



# Local Government in Texas: Special Districts Part II

Special districts grow like weeds in Texas.

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North Central Texas  
Council of Governments



# Regional Governments: COGs

- Rather than rely on comprehensive urban governments, 24 regional planning councils, also known as **councils of governments** (COGs), were created under the 1965 Texas Regional Planning Act to provide collaboration and cooperation.
- COGs are **voluntary associations of local governments** that provide land-use or economic plans, train local government employees, conduct studies for local governments, share information, technical services, help with grant applications and other services.
- Because COGs are not governments, they have no taxing power and cannot pass laws, rules or ordinances.



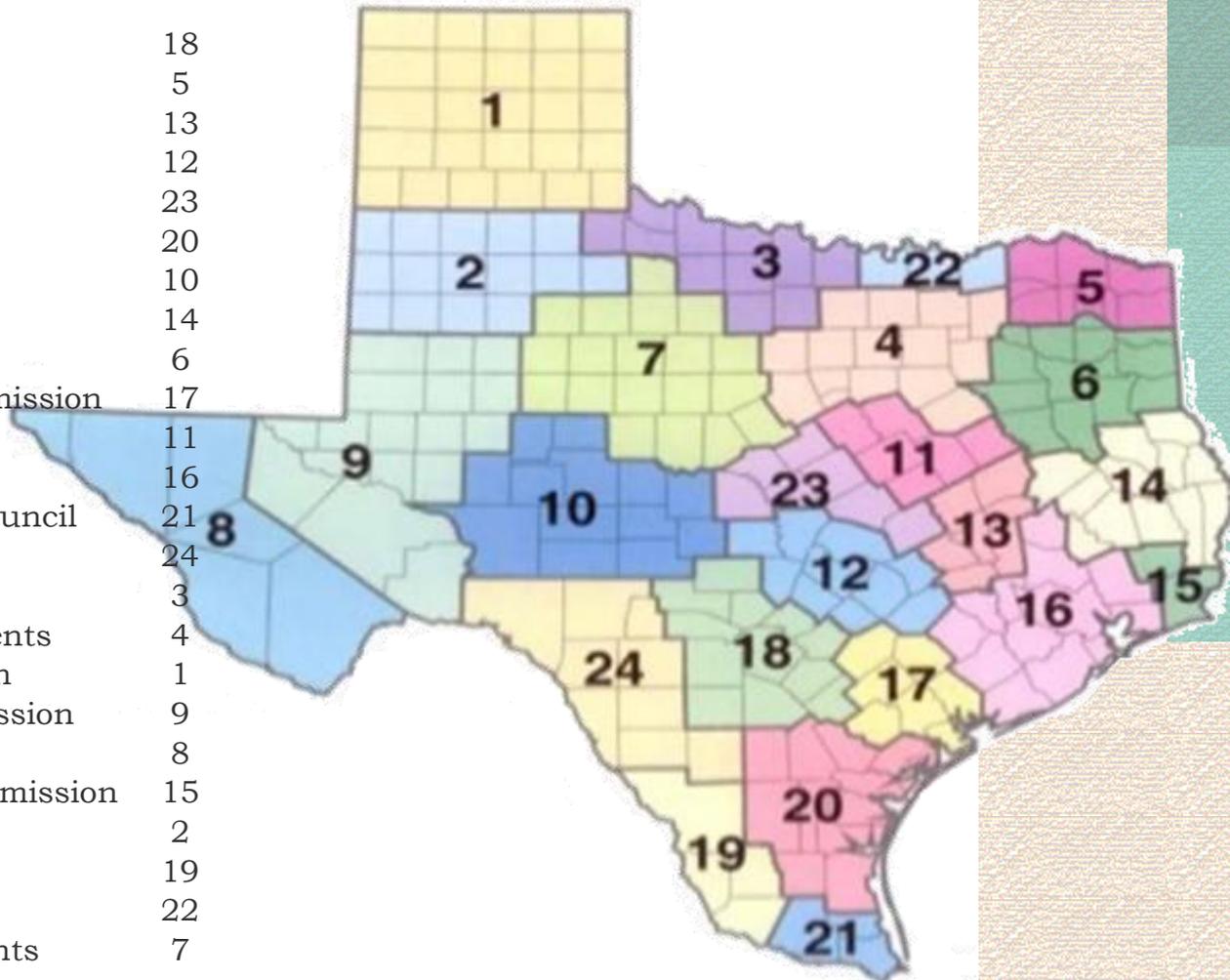
# Regional Governments: COGs

- Nearly all municipal and county governments, as well as most special districts, participate in a council of government.
- COGs provide **interlocal cooperation** among governments to solve common problems.
- COGs offer a way to help overcome the negative effects of the growing number of governments.
- COGs are also useful in planning for future regional environment, transportation and land use issues.
- **By bringing local officials together, COGs provide a base for the exchange of ideas and knowledge that is of substantial value.**



