

DISPARITIES IN PUBLIC
EDUCATION **FUNDING:**
TAX RATIFICATION **ELECTIONS**

20
11





Disparities in Public Education Funding
Tax Ratification Elections

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In the State of Texas, tax ratification elections (TRE) have created a new way for individual school districts to increase funding in addition to funding received from the state. There has been apparent devolution of public education funding in the State of Texas for the past 30 years, where the state has failed to provide school districts with sufficient funding and has shifted the responsibility of funding to local school districts. That is where the role of TREs comes into play. A TRE consists of an election in which voters determine whether a school district is in need of additional funds.¹ If a school district decides to hold a TRE, then another election is held to determine if the citizens who live in the school's respective taxing area agree to be taxed according to the districts' proposed increase in property taxes.² If this election earns a majority vote, then the district increases the Maintenance and Operations (M&O) tax rate to the proposed value set by the school board. TREs affect tax payers, school districts, teachers and most importantly, Texas students.

TRE's and educational bonds are commonly mistaken as the same thing. However, a bond is a debt investment in which an investor loans money to an entity that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by companies, municipalities, states and foreign governments to finance a variety of projects and activities.³ The TRE is an election that ratifies a school board's decision to tax at a higher property tax rate within the local community.⁴ TREs and educational bonds are different in the sense that bonds are loans and have a fixed interest rate, while TREs are elections that raise local property taxes to gain additional funding from local and state governments.⁵ Both, however, are subject to approval by the district's voters.⁶

Ever since the passing of House Bill 1 (HB1) in the 82nd Legislative session, TREs have been an important source of school funding. In 2010, 44 TREs were held and 36 passed.⁷ Passing of these TREs conveyed that voters were not hesitant to raise taxes, as long as those taxes were allocated towards education. Even with the help that a TRE offers, some school districts continue to cut positions and programs that are not considered necessary.

Texas Demographics

Despite having the second largest economy in the nation, surpassing \$1T in annual economic output, Texas' level of state funding assistance has decreased over the past thirty years.⁸ School districts currently receive 25 percent of their funding through the state government.⁹ As one of the largest states, the need for adequate funding in Texas is increasing. School districts in Texas are holding TREs as a result of increasing utility costs and growing population. In 2005, Texas was ranked 6th in the nation in student growth.¹⁰ The 2010 census

¹ (Royse City ISD, 2010)

² (Texas Association of School Boards, 2011)

³ (Investopedia, 2000)

⁴ (Royse City ISD, 2010)

⁵ (Investopedia, 2011)

⁶ (Texas Association of School Boards, 2011)

⁷ (Smith, 2011)

⁸ (Cauchon, 2011)

⁹ (Texas Education Agency, 2010)

¹⁰ (Strayhorn, Texas Where We Stand, 2006)

showed the United States resident population to be 308,745,538, which is a 9.7 percent increase since the 2000 U.S. resident population of 281,421,906.¹¹

Statewide TREs

Every district throughout the State of Texas varies in their taxation of communities given that taxation is based on respective property wealth. Some districts are taxed higher than others and all receive varied funding from the State of Texas. For example, a district with low property wealth and high taxes receives less state funding in comparison to a district with high property wealth and low taxes.¹² This is where TREs help property poor districts make up funding by increasing the tax rate. The burden of public education funding in Texas is now based on local taxation rather than state funding.¹³ The following table displays the number of TREs that have been ratified in Texas since the Legislation created them.

Table 1: TRE Election Results in Texas

Year	Ratified	TRE's Not Ratified	% Ratified
2006	14	1	93%
2007	94	26	78%
2008	71	46	61%
2009	29	18	62%
2010	57	14	80%
Total	265	105	72%

Source: Texas ISD

There were a total of 370 potential TREs from 2006 to 2010. A total of 265 TREs have passed and 105 have failed. In the past five years, 72 percent of TREs in Texas have passed. In some years, the need for a bond was more apparent than in other years; when cuts are made in legislation, TRE bonds are needed to replace the lack of funding from the state level. 2007, for instance, proves to be a clear example where TREs were more needed, since 94 TREs were ratified statewide.

