

# Testimony to the Special Commission on Public School Finance

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# TOP OF TEXAS



# LOCATION

- ▶ 18,000 population
- ▶ 3500 students enrolled PK-12
- ▶ 7 campuses
- ▶ 450 square miles served
- ▶ 63% national F/R lunch program
- ▶ 18% ELL
- ▶ 13% Special Education
- ▶ 51.7% Hispanic
- ▶ 45.3% White
- ▶ 3% other (AA, Asian)
- ▶ \$1.04 (M&O) and .2691 (I&S)= \$1.3091
- ▶ 98% Graduation Rate
- ▶ Rapid Value Decline District
- ▶ Rural, Agriculture, Oil/Gas
- ▶ ADA decline due to local economy (-300+)

# Problems....

- Mandates and requirements on current funding allotments restrict districts in addressing local priority needs and lead to inefficient spending
- The assessment and accountability systems are mired with complexity and unfair requirements without ample time and resources to meet expectations
- Inefficiency in labor in schools as a result of an overreliance on antiquated compliance, reporting, and documentation systems
- Areas of the budget that may have previously gone unaddressed or considered to possibly provide relief to local tax payers

Problem: Mandates and requirements on current funding allotments restrict districts in addressing local priority needs and lead to inefficient spending.

- ▶ State (and Federal) Funding comes with required, mandated, and restricted spending options (ELL/Bil, GT, CTE, etc.)



## What do district budgets tell us?

Texas financial accounting system tracks spending by functional area. Examples:

- Instruction
- Curriculum/Staff Development
- School Administration
- General Administration
- Plant Maintenance/Operations
- Data Processing Services

Despite much study, no clear relationship seems to exist between total dollars spent in these functional budget categories and student outcomes

# Prioritize Spending that results in Improved Student Outcomes

- ▶ These state requirements are based on a an examination of the data and needs at a state level.
- ▶ They DO NOT necessarily reflect the LOCAL data and needs
- ▶ Good Intentions are leading to Bad Outcomes
  - ▶ Good Intentions (Supplement, not Supplant/MOE for special education)
  - ▶ Bad Outcomes (spending more money just to get more money not directly aligned to prioritized need)-----  
Inefficiency

# Proposal

- ▶ Provide flexibility in HOW districts spend allotted funds and increase that flexibility as student outcomes improve. If a district adds academic value to their students, then they are obviously doing something right and making good decisions in how to use their resources!

**Problem:** The assessment and accountability systems are mired with complexity and unfair requirements without ample time and resources to meet expectations

▶ Assessments System

- ▶ Over-reliance on state developed and contractor-managed assessments
  - ▶ Assessment system costs the state more than \$90 million each year
  - ▶ Est. \$20 million for EOC's at the state level (annually)
  - ▶ Local Cost est. \$135,000 --- administration, documentation, preparation, communication, remediation, etc. on state assessments)
  - ▶ Est over \$135 million each year for all of the districts in Texas

# Proposal

- ▶ Consider scaling back on how many assessments we administer (Texas requires more than Feds require) and examine using Nationally Normed, valid, reliable tests---ACT/SAT. They are :
  - ▶ managed well (not like ETS/Pearson have managed STARR/EOC's)
  - ▶ higher standards of performance,
  - ▶ serve as better indicators of college readiness,
  - ▶ Mechanism for various standards of performance (like EOC --approach, meet, master)
  - ▶ Mechanisms already in place for intervention and remediation (additional cost savings to districts)

# A-F Accountability System

- ▶ College, Career, Military Readiness

# How do we measure CCM-Readiness? HB22 provides the path

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## College Ready

- 
- Meet criteria on AP/IB exams
  - Meet TSI criteria (SAT/ACT/TSIA) in reading and mathematics
  - Complete a college prep course offered by a partnership between a district and higher education institution as required from HB5
  - Complete a course for dual credit
  - Complete an OnRamps course
  - Earn an associate's degree
  - Meet standards on a composite of indicators indicating college readiness



## Career Ready

- Earn industry certification
- Be admitted to post-secondary industry certification program