# Texas Councils of Governments

Alamo Area Council of Governments	18
Ark-Tex Council of Governments	5
Brazos Valley Council of Governments	13
Capital Area Council of Governments	12
Central Texas Council of Governments	23
Coastal Bend Council of Governments	20
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Deep East Texas Council of Governments	14
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Golden Crescent Regional Planning Commission	17
Heart of Texas Council of Governments	11
Houston-Galveston Area Council	16
Lower Rio Grande Valley Development Council	21
Middle Rio Grande Development Council	24
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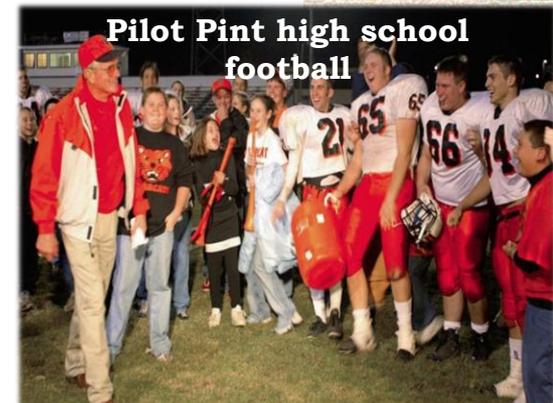
# Independent School Districts

- School districts are different from other special districts for several reasons.
  - School board members are [publicly elected](#).
  - School board decisions are generally [well publicized](#).
  - There is considerable [public interest](#) in and knowledge about school district politics.
  - The number of school districts has been steadily [declining](#) for 50 years.
  - The state, via the [Texas Education Agency](#), is the ultimate authority for basic school policies and partially funds public schools.
- [School District Locator](#)



# Independent School Districts

- The fact that there are more than 1,000 school districts contributes to the unevenness in the quality of education around the state and to the problems with public school finance that have been particularly acute since 1987.
- Many Texans consider independent school districts (ISDs) the most important unit of local government.
- Many homeowners pay more money in school property taxes than they do in county and city property taxes combined.
- School districts are major employers, and school activities, especially high school football, are the focus of social life in many communities.





# The History of Texas Independent School Districts

- 1854: The Common School Law created the first state public school system in Texas and provided the proper funding.
- 1869: The Texas Constitution of 1869 provided the framework for a centralized public school system, vesting power in a state superintendent and State Board of Education (SBOE).
- 1875: The independent school district (ISD) was created, which authorized any incorporated city to provide education for all children of scholastic age.
- 1883: An amendment was added to the Texas constitution that created the delineation of school districts.



# The History of Texas Independent School Districts

- 1900: There were 526 ISDs.
- 1911: A rural high school law was enacted, which established county boards of education and permitted the creation of rural high schools and the consolidation of common school districts, to provide greater equality between common and rural school districts and independent or urban school districts.
- 1915: The Texas legislature increased the amount of funding provided to rural high school districts, leading to a rapid increase in the number of rural high school districts.
- 1928: The county boards of education were authorized to detach territory from one school district and attach it to another.





# The History of Texas Independent School Districts

- 1931: The Texas legislature authorized county boards of education to create school districts from parts of other districts.
- 1935-1936: SBOE commissioned a study of school district **consolidation**. There were 6,953 school districts, including 5,938 common school districts that enrolled 65 students on average. ISDs had an average enrollment of 800 students. SBOE was authorized to also create school districts at military reservations.

# The History of Texas Independent School Districts

- 1983: After several previous attempts to formulate a consolidation plan, the Texas legislature made substantive revisions to the statutes relating to the creation, consolidation and abolition of school districts. It was able to develop consolidation procedures, while also providing election requirements, indebtedness procedures, boundary change procedures, creation procedures, dormant district requirements, dissolution procedures and conversion procedures for school districts.
- 1993: SBOE was granted the authority to create districts for the education of students in special situations whose educational needs were not adequately met by regular school districts.