Texas is divided by the TEA Commissioner into 20 different regions.¹⁴ The table below represents educational divided regions 1-20 in Texas and how many TREs have failed or passed in each respective region. The table also provides the percent failed and a success rate that each individual region has at approving a TRE. This data is vital to understanding each individual region as a separate entity. *For more information on ESC Regions, visit Appendix B.*

¹¹ (GOVPRO, 2010)

¹² (Kersten, 2008)

¹³ (Parker, 2011)

¹⁴ (State of Texas, 1995)

Table 2: Total TRE Election Results per Texas Regions (1-20)

Region	Total School districts	TREs Passed	Not Passed/Never attempted a TRE	Percent failed	Success rate
Region 1	37	7	30	81%	19%
Region 2	42	11	31	74%	26%
Region 3	40	7	33	83%	18%
Region 4	53	12	41	77%	23%
Region 5	30	8	22	73%	27%
Region 6	57	1	56	98%	2%
Region 7	106	23	83	78%	22%
Region 8	49	16	33	67%	33%
Region 9	38	13	25	66%	34%
Region 10	80	19	61	76%	24%
Region 11	94	11	83	88%	12%
Region 12	84	14	70	83%	17%
Region 13	75	7	68	91%	9%
Region 14	43	14	29	67%	33%
Region 15	44	13	31	70%	30%
Region 16	64	6	58	91%	9%
Region 17	60	20	40	67%	33%
Region 18	35	6	29	83%	17%
Region 19	18	3	15	83%	17%
Region 20	81	12	69	85%	15%
Texas	1130	223	907	80%	20%

Source: Texas Education Association and Tax Foundation

The table shows that some regions, when compared to others, have a larger success rate, as well as a larger number of TRE's passed. Region 7, for instance, has the highest number of school districts that have passed a TRE (23 in 2009). However, when region 7's success rate of 22% is compared to other success rates, Region 9 has the highest success rate of 34%, even though only 13 school districts have passed a TRE.

The data shows that a region that has a high number of school districts, described as more than 60, usually has lower success rate compared to regions that have a fewer number of school districts. In conclusion, the number of school districts within a region has a slight impact on the overall TRE success rate. Another trend that is prominent in the table is that districts located in Northern Texas have a higher success rate when compared to other districts in Texas. Finally, with research on each individual region, it can be concluded that most urban regions have a harder time passing a TRE rather than those who live in a rural region.

Community Scholars divided these 20 regions into five geographical regions: West Texas, the Panhandle, North Texas, Central Texas and South Texas.

- West Texas: Regions 18 & 19
- Panhandle: Regions 16 & 17
- North Texas: Regions 7, 8, 9, 10, 11 & 14

- Central Texas: Regions 4, 5, 6, 12, 13 & 15
- South Texas: Regions 1, 2, 3, & 20

The table below shows the number of school districts in each geographical region, the number of TREs passed, and the number of TREs failed and attempted from 2006-2009. Both the TREs failed and districts that have not attempted a TRE are grouped as one because data for each individual category is not available. Therefore, the data is combined to show both the total amount of TREs that either failed or have not been attempted.

Table 3: Geographical Texas Regions

Geographical Regions	# of School Districts	TREs Passed	TREs Failed/Not Attempted
West	53	9	44
Panhandle	124	26	98
North	410	96	314
Central	343	55	288
South	200	37	163
Texas	1,130	229	907

Source: Texas Education Agency

There are a total of 1,130 school districts in Texas; out of these districts only 229 have passed TREs since their establishment, and 907 have either failed or not attempted to pass a TRE. North Texas has the largest number of TREs passed; it also has the highest success rate—23 percent. The geographical region with the lowest number of passed TREs is the West; however, the lowest success rate is 16 percent in Central Texas. Statewide, the success rate of a TRE is at 23 percent, which was calculated by dividing the number of TREs in that region by the number of school districts.

Statutory Requirements

The Texas Constitution, written in 1876, provides for the financial support education in Article VI. The constitution states that the duty of State Legislature is to establish a sufficient foundation for the support and maintenance of efficient system public schools. In Section 3 of Article VI, the constitution states that one-fourth of the revenue acquired from the state occupation taxes are to be set aside for the interest of public schools.¹⁵ The state and local tax burden is currently estimated at 7.9 percent of income—that ranks Texas 45th nationally.¹⁶ The Texas average is below the national average: 9.8 percent. Compared to the 1977 data, Texas had a tax burden of 7.9 percent (48th nationally), remaining relatively constant.¹⁷

It is important to note the devolution of funding that has continued to occur since 1977. Even with structural changes to the funding structure that the state utilizes, the devolution continues to occur. The table below shows a shift in funding for public education for the State of Texas over the past 30 years. The table shows how the state percentage has decreased over the last three years, while the local percentage continues to increase.

