



To: TARS Membership
From: Michael Lee and Leigh Ann Glaze
Re: TARS Response to the Commission on School Finance

December 14, 2018

Dear Members - Please see below the letter TARS submitted to the Texas Commission on Public School Finance in response to the Commission's Preliminary Report presented on 12/11/2018. Please know that the Commission will offer a revised formal report for possible adoption by the Commission on 12/19/2018. We felt that it was important to submit our thoughts prior to the final report especially since changes to the small and mid-sized adjustment were still being considered by the Commission. Please feel free to offer us your input and to share this document. We will provide another update after the Commission meeting on 12/19.

THANKS, too for all the registrations to the TARS Membership Luncheon on 1/29/2019 at Mid-Winter! It will be GREAT to see you all. If you have not registered yet, please click on the link below to do so. Have a GREAT weekend!

<https://www.eventbrite.com/e/tars-membership-luncheon-at-tasa-mid-winter-2019-tickets-53566918094>

December 14, 2018

To: Members of the Texas Commission on Public School Finance

From: Texas Association of Rural Schools

Members of the Texas Commission on Public School Finance:

On behalf of the 318, and growing member-school districts in the Texas Association of Rural Schools (TARS), we would like to sincerely thank you for the time, effort and dedication all of you have exerted to help better public education in Texas.

Below please find some brief comments on some of the recommendations within the preliminary report we wanted to convey to you. We hope you find the information helpful and stand ready to assist you in any way we can as we move forward and through the legislative session.

The preliminary report contains several recommendations by which we are encouraged. We think that these recommendations will help a great deal to improve the experience and outcomes for Texas public school students. Specifically:

Recommendation 1: Establish a goal of 60% or Higher Proficiency for PK-12 Outcomes by the Year 2030, Consistent with the Texas' Higher Education Goal of "60x30" – This goal is a comprehensive PK – 16 goal schools are currently working toward. Using the Districts of Innovation option will allow all school districts, rural, mid-sized or large, the flexibility to use resources in their communities to grow programs that benefit both the community, school district and most importantly the students.

Recommendation 7: Creation of a High-Quality Teacher Allotment for Districts Wishing to Differentiate Compensation to Pay Their Effective Educators Higher Salaries Sooner in their Career – An increase in the teacher compensation is vital to sustain a thriving and

successful school district. A compensation and evaluation model unique to each school district will provide for innovation. However, the basic teacher minimum salary schedule must increase to attract new teachers. Additionally, school districts which are small, rural and mid-sized still utilize the minimum salary schedule as a starting point to calculate compensation. Our recommendation is that you address the minimum salary schedule first, followed by an incentive program. This should also decrease the amount needed for the incentive program and will certainly make the incentive program(s) more palatable overall to all educators. Additionally, statute requires school districts to pay the state's contributions into the Teacher Retirement System based above the state minimum salary schedule. Therefore, the minimum salary schedule is still relevant and if not increased, increases cost to all districts as they increase the overall pay scales.

Recommendation 9: Creation of additional Allotments/Programs Targeting Early

Learning – As noted by the Commission, the dual language program is the gold star program that all districts aspire to

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reach. However, there are simply not enough teaching candidates produced by the universities to fill this need statewide, especially in Rural Schools. The certification testing program is extremely difficult and beyond reasonable when it comes to requirements. The capacity to ramp up the implementation of dual language in all districts that ascribe to do so will take great work at the university level and a revision in the certification testing to fit within reasonable requirements. School districts want to implement the dual language program, but there are simply not enough teachers to meet the need regardless of the salary. Dyslexia funding is a HUGE step forward in getting students the help they need and training for teachers to provide adequate services.

Recommendation 16: Base Transportation Funding on Mileage – This recommendation addresses the overly complicated transportation formulas within an already byzantine school finance system. Rural schools almost by definition do not have large numbers of students. But the number of miles our students travel to and from school results in very high transportation costs. Moving from a linear-density formula set to a system based solely on miles is a huge step forward. Recognizing the need for Chapter 41 districts to receive this allotment is very much appreciated and supported.