# The History of Texas Independent School Districts

- 1995: The Texas legislature increased **local control** and provided opportunities for local ownership in the education process by creating charter schools and home-rule education.
- 1996: SBOE authorized the creation of the state's first 20 **charter schools**.
- 1997: An additional 100 charter schools were established for at-risk students.
- 2001: The legislature capped the number of open-enrollment charter schools at 215.
- 2013: The legislature made several changes to the charter school system, including increasing the cap by 10 schools every year until 2019 when it will be capped at 305.

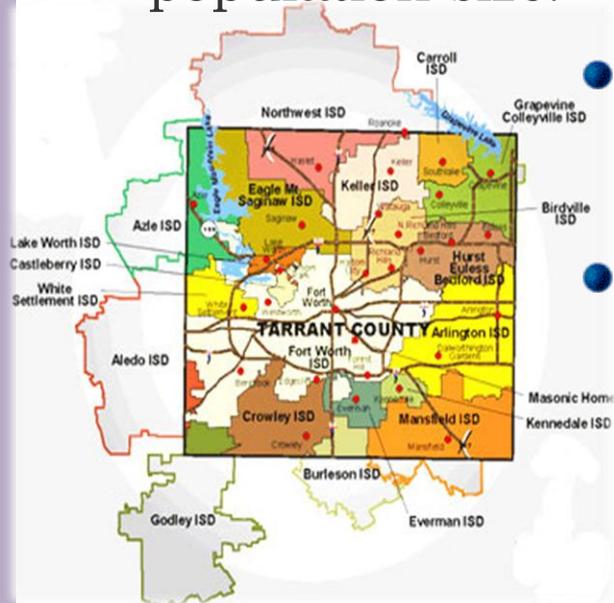


# Independent School District Administration

- Independent school districts (ISDs) are units of local government that provide public education services to residents from kindergarten through the 12th grade.
- Independent school districts are special districts.
- The state has 1,041 school districts, varying in student population size.

- 51% of the state's public school students are educated in 4% of its school districts.

- The governing body for ISDs is the **board of trustees**, generally composed of 7 members (although some of the larger districts have 9 members).





# Independent School District Administration

- School trustees are elected in **nonpartisan elections**.
  - may be elected either at large or from districts
  - dates for elections established in state law
  - terms established in state law (3 or 4 years), staggered so that 1/2 or 1/3 are elected each election
  - may be elected by majority vote or cumulative vote
- Boards of trustees approve the budget, set the property tax rate and arrange financial audits.
- Boards of trustees hire a **superintendent**: a professional school administrator who manages the day-to-day operation of the district and ensures that the board's policies are implemented effectively.