¹⁵ (State of Texas, 1876)

¹⁶ (Tax Foundation, 2011)

¹⁷ (Tax Foundation, 2011)

Table 4: Devolution of Funding 1977-2011

Years	State Percentage	Local Percentage
1977-1983	61%	39%
1986-1990	60%	40%
1991-1993	59%	41%
1994-2003	58%	42%
2003-2009	56%	44%
2010-2011	54%	46%

Source: Texas Education Agency; Texas Foundation

The shift of funding responsibility is clearly seen in the table above. Although the shift is not substantial, there is a repetitive trend that is being experienced in funding. While the state continues to decrease its role in funding public education, the local percentage continues to increase in order to make up for the revenue that the state fails to provide. As the years continue to pass, it seems as though the state and local percentages are beginning to equal each other, which should not be the case, since funding education is a constitutional requirement for the State of Texas.

The following table contains data over a nine-year period in three-year increments. The years 2000 and 2003 were chosen to convey the effects of wealth equalization. The years 2006 and 2009 convey data that pertain to the utilization of TREs. The data was divided in such manner in order to compare the effects of wealth equalization versus TREs. According to Article 7 Section 3 of the Texas State Constitution, exactly one-fourth of the state revenue must be allotted to public education.¹⁸ The table below portrays the total Texas state budget, the total amount going to education and the percent of the budget that is allotted to education.

Table 5: State Budget Percentage to Education 2000-2009

Years	State Budget	Educational Aid	Percent of Budget to Education
2000	\$52.1B	\$10.2B	20%
2003	\$68.3B	\$12.3B	18%
2006	\$77.5B	\$14.3B	18%
2009	\$102.2B	\$16.5B	16%

Source: Legislative Budget Board; Texas Comptroller

The table above conveys that even before the TRE period, under wealth equalization, the State of Texas was not meeting its statutory requirements of allocating one-fourth of the state budget to public education.¹⁹ From 2000 to 2009, there was a four percent decrease in funding education, while the total state budget increased by \$50.1B. The total aid to education increased by \$6.3B from 2000 to 2009. Even though educational aid increased, it was still not in proportion to the 25 percent requirement from the state. This shows how the State of Texas has evaded its responsibility of funding education and left the responsibility of funding education to the local taxpayers.

¹⁸ (State of Texas, 1876)

¹⁹ (State of Texas, 1876)

Purpose

Public education has experienced a great devolution in the past 30 years, where the responsibility of funding has shifted from the state to local school districts. By analyzing data from 2000 to 2009, the relationship between two types of funding (wealth equalization versus the TRE) will be examined, as well as how well the state is fulfilling its statutory requirement to fund public education. The purpose of this report is to shed light on the continuing education funding discrepancies in the State of Texas and offer recommendations to fix the problem. As data is compiled and contrasted, the reader should have a clear picture of the current state of affairs in public education funding.

Literature Review

Community Scholars included a literature review composed of database reports of original scholarship that are critical, analytical, as well as methodological. The literary review is included in order to take a look at the existing research that is significant to analyzing the role of TREs in the State of Texas. Through the understanding of important court cases that have affected public education finance, Community Scholars aims to review the critical points and current legislation that affects the current status of education finance. The overview of state funding cuts and its effects on minorities and ethnic students is crucial; it illustrates that a “gap” in access to an adequate education exists.

Rodriguez v. San Antonio This 1971, class-action suit was a federal district court case that argued the Texas school-finance system to be unfair. Filers of the suit declared the school district had one of the highest tax rates in that county, but raised only \$37 per pupil, while Alamo Heights, Bexar County’s district with the highest wealth, raised \$413 per student. The tax in Bexar County rate per \$100 property value needed to equalize education funding was \$0.68 for Alamo Heights as opposed to \$5.76 for Edgewood.²⁰

On March 21, 1973, the Supreme Court ruled four to five against Rodriguez; saying that the system of school finance did not disobey the federal constitution, and that the problem was a responsibility of the State of Texas. It also ruled that Texas would not be mandated to subsidize the poorer school districts.²¹ This ruling in effect made more legal barriers for equalization. Later in the same year, Jose A. Cardenas, superintendent of the Edgewood Independent School District, formed Texans for Educational Excellence, which directed attention to school-finance reform. This battle of educational equity led to the *Edgewood ISD v. Kirby* in 1984.

