ensure that the district can meet future enrollment needs while remaining an attractive, high-performing public institution for Galveston families. Likewise, expanding partnerships with local employers, higher education institutions, and community organizations will help align GISD's programs with emerging industries and workforce demands.

To maximize future impact, several strategic priorities emerge from this analysis:

1. **Deepen workforce-aligned educational pathways**, particularly in healthcare, maritime trades, hospitality leadership, engineering, and information systems, industries central to Galveston's long-term economic trajectory.
2. **Expand local vendor engagement**, strengthening the local supply chain and ensuring that more district spending recirculates within the Galveston economy.
3. **Enhance data tracking and evaluation**, including periodic updates to employee spending surveys, RIMS-II modeling, and community feedback systems, enabling GISD to make evidence-based decisions about programs and investments.
4. **Continue investing in safe, modern, resilient facilities**, ensuring students and educators have high-quality environments while reinforcing property values and community confidence.
5. **Support teacher recruitment and retention efforts**, recognizing that education quality rests heavily on maintaining a stable, highly skilled instructional workforce.

Appendix A (Survey Questionnaire)

What is your current role in GISD?

What Campus/Department?

Do you live on Galveston Island or Bolivar Peninsula?

On Average how many days per week do you make purchases on Galveston Island?

Please estimate typical amounts for an average week spent on Galveston Island (estimate from annual purchases if necessary)

Breakfast/Coffee	
Lunch/Takeout	
Dinner/Restaurants	
Personal Services (Salons, Gyms, Laundry, etc.)	
Retail/Shopping	
Entertainment/Recreation	
Rent/Mortgage	
Other	

Do you have favorite local businesses or restaurants you frequently support on the island? Please insert your response. Type "no" if none

In your opinion, how important is GISD to the local Galveston economy?

Additional Comments



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