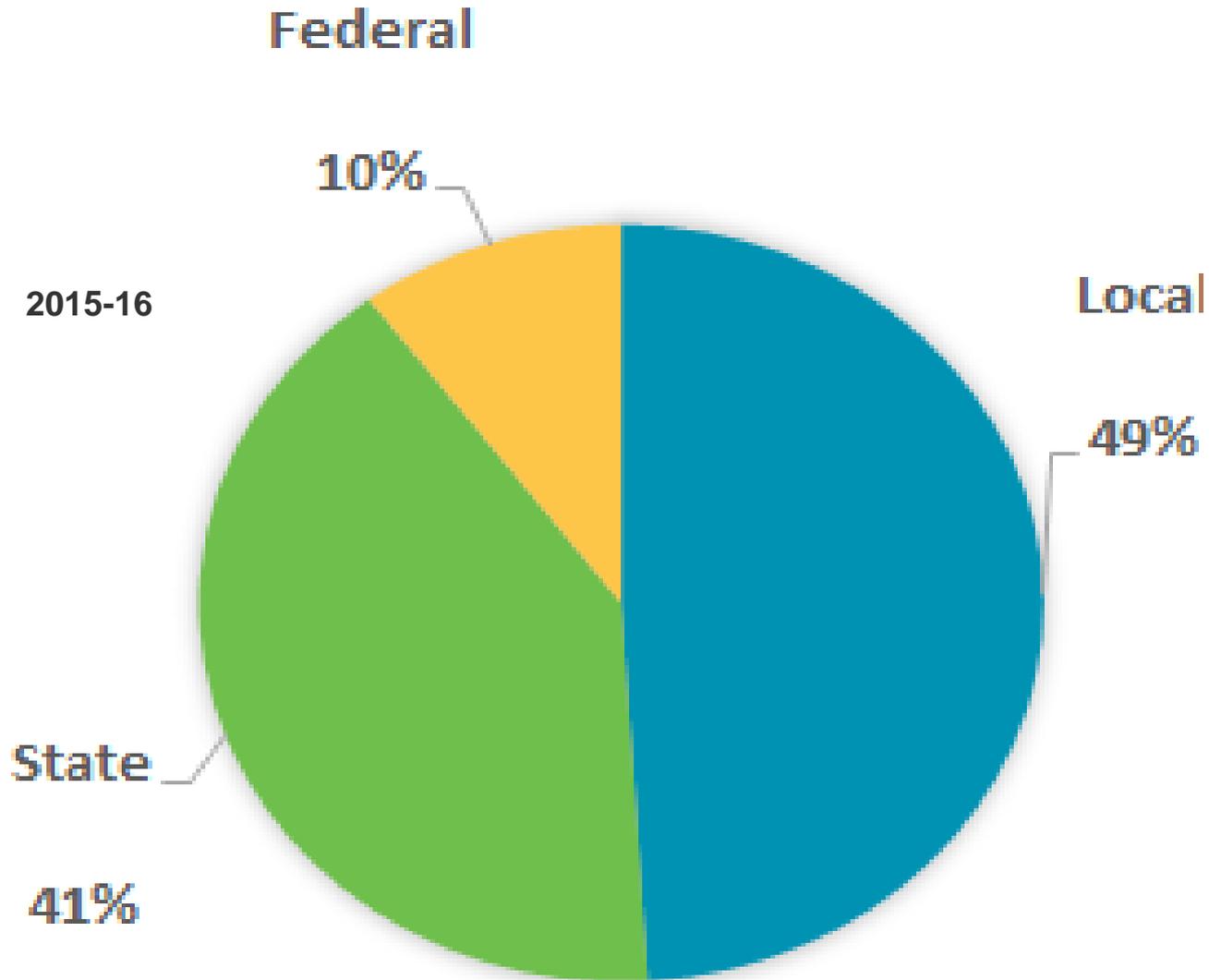
# Public Education Revenue

- sources of revenue
  - federal government
  - state government
  - local taxpayers
- In 2015, the average ISD received
  - 49% of its funds from local tax sources
  - 41% from the state
  - 10% in federal grant money
- Funding sources vary dramatically among school districts.
- District funding reflects differences in the way money is raised or awarded.





# Public Education Revenue





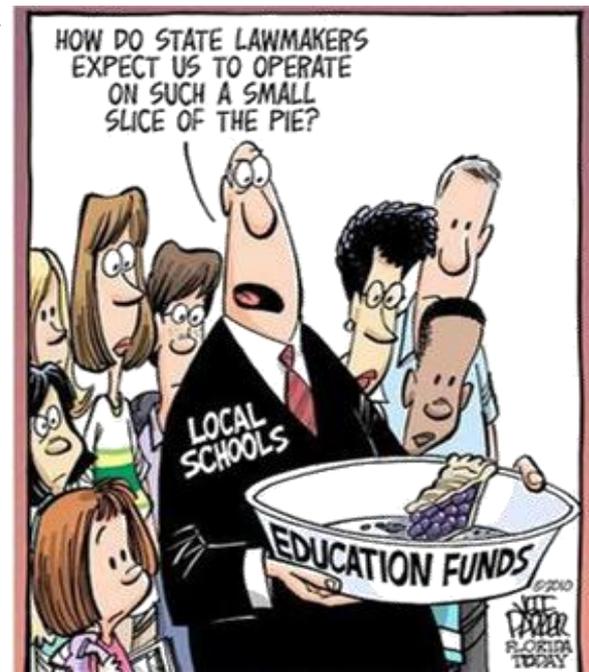
# Public Education Revenue: Federal Government

- The federal government gives money to school districts through **federal grant-in-aid programs**: programs through which the national government gives money to state and local governments to spend in accordance with set standards and conditions.
  - **school lunch program**: a federal program providing free or inexpensive lunches to children from poor families
  - **bilingual education**: program providing the teaching of subjects in both English and a student's native language, usually Spanish