However, we do have some serious concerns with regard to some of the Commission's recommendations on funding public education. Specifically:

Recommendation 18: Recreate Small/Mid-Size District Adjustments as a Stand-Alone

Allotment – This recommendation would make the small and mid-size district adjustments stand-alone allotments within the school finance system rather than an integral part of the system as is now the case. This recommendation seems to rely heavily on an unsubstantiated and incorrect assumption that most districts with fewer than 1600 ADA are small by choice. This is most certainly incorrect. Rural districts are small largely due to the fact that there is a small number of children spread across Rural Texas. Rural communities are separated by large distances which necessitates small school districts or alternatively exceedingly long mounts of time getting to and from a school that may not be within a reasonable distance to a child's home. Moreover, without supporting evidence the report cites, "funding inefficiencies and redundant administrative expenses," as another justification for moving the adjustments outside the school finance system. Once again this is factually incorrect. Rural schools are some of the most efficient and effective education centers in Texas. All across the state rural administrators routinely double up as substitute teachers, mechanics, coaches, bus drivers and cafeteria workers when there is a need. Rural schools also participate in regional cooperatives that purchase/provide everything from transportation to special education services. If we want to look for redundant expenses, we need to look no further than Charter Schools. Charter Schools operate wholly within an existing independent school district and completely duplicate each and every service those traditional districts provide, from teaching and administrative staff to janitors and other support personnel.

Furthermore, the idea that small schools are inefficient flies into the face of the State's efforts to support and expand charter schools in Texas. According to the Texas Charter School Association there are 272,685 children spread among 180 charter granted by the state. This results in 1,515 students per charter – well below the threshold needed to qualify for the small district adjustment. The only difference between charter schools and Rural Schools is location. Charters are almost exclusively in urban and suburban area. If the State supports and encourages small schools in urban and suburban Texas, why is the State trying to close them in Rural Texas?

Finally, there was much discussion within the Commission to target areas of struggling populations, such as ELL and Special Education. Leaving the small and mid-sized adjustments within the current system will

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assure that the increase in state aid will require school districts to spend an increase in state aid within programs the Commission Members desire to target.

Recommendation 22: Link Tier II Copper Penny Yield to a Percentage of the Basic

Allotment – This recommendation addresses the fact that the State has not increased the Copper Penny yield since 2006 when the yield was statutorily set at \$31.95. The \$31.95 yield was chosen since it was the 88th percentile of wealth – the constitutional standard of equity established during the Edgewood school finance trials. However, because the statutory \$31.95 yield has not been changed since 2006, the 75th percentile of wealth now exceeds the \$31.95 yield. While indexing the Copper Penny yield to the 75th percentile of wealth would result in automatic yield increases as property values increased it represents a structural retreat from the 88th percentile of wealth the state has used as a funding and equity standard, i.e. less funding for schools and more recapture than would result from the 88th percentile yield.

Recommendation 23: Link Tier II Golden Penny Yield to a Set Percentage of Wealth per

Student – This recommendation addresses the yield on the Golden Pennies which are currently tied to the Austin Independent School District's (AISD's) yield and have been since their inception in 2006. Specifically, the recommendation is to decouple these pennies from the AISD yield and to tie them to a yet-to-be determined percentile of wealth. We cannot in good faith support any recommendation with such a critical piece of information missing. That being said, like Recommendation 22, decoupling the Golden Pennies from AISD's yield will almost certainly result in a structural retreat not only with regard to the level of funding the state provides to school districts but also the level of equity in the system.

Additionally, the preliminary report seems to allude to one benefit of decoupling the Golden Penny yield from AISD would be that school districts would no longer be subject to fluctuating property values in AISD. This is not a legitimate concern for two reasons 1) the AISD per penny yield has continued to grow since the inception of Golden Pennies and 2) even if the AISD Yield

were in decline, HB 3646 (81st Regular Session) included a provision that prevents school districts from losing funds if that happens.

We hope you find the above information useful. Please feel free to contact us if you have any questions or if there is every anything you think we can do to help in your efforts to improve educating Texas children.

Sincerely,

Michael Lee

Michael Lee
Executive Director
Texas Association of Rural Schools

Sincerely,

Leigh Ann Glaze

Leigh Ann Glaze
Associate Director
Texas Association of Rural Schools

TARS Events and Travels

- December 19, 2018 – Texas Commission on Public School Finance Meeting
- January 29, 2019 – TARS Membership Luncheon while at TASA Mid-Winter



THE MAJOR THRUST OF TARS IS THREEFOLD:

- To protect the “small school formulas/adjustment,”
- To protect the valuation of agricultural land according to its productivity only, and
 - To fight efforts toward consolidation of small school districts.