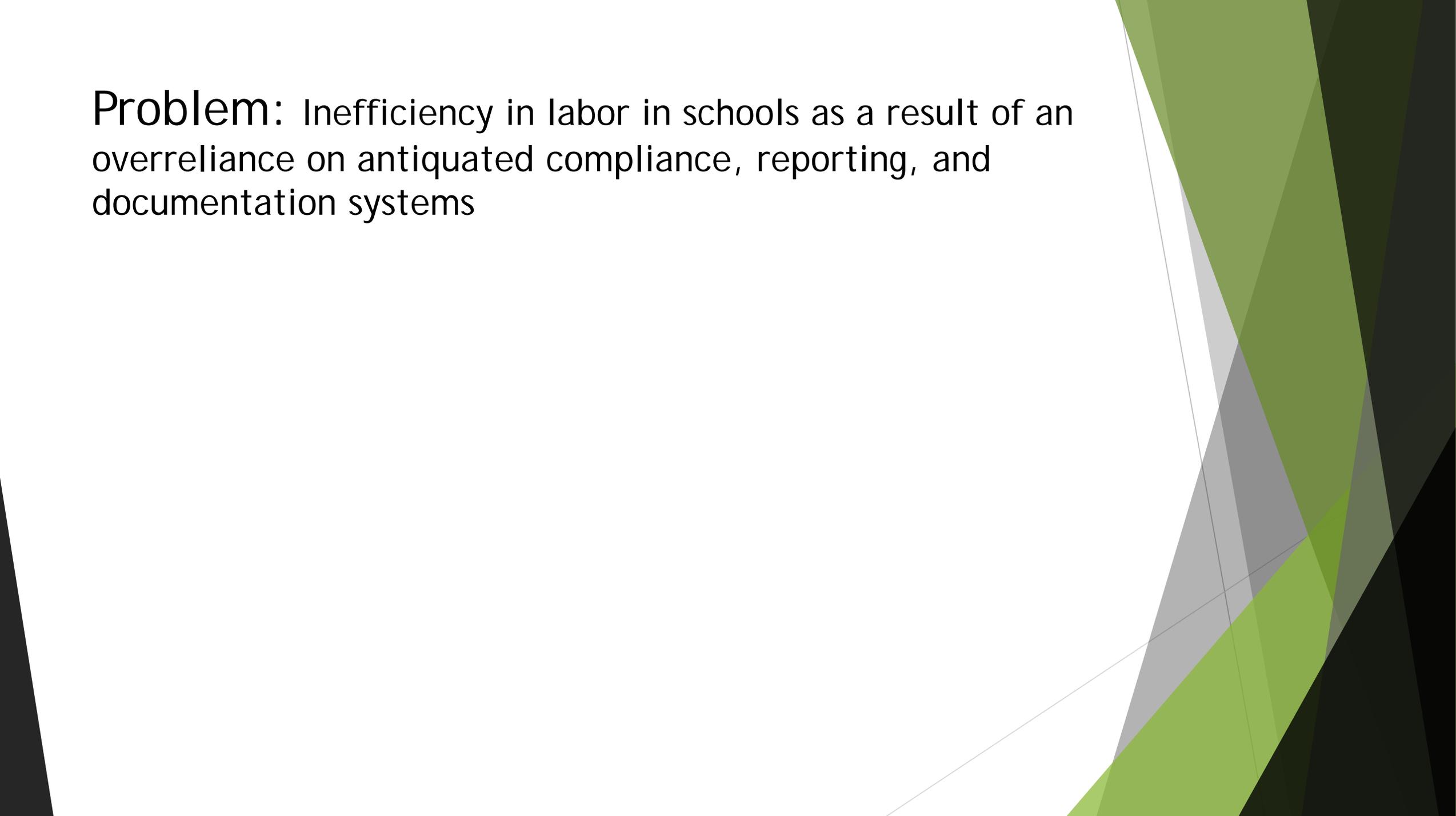
## Military Ready

Enlist in the United States Armed Forces

# Proposal

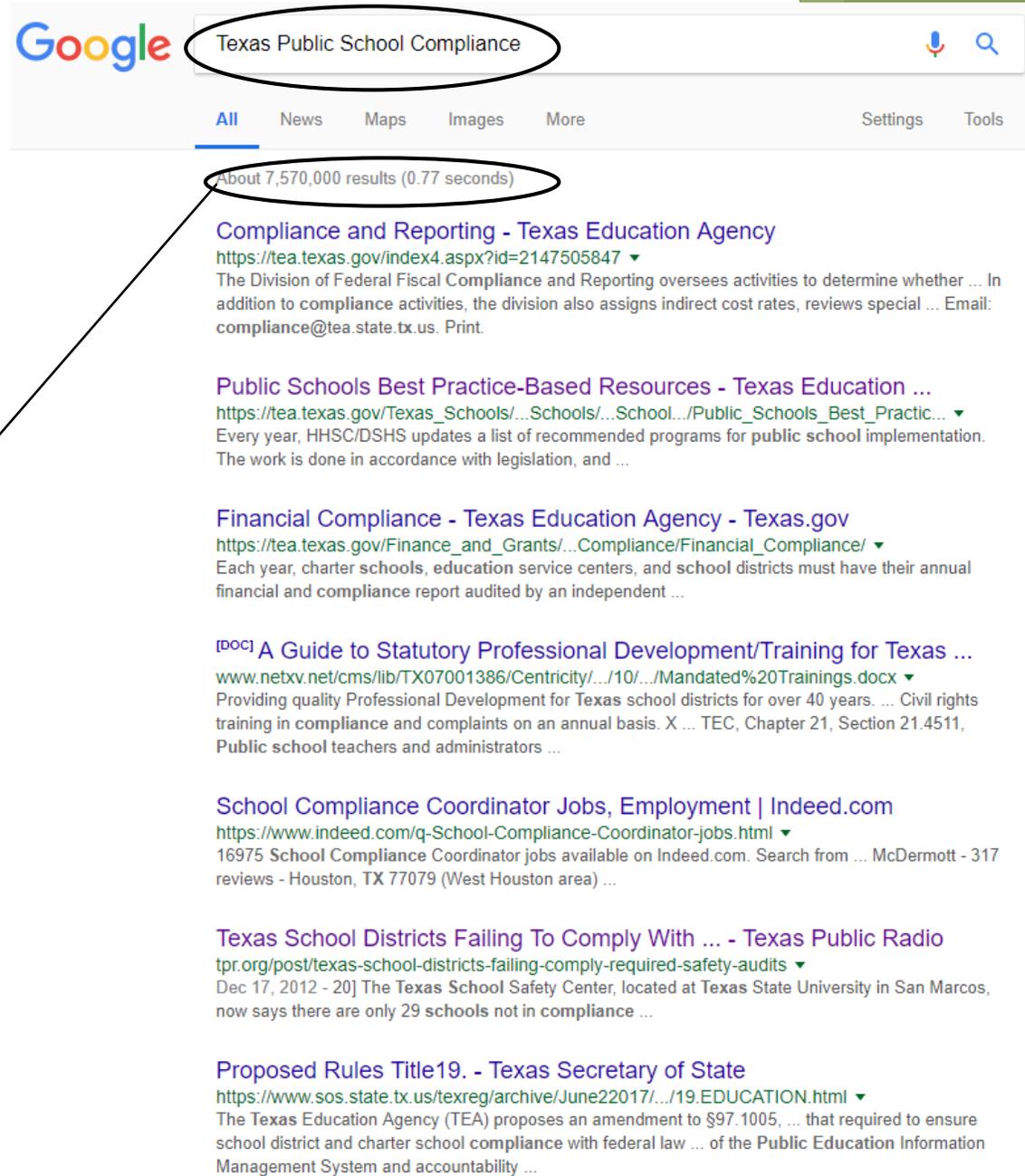
- ▶ Examine how House Bill 22 is being interpreted and implemented.
- ▶ A-F was intended to be transparent, clear, and compelling. The system is anything but clear and in fact setting hundreds of school districts up for perceived failure by being “graded” on factors that were decided upon after the fact.
  - ▶ **Our ratings this year in the A-F system will be based on data from the class of 2017---when these parameters and expectations for CCMR were NOT even in existence!**
- ▶ Provide more flexibility in CTE course options and certifications and extend timelines before applying letter grades to schools in order to accomplish the desired outcomes
  - ▶ Instead of assigning letter grades to schools who are unable to meet these requirements, provide accolades to schools that are able to do it. Incentivize partnerships between and among school districts to work toward the goals instead of encouraging a winner/loser ranking system. *Don't we want ALL students and public schools to be successful?*

**Problem:** Inefficiency in labor in schools as a result of an overreliance on antiquated compliance, reporting, and documentation systems



So, what's  
the problem?