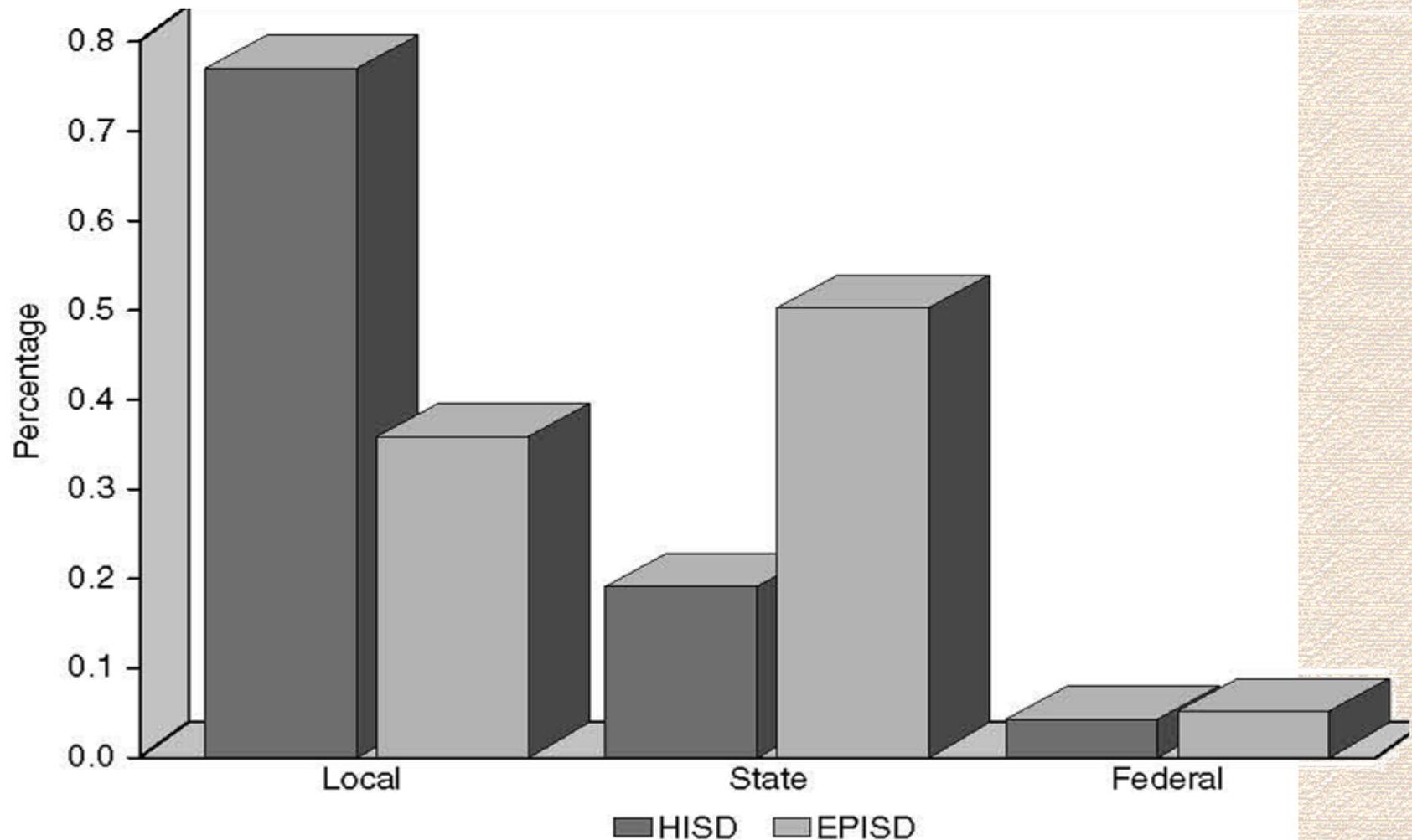
# Public Education Revenue: State Government

- **Foundation School Program (FSP):** the basic funding program for public education in the state of Texas
  - The legislature establishes certain minimum standards that school districts must meet in such areas as teacher compensation and student transportation.
  - The actual amount of money a district receives from the FSP depends on district wealth, local property tax rates and other factors.
  - In general, poorer districts receive more state money than wealthier districts.