Edgewood v. Kirby By 1984, the state had not succeeded in finding an adequate school funding formula. For this case, the Mexican American Legal Defense and Educational Fund (MALDEF) filed a complaint against State Commissioner of Education, William Kirby, on behalf of the Edgewood Independent School District, citing discrimination in opposition to students in poor school districts. The plaintiffs disputed that the state’s reliance on local property taxes to finance the public education was inherently unfair since property values varied from district to district.²²

²⁰ (Texas State Historical Association, 2006)

²¹ (Texas State Historical Association, 2006)

²² (Liberal Arts Instructional Technology Services, 2011)

The Edgewood lawsuits, which succeeded in bringing broad changes to the state system of public school finance, focused state and national attention to the harsh inequalities in Texas. Now, the system of financing public education in Texas is less inequitable than it has been in the history of the state.²³ The devolution continues to occur through the infusion of state revenues to rush the glaring differences in the quality of education offered by property poor and property rich school districts. Nonetheless, financing public education in Texas prolongs to be an inflammatory subject, which draws a range of reactions.²⁴ Consequently, the campaign to level the funding for public education is business that hasn't been finished.

The disparity in funds available to educate students on the same basis throughout the state was a declared violation of the Texas constitution. While the Edgewood Independent School District, the Mexican American Legal Defense and Education Fund and the Equity Center were supported by other property poor school districts, the use of legislators and reform equity sponsors was substantially impeded and delayed by the Texas Education Agency, the legislature, property wealthy school districts and state political leaders. Their mission was to bring equity to the state system, which favored property wealthy school districts and discriminated against schools in property poor districts.²⁵

Many feel that funding inequities defeat the idea of equality and say that the current process is unconstitutional. Since lawmakers have failed to change the funding formula this legislative session, Texas parents will be dealing with funding disparities, along with deep budget cuts for at least the next two years.

West Orange-Cove CISD v. Neely In 2001, a group of school districts assembled a lawsuit, known as *West Orange-Cove CISD V. Neely*. As soon as the court case came to trial in 2004, over 300 school districts were involved as either plaintiffs or plaintiff interveners.²⁶ There was a dispute between plaintiff school districts because they had to levy the maximum property tax rate to maintain equity and adequacy; the local property tax had become the same as a state *ad valorem* tax, which is forbidden by the Texas Constitution. Since more than half of the school districts were maxing out at the \$1.50 cap, which resembled a statewide tax. They also argued that the state finance system had underfunded public education, which prevented school districts from meeting their responsibilities to uphold the General Diffusion of Knowledge.²⁷

The issue of facing an *ad valorem* tax resulted when close to half of school districts in Texas were maxing out at the \$1.50 state cap for rollback taxes. Having more than half of states maxing out resembled a statewide tax, which is unconstitutional. There are three existing arguments that support the establishment of a *de factor ad valorem* tax.

- School taxes are considered statewide *ad valorem* taxes, which are prohibited by Article VIII of the Texas Constitution, because the school districts throughout the state have no meaningful discretion in setting up tax rates. The rising costs of

²³ (Torres M. A., 2001)

²⁴ (Torres M. A., 2001)

²⁵ (Torres M. A., 2001)

²⁶ (Invest in Texas Schools, 2004)

²⁷ (Invest in Texas Schools, 2004)

education from Edgewood IV continue to drive taxes up against the statutory tax cap, thus creating a statewide tax.

- The taxes are not assessed and collected uniformly throughout the state as required by Article VIII, because *ad valorem* taxpayers in Texas are *de facto* classified by a single tax unit, and the school tax rates in the statewide unit vary from one school district to another, and thus between taxpayers.
- The taxes are not made together as part of a working system of public free schools as required in Article VII, Section I of the Constitution, because the *ad valorem* tax system is taxed to the greatest amount and more funds are necessary for education than the current taxation and revenue system can yield.²⁸

As a result of the *West Orange-Cove II* decision, HB1 was passed during the third special legislative session in 2006. The *West Orange-Cove* case resulted in reducing school district tax rates and allowing districts to raise their tax rates to obtain additional funds and preserve their reasonable local discretion. A school district would have to generate a certain amount of funds per Weighted Average Daily Attendance (WADA) that it received in 2005-2006. It could also only raise revenue through raising its tax rate; this limitation opened the door to another possibility- A TRE.²⁹

Effects of 82nd Texas Legislation In 2011, the 82nd Legislative Session brought back HB1 and proposed a revised bill that passed on April 4, 2011. The bill proposed to underfund school districts by about \$10B over a period of two years (2012-2013) in order to compensate for the \$15B to \$27B budget shortfall. \$1.3B was saved by the state by cutting several grants across the State of Texas. In the duration of the 2009- 2010 school year, Texas covered 43 percent of the districts revenue; 46 percent of the revenue was from local property taxes and 10 percent came from the federal government.³⁰ HB1 passed 98 to 49; it reflected a budget that reduced spending 3.7 percent from general revenue and 9.7 percent in total from the budget that was adopted May 2009 by the legislature for the current biennium.³¹ The education budget will consist of 56 percent of the HB1 budget.³²

