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Superintendent hopes legislature will address financial issues for Texas school districts during 2009 session

DEER PARK – [Editor’s note: The following article is the second in a three-part series written by Deer Park ISD Superintendent of Schools Arnold Adair. Part one of the series provided an overview of this year’s session of the Texas Legislature. In part two, Adair discusses several issues that the district hopes the legislature will consider during its current session. If you would like to reread part one, please visit www.dpsid.org.]

Deer Park ISD has an instructional program that I believe is second to none in the state. We have educators, support staff, and Board Members who are truly dedicated to providing the best opportunities available for our children.

However, every school district in the state faces the likelihood of a significant funding shortage if the legislature does not provide help during this year’s session. Although there are many financial issues that impact Deer Park ISD, I’d like to discuss a few of the ones that are most deserving of the legislature’s attention in the coming months:

- Increase Funding for Districts – The legislature has school districts on a fixed income, based on 2005-06 revenue levels. The only way for a school district to generate more new money is to have an increase in student enrollment. Districts that have a stable enrollment like Deer Park are

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struggling to meet rising costs for electricity and gas, gasoline for busses, property insurance, health insurance benefits and salaries for staff. [After Hurricanes Rita and Katrina, the district's facility insurance increased from \$380,000 a year to \$1.8 million, a 373 percent increase.] Other districts outside the major metropolitan areas that are actually losing students are suffering even worse. We believe the legislature should adjust funding levels for inflation and provide school districts with adequate funds to operate a basic education program.

- Eliminate Expenditure Targets – The legislature has considered requiring districts to spend a specific percentage of their budgets on certain types of expenses. Frustrated that legislators could not agree on such a plan, Governor Rick Perry issued an executive order, essentially bypassing the legislative process. There is no evidence that such targets have a positive impact on instruction, and we believe that local school districts are best equipped to make such decisions regarding how their budgets should be allocated. Hopefully, the legislature will take the necessary action to remove these expenditure targets and legally undo what Gov. Perry has done via his legally-questionable executive order.
- End Robin Hood – House Bill 1 in 2007 scrambled the school finance plan so significantly that it was unrecognizable by many of us who have worked with it for years. Lost in the shuffle was the fact that Robin Hood, the school finance mechanism that takes local tax money away from tax-wealthy districts and redistributes it to poor ones, is alive and well. Deer Park ISD has paid its fair share of local tax money to Robin Hood over the years – slightly over \$600 million since 1993. Robin Hood has been

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retooled and revised several times over the years, but it has outlived its usefulness at this point. For the first time since its inception, the legislature has the financial wherewithal to eliminate Robin Hood. Doing so might not immediately result in additional funds for our District, but it would restore local control over our tax base. Over time, that would likely result in more funds for our academic programs.

- Provide Equal Facilities Funding – The legislature occasionally adds course requirements for high school students, but there is usually no consideration for where these new classes will be taught. In other words, they require students to take more science classes, for example, but they don't provide additional funding for districts to add classrooms, hire teachers for these new classes, and buy more supplies. The current renovation taking place at South Campus is partly the result of such a mandate. We hope legislators will add significant funding to facility requirements they create. We also hope that legislators will finally realize that, once we give our excess tax revenue away via Robin Hood, we are no longer wealthy and should be eligible for the same funding sources as any other district.
- Provide More Local Control Over Tax Rate Elections – Under current law, local taxpayers may hold a tax rate election to give their local school district permission to raise taxes up to 13 additional pennies. Over 100 districts across Texas have conducted these elections in the past year, and over 60 percent of them have passed. Here's the problem: the 13-cent increase is an all-or-nothing proposition. If the election passes, the local school district *must* raise its tax rate by the entire 13 cents. In the 2009

session, we will ask legislators to amend this law to allow a local district to conduct the election, but raise its tax rate any amount up to the 13-cent cap. This gives local voters and the school trustees they elect more local control and discretion over how to run their district and manage their local needs. It gives school districts the ability to raise the tax rate slightly over a multi-year period. It also potentially saves taxpayers from unnecessary increases in local property taxes and being overtaxed, a sore spot with the legislature for many years.

- Provide Adequate State Funding of Teacher Pensions – The state of Texas makes a small contribution to the Teacher Retirement System of Texas (TRS) for each district employee. The state contribution is based on a specified percentage and is calculated on a legally-mandated minimum salary schedule. Many districts, including Deer Park, pay teachers and other employees well above the state’s minimum salary requirements, and the local districts pay the state contribution for the excess amount of salary they pay. Here’s where this issue become problematic: Over the years, the Texas Legislature has mandated numerous salary increases for teachers, counselors, nurses and librarians. On a few occasions, the raises were small. Other times, the raises were significant. But, oddly enough, the legislature has never modified the minimum teacher salary schedule to reflect these mandated salary increases, which forces local districts to pay more of the retirement funding and allows the state to pay less. This problem has been building for years, and it will likely reach a critical point this year if the legislature doesn’t address it. DPISD’s payment to TRS is approximately \$350,000 a year. Statewide, the amount in question is likely just under \$200 million a year.

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In part three of this series, I will discuss how a lack of help from the Legislature regarding these issues could impact Deer Park and the few options left should the Legislature not provide financial relief for school districts. You can view part one of the series on the school district website at www.dpisd.org.

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