# Funding for Houston and El Paso School Districts





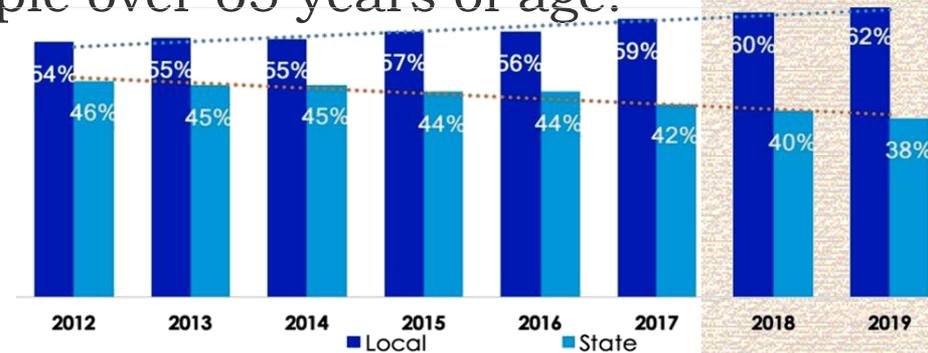
# Public Education Revenue: State Government

- In the 1850s, the legislature set aside a large block of state land to create a trust fund for public education.
- **Permanent School Fund (PSF)**: constitutionally established as an endowment to finance public elementary and secondary education. ... receives income from the sale and lease of state lands, and from royalties earned from the oil and gas production on state lands
- **Available School Fund (ASF)**: fund through which the state distributes money to school districts
  - The interest income and dividends from the PSF (not the principal) is directed into the ASF, which is then made available to school districts.
  - The ASF is also supported from 1/4 of the taxes collected on motor fuels and natural resources.



# Public Education Revenue: Local Taxpayers

- **Local property taxes** also fund public education
- School districts use local tax money to participate in the Foundation School Program and for local enrichment.
- School tax rates tend to be higher than the property tax rates assessed by counties and cities.
- Most districts have tax rates between \$1 and \$2 per \$100 valuation.
- **homestead exemption**: School districts grant property tax breaks to homeowners and people over 65 years of age.



Source: Legislative Budget Board, does not include federal funds or state grants outside of the Foundation School Program.



# Public Education Revenue: Local Taxpayers

Schools lost \$5.7 billion in potential revenue in 2011 because of exemptions.

**\$2.7 billion**  
Agriculture "Ag"  
Exemption

**\$650 million**  
Over-65  
"Tax Freeze"

**\$725 million**  
Business  
Exemptions

**\$460 million**  
Local Optional  
Percentage Homestead  
Exemption

**\$1 billion**  
Statewide Homestead  
Exemption

**\$100 million**  
10% Cap  
on Appraisal  
Increases

**\$100 million**  
Local Optional  
Over-65 & Disabled  
Exemption



# Public Education Spending

- Elementary and secondary education is the primary area of local spending because of our **relatively young and school-aged population**.
- Because of rapid population growth and the ensuing need to finance the building of schools and other basic infrastructure through bonds, Texas school districts spend more on debt than their counterparts elsewhere.
- About half of local government employees in Texas work in elementary and secondary public schools. Since **payroll costs account for almost 70% of local school spending**, reductions in school spending generally lead to cuts in staffing. In the first year of the 2012-13 biennium, local school employment fell by more than 25,200, at the same time that enrollment went up by almost 65,000 students.



# Public Education Finance: Controversy

- *Edgewood v. Kirby* (1989): Texas Supreme Court ruled that the state's system of financing public education violated the Texas constitution. The court ordered the legislature to create a system whereby districts with the same tax rate would have roughly the same amount of money to spend per student.
- **Robin Hood Plan**: legislative response to *Edgewood v. Kirby* ... reform state school finance system to increase funding for poor school districts by redistributing money from wealthy districts
- Under the Robin Hood Plan poor districts have more money to spend while wealthy districts have less money.





# Comparison of Dallas Highland Park ISD with San Antonio Edgewood ISD

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<b>Financial Criterion</b>	<b>Highland Park ISD</b>	<b>Edgewood ISD</b>
Taxable value per student	\$1,190,769	\$44,734
Property tax rate per \$100	\$1.61	\$1.574
Percentage total revenue from the state	3 percent	84 percent
Instructional expenditures per pupil	\$3,785	\$3,481

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# Public Education Finance: Controversy

- Education finance, however, **remained controversial** after the implementation of the Robin Hood Plan.
  - Many parents and school officials in poor districts contended that funding equality was not enough, because of the greater needs of their students. They argued that the state needed to substantially increase education financing and target at-risk students.
  - Many homeowners complained bitterly about the size of the school tax bill.
- In 2004, a state district judge declared the Texas school finance system unconstitutional because it failed to provide money to ensure that students received an adequate education as required by the Texas constitution.