According to Catherine Clark rollbacks were very rare until May of 2006. In May 2006, the Texas Legislature passed HB1 to create target revenue for funding school districts and adjusting the calculation process. Failure to pass TRE's left school districts the same tax rate as the year before. In previous years when school districts had rollbacks, school districts were left with a slightly higher rate of taxes.

Within the first few months of passing HB1, 15 school districts held a TRE and 14 out of 15 school districts successfully passed it. In 2007, 121 school districts held TRE's and 77 percent of the schools districts approved them. As a result of the creation of TRE's, school districts were forced to develop budget constraints for the 2007-2008 academic years. Some of the districts

²⁸ (State of Texas, 1876)

²⁹ (Humble Independent School District, 2002-2011)

³⁰ (Torres Z. , El Paso Times, 2011)(Torres, 2011)

³¹ (Flynn, 2011)

³² (Christian, 2011)

faced salary, staff and program cuts to continue ongoing operations. Considering the cuts, more than 240 school districts were held to call a costly election to increase their financial resources.³³

Houston ISD officials said in a prepared statement, "Texas is already 43rd in the nation in terms of funding allocated per student and this \$4 billion cut will likely move Texas further down that list. Given that this cut is happening at a time when the Legislature is simultaneously moving to a more rigorous accountability system, this substantial reduction in state funding will undoubtedly have an impact on student education. Houston and other Texas school districts will not have the same level of resources to provide much-needed tutoring, accelerated learning opportunities, and more teacher support."³⁴

How Funding Disparities Affect Minorities In a study done in New York, Marcou-O'Malley studied the disparities in education funding and how they affect students of different ethnicities and different economic backgrounds. The report *Unequal Opportunity = Unequal Results* analyzes how funding was distributed to Schools In Need of Improvement (SINI) and Low Needs schools and how money spent by high income schools compared to that of SINI schools. SINI schools had a 68 percent poverty rate whereas Low Needs schools had a 6 percent poverty rate. 80 percent of SINI schools were in a high poverty rate and 27 percent of schools were describes as being in an extreme poverty rate.

A graduation rate is a factor that shows SINI schools' need of adequate funding. 57 percent of students in SINI graduate in the 4-year plan and 92 percent of students in Low Needs schools graduate in the 4-year plan. Minorities are the subgroup with the lowest graduation rate and Whites are the highest in both Low Needs schools and SINI. The study proves how states are failing to provide equal opportunity for all ethnicities. If schools are underfunding the students, especially the students that are minorities, it is clear that both groups do not have the same access to an adequate education.³⁵

Education Cuts Education cuts in Texas directly affects the education of minorities. With about 2.34M Latinos enrolled in Texas public schools, more than half will drop out as a result of the state's economic welfare. Texas was among one of the wealthiest states in the nation until its budget shortfall in 2011 of about \$15B-\$27B. Governor Rick Perry (R-Texas) has proposed a solution of a massive layoff of 100,000 teachers and slashes of \$9.8B in the upcoming years of 2012-2013.

The major cuts, which vary in state Senate and House, consist of increasing class sizes and getting rid of Texas pre-kindergarten grant program. The cuts will also affect teen parenting education, school dropout prevention, bilingual education, community college budgets and an economically disadvantage grant program, which provides college tuition, along with financial support for economically disadvantaged students. The House version of education cuts alone sums up to approximately \$1.7B, along with the termination of 80,000 grant awards.³⁶

³³ (Clark, 2009)

³⁴ (Holley, 2011)

³⁵ (Marcou-O'Malley, 2011)

³⁶ (Camargo, 2011)

Methodology

Community Scholars researched the role of TREs in relation to financing public education across the state. In order to analyze this role in depth, Community Scholars differentiated between a bond and a TRE, reviewed the history of public school finance, and evaluated various past reports that contained a similar framework and goals to the research question. Community Scholars analyzed data from the Texas Education Agency (TEA), Texas ISD and other Texas public education sites in order to compile the property values, tax rates, the average daily attendance and taxable value per pupil, as well as enrollment.