7,570,000



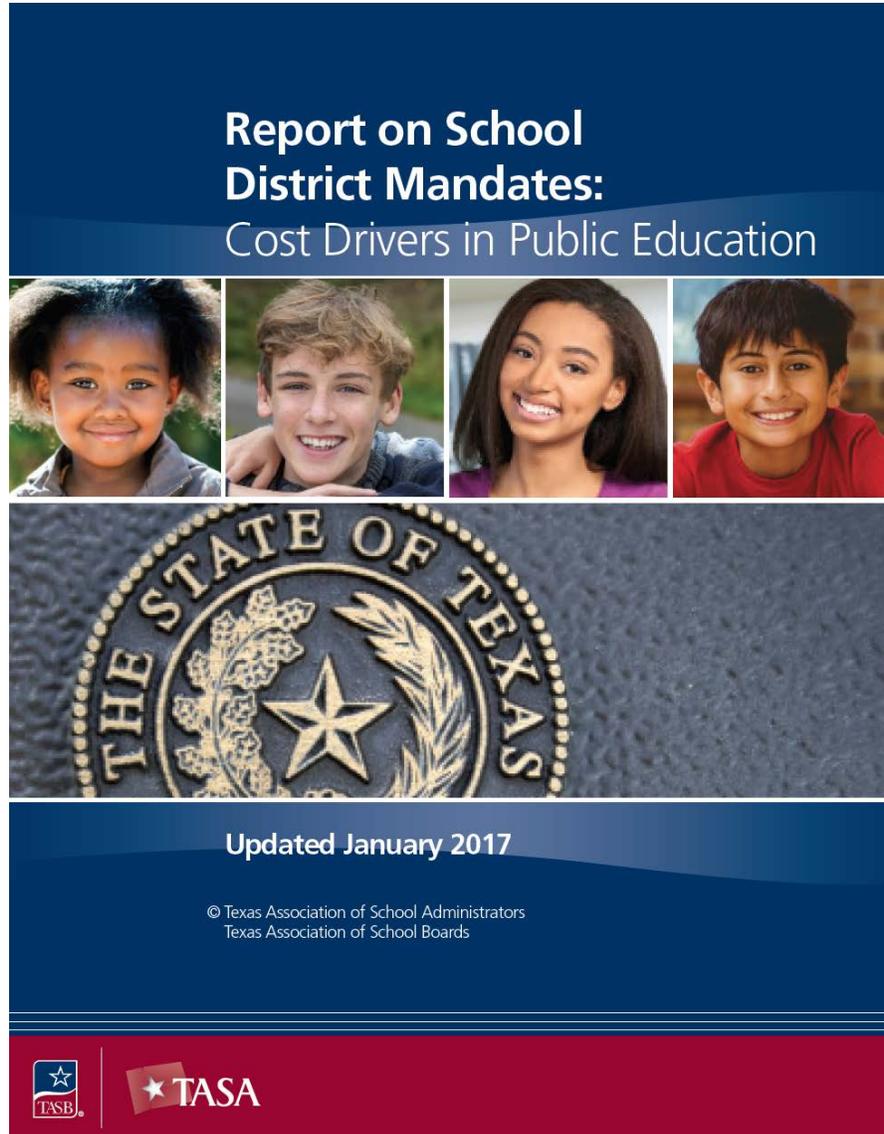
Google **Texas Public School Compliance** [Microphone] [Search]

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About 7,570,000 results (0.77 seconds)

