

From the Office of Superintendent G. Wayne Rotan

April 14, 2011



State Budget Cuts to Public Education

Dear Glen Rose ISD Parents, Staff and Community,

As the 82nd Legislative Session continues, the cuts being proposed to public education are extremely grim. The Texas House of Representatives passed their proposed state budget in House Bill 1. HB 1 makes \$7.8 billion dollars in cuts to public education over the next two years. Other bills have been filed to provide the mechanisms on how the \$7.8 billion in cuts to public education will actually be implemented. **House Bill 2485 by Representative Hochberg, reduces local revenue available to Glen Rose ISD by \$11,541,957 per year, which equates to a 62% loss of maintenance and operations revenue.** Maintenance and Operations (M & O) revenue is the day-to-day operations budget consisting of salaries, supplies, utilities, etc. and 80% of the current M & O budget is dedicated to salaries.

Under the filed HB 2485, the total M & O revenue available to Glen Rose ISD would be \$7,076,543; a reduction of \$11,541,957 (62%) while required yearly Robin Hood payments would balloon to \$26.3 million to take the \$11,541,957 loss of M & O revenue out of Glen Rose ISD and have it sent to the state.

This equates to a 62% reduction in available revenue and 80 cents of every local tax dollar would now be sent to the state through Robin Hood, while we educate the students of Somervell County on the remaining 20% of local tax dollars.

The Senate Finance Committee passed SB 2, a much more palatable budget regarding education funding. Under the plan that was passed on to the full Senate Finance Committee, Glen Rose ISD would **"only"** lose approximately \$1.8 million dollars per year equating to an 8% loss of available revenue. As with HB 2485, any loss of revenue is due to increased Robin Hood payments.

In 2006, the Texas Legislature required Texas school districts to lower property taxes by 1/3 with the promise that additional state revenue would be provided through a margins tax, even though this solution was projected to be a 10 billion dollar per biennium *structural tax deficit*. The deficit was present in the 2008 session, but the legislature was able to balance the budget with the use of Federal Stimulus dollars.

There is little doubt, Glen Rose ISD will have to tighten our belts and reduce expenditures over the next two years. However, it is worth noting that our district's Board of Trustees had the foresight to build our district's financial reserves in anticipation of this time. While not a permanent solution, a healthy reserve balance serves as a transitional bridge to help weather the storm as we plan for the future of Glen Rose ISD.

At this time, it is still very uncertain how much revenue will be lost and that question might not be answered until late summer. Glen Rose ISD has maintained one of the lowest tax rates of all Texas school districts. There are areas in which the district can become more efficient, but it is very frustrating to do so only to send efficiency saving measures back to the state through increased Robin Hood payments.

It has been repeated many times by legislators and other school districts that Glen Rose ISD gives its taxpayers an unfair tax break with the adopted .825 per \$100 valuation M & O tax rate and that we should be required to set a tax rate of \$1.17 per evaluations (state maximum) and send the additional \$10 million dollars generated by the increase to the state to further equalize the \$14.7 million per year that is already being sent by ***our district alone***.

Glen Rose ISD was at one time one of the poorest school districts in the state in regards to taxable property value per student. GRISD had a tax rate of \$1.60 per \$100 valuations from 1960-1980. The community supported the construction of Comanche Peak Nuclear Power Plant to improve the economic conditions in Somervell County. Comanche Peak created a great economic impact and has formed great partnerships with local entities. Somervell County was not the first choice of locations for construction of Comanche Peak, but the **only** county willing to accept it. No other county wanted a nuclear facility, but now everyone wants to share the revenue generated as long as they do not share the risks associated with it. ***If there is no economic benefit to having a nuclear facility, then who is going to support the next one?***

Having a nuclear facility in the school district does produce additional costs to a district. Glen Rose ISD must have additional buses in the event of an emergency to bus 100% of students and staff out of the district. Most school districts only maintain enough buses to transport 50% of student enrollment, much less staff. As required by the Nuclear Regulatory Commission, the district must hold emergency drills two times per year.

The 82nd Legislative Session is scheduled to end May 30, 2011, but it appears likely that "special sessions" may be needed in the summer to pass a state budget. As the session has progressed, I hoped the picture would become clearer on the potential budget implications, but in reality the range of the proposed cuts has only increased.

Glen Rose ISD can live with the proposed cuts of 8% by the Senate, but the 62% cut scenario by the House is extremely drastic. It takes Glen Rose ISD to the lowest funded school district in the state per pupil while requiring 80% of local tax dollars to be sent to Robin Hood. I still remain optimistic that the picture will get better as the session progresses.

Glen Rose ISD Short and Long-Term Plan for Dealing with the Projected State Budget Cuts

The plan begins with the perspective that it is early in the legislative process and some additional funding will be restored as proposed legislation is finalized in conference committees.

Depending on the amount of cuts in the final version of public education cuts by the Texas Legislature, any approach made by Glen Rose ISD will be based on sound instructional practices. Obviously, the \$11.5 million per year cuts proposed in HB 2485 will have more drastic implications than the Senate version.

The first approach will be to maximize efficiencies within the district to continue to provide a quality education program. In my [first article](#), I discussed the programs implemented to reduce utility and transportation costs. Glen Rose ISD is a service organization, so 80% of district costs are in salaries. Positions will be absorbed as they become available. In 2009-2010, Glen Rose ISD had an 11:1 teacher-to-student ratio, while the state average was 14.5:1. During the same year, Glen Rose ISD had a 7.8:1 administrator to student ratio, while the state average was 11:1.

After all external efficiencies are maximized, additional revenue sources will be sought that have no implications on the current tax rate. This will entail thinking outside the box to locate additional revenue without increasing taxes. One possible option would be to develop a limited open enrollment policy.

School districts are funded based on the number of students in attendance each day. Glen Rose ISD retains \$7,887 per year for each student in Average Daily Attendance (ADA). Increasing the student enrollment through a limited open enrollment policy increases the school district ADA, therefore increasing revenue. Currently, 9 transfer students would generate the same revenue for Glen Rose ISD as would a 1 cent tax increase.

Limited open enrollment to Students from Nearby Districts


Each student would go through an interview process based on the following guidelines:

- 1) Enrollment numbers at that particular grade level
- 2) Discipline history of the student
- 3) Attendance record of the student
- 4) Academic record of the student

Granbury, Cleburne, Stephenville, Tolar, Godley all currently have limited open enrollment policies. Students are funded at the same level regardless of zip codes. This allows districts to fill empty seats, in particular, grade levels to maximize efficiencies and revenues. Currently, Glen Rose ISD utilizes a staffing allocation system in which student points translates into the number of staff employed. Limited open enrollment is a change of mindset to base the number of students on the current number of staff.

Thank you for your support of Glen Rose ISD. There are many great challenges ahead of us, but together we can work through them to provide the best instructional setting for all students of Glen Rose ISD.

Sincerely,



G. Wayne Rotan
Superintendent
Glen Rose ISD

"Our progress as a nation can be no swifter than our progress in education."

John F. Kennedy