Community Scholars examined specific demographics of grades K-12. Community Scholars divided the State of Texas into five geographical regions, which are composed of the 20 ESC Regions. Calculations of each district's raw data created a minimum, maximum and median value of property value, tax rates, enrollment and TAKS passing rates for each individual region can be found in Appendix B of the report.

The research includes a comparison of wealth equalization versus TREs (the most recent funding structures of funding), which includes analyzing success rates measured in terms of SAT and ACT scores, dropout rates in Texas, and completion rates for the state over a nine year period. Community Scholars interviewed local Chief Financial Officers, which lead to evaluating the effects of TREs on school districts, and identified various factors that affect the outcome of a TRE. Current news and government databases were utilized to analyze the current changes and budget cuts in the Texas Legislation.

Funding Breakdown

Analyzing the way public education is funded in the State of Texas requires looking at the state and local levels. In the state analysis, Community Scholars will describe the Tier Funding Structure, look into M&O rates, define effective, rollback, property and state income taxes, and describe the state funding cap, which is set at \$1.17 per \$100 valuation for all school districts.

State Funding The funding system in the State of Texas is based on looking at three specific areas of need, which the state classifies as tiers. Tiers are used to help districts make up any money that they are not able to obtain on their own. Tier 1 is based upon the individual students in the district also known as Weighted Average Daily Attendance (WADA). Tier 2 is based on the district's own selected tax system, while Tier 3 is based on the Instructional Facilities Allotment dealing with the maintenance and operation of facilities. This allotment is associated with facilities debt and the Existing Debt Allotment, which is debt that is associated with existing school district bonds. Under all three Tiers, whatever the district cannot meet, the state makes up.³⁷ However, if a school board chooses to exceed the current rollback rate, then a TRE will need to be held.³⁸

³⁷ (Legislative Budget Board, 2001)

³⁸ (Strayhorn, Major Challenges Facing Texas Education Today, 2005)

The ability of a school district to raise funds on per student ratios is defined as wealth.³⁹ Wealth is the total taxable property divided by the total number of students in that school district. Property value is used to determine the tax for that year and is formulated by the Comptroller's Property Tax Division. The property tax is a traditional value, and not an alternative value that may be used for state funding.⁴⁰

Tax collection rates are important because the more taxes collected the more money that is allocated for spending. School finance formulas consider the amount collected in figuring out state funding. Whether the district is property wealthy or property poor, a higher collection rate causes more favorable treatment by the state's school funding formulas.⁴¹

In the past years, Texas had to reimburse school districts that had been underfunded the next consecutive year. The Texas Education Agency (TEA) proposed a plan that deleted that provision. The \$27B budget shortfall spreads to more than 1,000 school districts across the State of Texas.⁴² School districts will now be forced to raise taxes in order to make up for the budget cuts made by the state.⁴³

State Funding Cap In 2005, the maximum tax rate for the State of Texas was \$1.50 per \$100 valuation.⁴⁴ As mentioned before, the cap dropped 46 cents in 2005. The state cap is crucial to the state funding system, since it sets a limit to how much a school district can attain through taxation. Some school districts have had a rough time dealing with the cap that restricts the overall use of revenue. The state government distributes money to the district directly; therefore, the number of students attending a school directly correlates to the amount of money the school receives from the state.⁴⁵ In addition, the school obtains local property funding, which includes the residences within a school's jurisdiction that pay property taxes. The funds that go to the district help with Maintenance & Operations (M&O) and Interest and Sinking (I&S). Other funds include: fundraisers, donations, and independent lenders. However, the 2005- 2006 cap still applies to these revenues.⁴⁶

School districts have the option to use their reserve fund at the end of the legislative session or they could hold a TRE election to increase funds.⁴⁷ There is typically a wave of TRE elections in August, during which time budgets are drafted. If a district passes a TRE election before it has to make its budget, it is easier to meet the planned budget and fewer cuts are made. Districts are acting early; they preemptively plan their budgets with bills that create budget cuts in mind, and hope that voters approve their TRE. Districts are now becoming dependent on these elections to prevent cuts to the classroom.⁴⁸

³⁹ (Legislative Budget Board, 2001)

⁴⁰ (Texas Education Agency, 2010)

⁴¹ (Combs, Window on State Government, No Date)

⁴² (Torres Z. , El Paso Times, 2011)

⁴³ (Vindy, 2011)

⁴⁴ (McPherson Law Firm, PC, 2003)

⁴⁵ (School District 171, 2009)

⁴⁶ (Royse City ISD, 2010)

⁴⁷ (Ogden, 2011)

⁴⁸ (Smith, 2011)