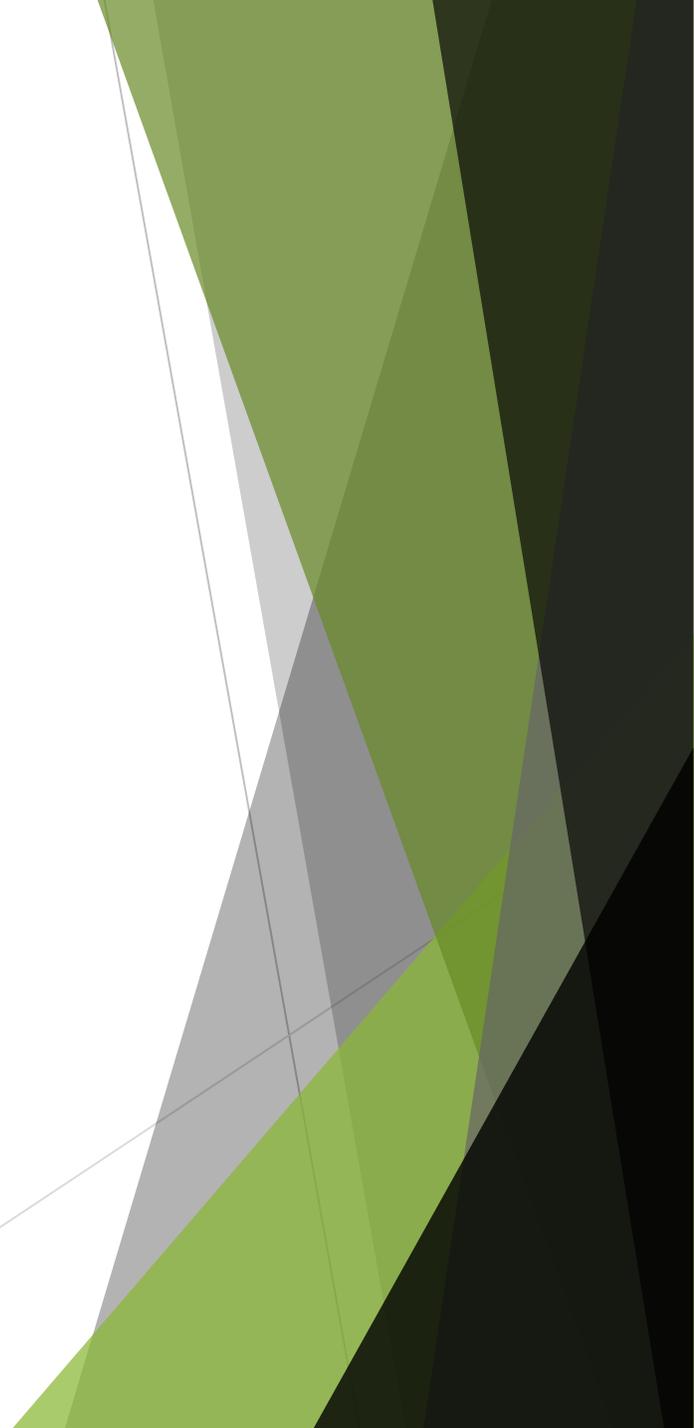
- Compliance and Reporting - Texas Education Agency**  
<https://tea.texas.gov/index4.aspx?id=2147505847> ▼  
The Division of Federal Fiscal Compliance and Reporting oversees activities to determine whether ... In addition to compliance activities, the division also assigns indirect cost rates, reviews special ... Email: [compliance@tea.state.tx.us](mailto:compliance@tea.state.tx.us). Print
- Public Schools Best Practice-Based Resources - Texas Education ...**  
[https://tea.texas.gov/Texas\\_Schools/...Schools/...School.../Public\\_Schools\\_Best\\_Practic...](https://tea.texas.gov/Texas_Schools/...Schools/...School.../Public_Schools_Best_Practic...) ▼  
Every year, HHSC/DSHS updates a list of recommended programs for public school implementation. The work is done in accordance with legislation, and ...
- Financial Compliance - Texas Education Agency - Texas.gov**  
[https://tea.texas.gov/Finance\\_and\\_Grants/...Compliance/Financial\\_Compliance/](https://tea.texas.gov/Finance_and_Grants/...Compliance/Financial_Compliance/) ▼  
Each year, charter schools, education service centers, and school districts must have their annual financial and compliance report audited by an independent ...
- [DOC] A Guide to Statutory Professional Development/Training for Texas ...**  
[www.netvx.net/cms/lib/TX07001386/Centricity/.../10/.../Mandated%20Trainings.docx](http://www.netvx.net/cms/lib/TX07001386/Centricity/.../10/.../Mandated%20Trainings.docx) ▼  
Providing quality Professional Development for Texas school districts for over 40 years. ... Civil rights training in compliance and complaints on an annual basis. X ... TEC, Chapter 21, Section 21.4511, Public school teachers and administrators ...
- School Compliance Coordinator Jobs, Employment | Indeed.com**  
<https://www.indeed.com/q-School-Compliance-Coordinator-jobs.html> ▼  
16975 School Compliance Coordinator jobs available on Indeed.com. Search from ... McDermott - 317 reviews - Houston, TX 77079 (West Houston area) ...
- Texas School Districts Failing To Comply With ... - Texas Public Radio**  
[tpr.org/post/texas-school-districts-failing-comply-required-safety-audits](http://tpr.org/post/texas-school-districts-failing-comply-required-safety-audits) ▼  
Dec 17, 2012 - 20] The Texas School Safety Center, located at Texas State University in San Marcos, now says there are only 29 schools not in compliance ...
- Proposed Rules Title19. - Texas Secretary of State**  
<https://www.sos.state.tx.us/texreg/archive/June22017/.../19.EDUCATION.html> ▼  
The Texas Education Agency (TEA) proposes an amendment to §97.1005, ... that required to ensure school district and charter school compliance with federal law ... of the Public Education Information Management System and accountability ...