# Public Education Finance: Controversy

- *Neeley v. West Orange-Cove Consolidated ISD* (2005): Texas Supreme Court ruled that the state's property tax system for financing public schools was unconstitutional. The court gave the state until June 1, 2006 to fix the system.
- In May of 2006, the Texas legislature and the governor finally agreed on a system for financing public education based on cutting property taxes, imposing new taxes on businesses and smokers, and using the state's budget surplus.
- The new state revenue fell \$10 billion short of replacing the revenue lost by the school districts' mandated property tax reduction.





# Public Education Finance: Controversy

- Each budget since that time has started out \$10 billion dollars in the hole due to the initial 2006 shortfall which has never been addressed.
- In 2012, legislature balanced the budget by cutting another \$5.4 billion (13%) from public schools.
- In hundreds of districts, funding per pupil in the current school year is less than it was in 2010-11.
  - Texas Per-Pupil Funding Falls Farther Below National Average
- The relative decline in state education spending continues to stir legal and political controversy.



# Issues in Public Education Policy: Charter Schools

- ...a publicly funded but privately managed school that operates under a formal contract or charter with the state
- Texas is one of 41 states that have charter schools.
- In 2005, 62,000 students attended 189 charters on 230 campuses. The cost to the state was \$350 million.
- Charter schools are not part of an independent school district and are exempt from most state education regulations.
- Charter schools are controversial, having both supporters and critics.
- Charter schools in Texas have had **mixed results**. As a whole they have not performed as well on the TAAS and TAKS as public schools.



# Issues in Public Education Policy: Parental Choice

- ...the educational concept that allows parents to choose which school their children will attend, leading to an improvement in educational quality because of school competition for students
- The parental choice program is a program in which the state gives parents a voucher that would provide a type of scholarship to be paid to the school that the parents select for their child to attend.



# Issues in Public Education Policy: Parental Choice

- The Texas legislature has created a **limited program of parental choice**.
  - Parents of students in schools that are rated low performing in 2 of the last 3 years can transfer their children to any other public school that will agree to receive them, including charter schools.
  - In 2005, students attending 420 low-performing schools had the option to transfer to other public schools within the same district. However, few students took advantage of this opportunity.





# Issues in Public Education Policy: Class Size

- ...concept that teachers can do a better job if they have fewer students in class
- Texas law caps the size of classes in kindergarten through the fourth grade at 22 students, although districts may request a waiver if a school is struggling with rapid growth or lacks facilities.
- Critics argue that the movement to reduce class size may not be a good use of resources.



# Issues in Public Education Policy: Bilingual Education

- ...the teaching of academic subjects in both English and the student's native language
- Bilingual education is a controversial education policy issue.
- Advocates argue that it enables students whose primary language is not English to learn academic subjects in their own language while they work on their English.
- Opponents argue that it retards the English language development of non-English speaking students.
- Texas schools use a mixture of bilingual education and English-language immersion programs.





# Issues in Public Education Policy: Basic-Skills Testing

- Texas is a leader in national skills testing.
- Between 1990 and 2003, Texas public schools administered the **Texas Assessment of Academic Skills (TAAS)**: state-mandated skills test used to measure student progress and assess school performance.
- In 2003-2004, the **Texas Assessment of Knowledge and Skills (TAKS)** replaced TAAS as the state's new basic skills test.
- The development and implementation of basic-skills testing led to a controversy over their use and illustrates the sort of issues facing school districts today.