The maintenance and operations (M&O) rate reflects taxes paid per \$100 worth of property.⁴⁹ For example, if a school district has a \$0.95 cent M&O tax rate, the district can add eight cents, through an election to this rate and will have an M&O rate of \$1.03 and an I&S rate of \$0.23 cents. This will give the district a total property tax rate of \$1.26 per \$100 of valuation. Effective taxes are taxes that grant the same revenue from the year before on the property taxed over a two-year period. A rollback tax is calculated slightly different and looks at the property taxes from the year before, multiplies them by \$100, and adds eight cents and a debt service tax. Every time a tax increase is proposed, a public meeting must be advertised in a quarter page of the newspaper before the meeting is held, unless the state allows for an increase of the rollback.⁵⁰ During the 30-90 day time period after the tax rate is adopted, a tax ratification election must be held if a district chooses to adopt a higher tax rate than its current rollback tax.⁵¹

The nominal and effective taxes only vary depending on the property values of that year compared to those in the previous year. If school districts are setting low tax rates, they risk debt and are subject to being penalized by the state.⁵² If districts do not attain the necessary funds, they have the option to raise property taxes through TRE bonds.⁵³ Depending on the district's maintenance and operation rates, there may not be a need for an election. If a district lowers their maintenance and operation rates one year, it may be able to raise the rollback rate without the use of a TRE.⁵⁴

The Texas Education Agency (TEA) has tracked the TRE rollback rate, success rates and history from 2005 to 2010 for each independent school district in the State of Texas. These calculations show the rate, at which independent school districts in Texas approve a TRE election, as well as those districts who reached their max M&O and the districts below the \$1.00 mark.⁵⁵ This data is critical to having an accurate number of school districts, in relation to determining how much the state government participates in the funding of the independent school districts.

Table 6: Ratified Districts in the State of Texas

Property Value Assessment	2005	2006	2007	2008	2009	2010
# at M&O statutory maximum	556	9	97	146	181	217
# Districts w/ rollback or TRE	17	15	120	117	47	69
# Districts w/ successful TREs	15	14	94	71	29	55
# Districts below \$1.00	5	6	98	67	57	52
# Districts Not Ratified	0	1	26	46	18	14

Source: Texas Education Agency

The table shows the M&O rate maximum substantially decreasing from 2005 to 2006, and is now slowly increasing as years pass. The Texas Association of School Boards (TASB) explains that this drastic decrease was caused by the state cap that the legislature placed on all the school districts in Texas to stop any additional funding at the 2005-2006 levels. In addition, the graph

⁴⁹ (Combs, Setting Tax Rates, No Date)

⁵⁰ (Legislative Budget Board, 2001)

⁵¹ (Texas Association of School Boards, 2011)

⁵² (Legislative Budget Board, 2001)

⁵³ (Clark, 2009)

⁵⁴ (Texas Association of School Boards, 2010)

⁵⁵ (Kuhn, 2011)

shows a spike increase in number of districts below \$1.00, number of districts with successful TREs, and the number of districts with rollback or TRE elections.

The same idea that applies for the decrease in the M&O statutory maximum can be used for the increase in the other fields like overall public education and inventory for teachers. According to the TASB, the only way a school district can raise discretionary resources to for pay raises, rising insurance premiums or higher utility costs or other needs, is by increasing the tax rate and holding a TRE.⁵⁶ The table below shows the History of Maintenance and Operation (M&O) and Interest and Sinking (I&S) over a five-year period (2005-2010).

Table 7: History of Maintenance

Property Value Assessment	2005	2006	2007	2008	2009	2010
M&O Rate	1.4567	1.3225	1.4179	1.0521	1.0570	1.0642
I&S Rate	0.1117	0.1185	0.1456	0.1575	0.1645	0.1702
Total Rate	1.5684	1.4410	1.5635	1.2096	1.2215	1.2344

Source: Texas Education Agency

The average rate for M&O seems to be consistent from 2005 to 2007 however, the transition from 2007 to 2008 showed a drastic change of about \$0.04 or a 74 percent decrease; this was due to the fact that in 2007 the state legislature cut the funds for every school district in Texas to \$1.04. However, from 2008 there is a minimal decrease. Most school districts in Texas have had to “cut budgets in order to sustain a functioning district, as well as avoiding cuts to the classroom.”⁵⁷

Income Tax in Texas While individuals and businesses in every state pay federal income taxes, residents in 41 states also pay state income tax.⁵⁸ A state income tax is based on the taxable income or adjusted gross income that is noted on taxpayers’ annual federal income tax return. Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming are the only nine states that currently do not have a state income tax.