# Unfunded and Underfunded



Proposal:  
Flexibility and relevant options for the varying districts would provide some relief here.

Problem: Areas of the budget that may have previously gone unaddressed or considered to possibly provide relief to local tax payers



# TRE for Golden Pennies

- ▶ Pampa ISD has 2 Golden Pennies available. (M&O)
  - ▶ \$1.05 and \$1.06 per hundred.
- ▶ Golden Pennies are worth approximately \$492K each.
  - ▶ Level 1 Guaranteed Yield \$106.28 per WADA (enrichment)
    - ▶ WADA = 4,632.434 (weighted average daily attendance).
  - ▶ Local levy would be \$111,323.
    - ▶  $\$1,113,228,675 * \$0.01 \div 100$
  - ▶ State Share (enrichment) \$381K
    - ▶ \$492K - \$111K
  - ▶ Cost to tax payer would \$10.00 per \$100K value.
    - ▶  $\$10,000 * \$0.01 \div 100 = \$1.00$ .
    - ▶ Levy on \$100,000 = \$10.00.

One Golden Penny  
levied would  
generate revenue  
for Pampa ISD  
based on current  
valuations:  
**\$492,000**

# Utility Costs for School Districts

Total Utility  
Cost for One  
Year:

**\$744,413**

Pampa ISD						
Utility Usage & Cost - Year to Date						
Date	Electricity (kWh)	Electricity Cost	Natural Gas (CCF)	Natural Gas Cost	Water (Gallons)	Water Cost
July, 2016	393,193	\$ 33,982	968	\$ 2,142	25,409	\$ 17,292
August, 2016	469,898	\$ 39,939	1,650	\$ 2,426	31,608	\$ 20,916
September, 2016	539,537	\$ 44,902	1,539	\$ 2,513	26,596	\$ 18,541
October, 2016	462,488	\$ 37,905	5,029	\$ 4,806	24,669	\$ 18,011
November, 2016	445,183	\$ 37,905	16,748	\$ 11,470	14,296	\$ 13,649
December, 2016	473,796	\$ 34,700	48,115	\$ 29,168	7,475	\$ 10,385
January, 2017	466,676	\$ 35,427	45,817	\$ 27,855	6,376	\$ 9,680
February, 2017	445,997	\$ 33,651	27,087	\$ 18,438	10,721	\$ 11,775
March, 2017	387,778	\$ 32,316	19,352	\$ 13,374	12,637	\$ 12,373
April, 2017	401,382	\$ 35,214	12,237	\$ 8,885	17,725	\$ 14,807
May, 2017	409,946	\$ 34,796	5,628	\$ 4,925	17,135	\$ 14,546
June, 2017	361,748	\$ 35,290	798	\$ 2,225	26,403	\$ 18,187
YTD Total	5,257,622	\$ 436,027	184,968	\$ 128,227	221,050	\$ 180,159

# Possible Solutions

- If students in each allotment are demonstrating academic growth, allow the district spending flexibility.
- Examine the Assessment system for cost savings and cut back on redundancy in testing.
- Provide appropriate and affordable implementation of A-F Accountability System
- Examine unfunded and underfunded mandates and allow districts flexibility and access to receive waivers on irrelevant or excessive requirements that are not pertinent to local data, needs, issues.
- Examine utility costs and provide incentives to energy providers to lower rates for public schools. This would provide relief and could relieve property tax burdens.