# Issues in Public Education Policy: Basic-Skills Testing

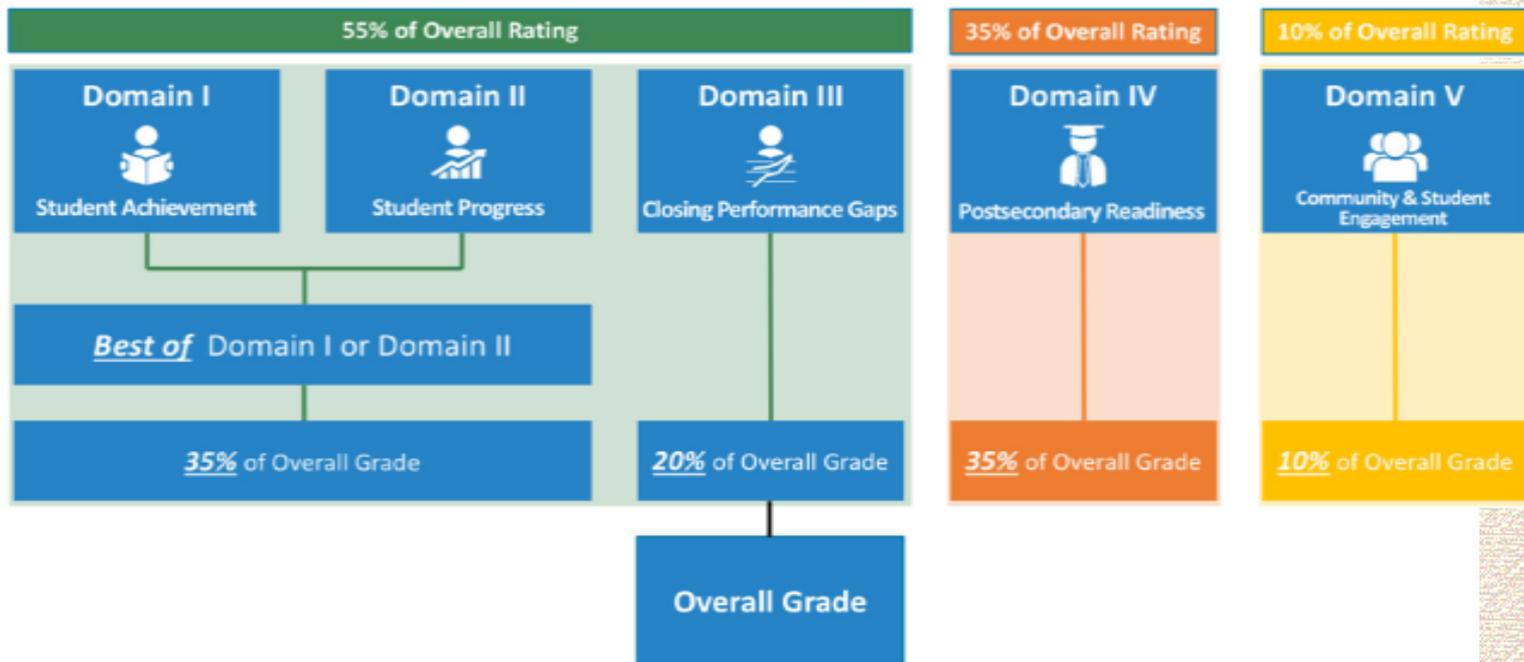
- Texas is the model for the 2001 **No Child Left Behind Act**: the federal law that requires state governments and local school districts to institute basic skills testing as a condition for receiving federal aid.
- The Texas Education Agency (TEA) has used TAKS scores along with annual dropout rates and four-year graduation rates to **rate schools and school districts as exemplary, recognized, academically acceptable and academically unacceptable**.
- **Advocates** of basic-skills testing point to steady improvement in TAAS scores as evidence that the system works.
- **Critics** of basic-skills testing believe that higher test scores show that school administrators have learned to game the system rather than show true academic achievement.



# Issues in Public Education Policy: Basic-Skills Testing

The Texas Legislature passed a bill during the 2015 legislative session that aims to change the Texas school accountability system to make it easier to understand how schools stack up by giving an **A through F rating**.

## **Current Work-In-Progress Model:** Overall Grade Calculation





# Issues in Public Education Policy: Basic-Skills Testing

2017 school category	A schools	B schools	C schools	D and F schools
student achievement	13%	18%	36%	32%
student progress	12%	21%	34%	33%
closing performance gaps	10%	25%	23%	42%
postsecondary (college) readiness	11%	24%	35%	31%

- The results of basic skills testing are mixed in Texas.
  - Texas students lag behind their counterparts in other states on the Scholastic Assessment Test (SAT).
  - Texas does an average job at best in preparing students for college. Half the students entering public colleges are unprepared for college-level work in math, reading or writing, and must take at least one remedial course.



# Special Districts and Public Policy

- Except for education, special districts operate within few constraints imposed by the state and local governments and by the economic environment.
- Special districts are limited governments but most conform to few rules and regulations established by higher levels of government.
- Special districts have room to make meaningful and, in some cases, undemocratic policy decisions within the boundaries established by outside forces.



The End