The fact that a state does not have an income tax does not mean that its residents pay less in taxes than residents of states that have an income tax. All states are required to generate revenue and they do so through several taxes such as the income taxes, sales taxes, property taxes, license taxes, fuel taxes and estate and inheritance taxes. In states without state an income tax, higher sales, property and other different taxes can surpass the annual cost of a state income tax. States, cities, counties, school districts and other jurisdictions enforce real estate and sales taxes. For cities that keep their own utilities, such as electricity and water, these taxes represent their key source of revenue.⁵⁹

El Paso Tax Ratification Elections (TREs)

Out of the 9 school districts in the El Paso County, San Elizario ISD, Ysleta ISD, Canutillo ISD and Tornillo ISD have passed a TRE since their enactment. El Paso ISD is the

⁵⁶ (Clark, 2009)

⁵⁷ (Aguirre, 2011)

⁵⁸ (Longley, 2008)

⁵⁹ (Longley, 2008)

only school district that has failed a TRE. Clint ISD, Fabens ISD, Anthony ISD and Socorro ISD have not attempted to hold a TRE.⁶⁰

The table below shows the M&O tax rates for school districts in El Paso for 2010. School districts are allowed to tax up to \$1.04 without voter approval; the districts with a higher rate than that must have held a TRE. While some landlocked districts have no choice but to hold a TRE, other districts, such as SISD that continues to grow annually, has the luxury to maintain a low M&O tax rate.

Table 8: El Paso District Tax Rates (2010), M&O and I&S

District Name	M&O
Clint ISD	\$1.04
El Paso ISD	\$1.04
Fabens ISD	\$1.04
San Elizario ISD	\$1.11
Ysleta ISD	\$1.17
Anthony ISD	\$1.04
Canutillo ISD	\$1.17
Tornillo ISD	\$1.09
Socorro ISD	\$0.95

Source: Texas Education Agency

As shown by the table above, Tornillo Independent School District's (TISD) M&O tax rate is \$0.22 less than the Ysleta Independent School District's. Most of the school districts in El Paso have a \$1.04 M&O tax rate; the maximum tax rate school districts can place on property taxes without an election. This is also close to the \$1.17 cap (maximum tax rate with election). Anthony Independent School District's I&S tax rate is \$0.09 less than Canutillo Independent School District. Most of the school districts in El Paso have I&S tax rates greater than \$0.20.

Canutillo Independent School District The proposed \$43.9M bond has the support of 42 percent of people living within the school district. An additional 35 percent are opposed to the bond issue and 23 percent are unsure which side to pick. CISD's tax rate is at a current rate of \$1.29 per \$100 valuation. \$1.04 goes to Maintenance and Operations (M&O) and \$0.25 goes to I&S, which pays for debt. To make up for the lack of funding from both local and state sources, the CISD wants to raise its M&O tax rate by \$0.13, from \$1.04 to \$1.17. The district projects that with this increase, there will be approximately \$3.5M in additional funds available each year. The money would be allocated towards maintaining school programs and keeping job levels in schools stable. In 2006 CISD passed a bond issue, and the \$10M received was not used at all. To this day, the district wants to use some of that money as "bond relief".

Voters in the district will choose the passage of not only a bond issue but also an increase in TRE's. The voters accepted the last bond election in 2006 and brought down the vote of tax-rate elections in 2007 and 2009. Voter's approval of the district's bond issue would cause an increase in tax rates from 16 cents to \$1.45 per \$100 of property valuation. With a tax increase in M&O, an increase of taxes from \$1.29 per \$100 of home valuation to \$1.42 would occur. For

⁶⁰ (Texas Education Agency, 2010)

example, the owner of a \$100,000 home now must pay \$1,290 each year in district property taxes. The passage of both would mean that person would have to pay \$290 each year.⁶¹

Ysleta Independent School District (YISD) In 2007, Ysleta Independent School District raised their M&O rate to \$1.17 and its I&S rate to \$0.16 for a total tax rate of \$1.33.⁶² With the increase in the rollback tax rate, YISD experienced a \$36M funding increase from both state and local funding in 2007. The ratification of the TRE provided \$9M in local funding and \$27M in state funding.⁶³

The Ysleta Independent School District (YISD) held an election in 2007 to raise the property tax to the maximum state cap of \$ 1.17. When YISD held the 2007 TRE, only 4 percent of the 106,606 registered voters cast a ballot. Out of that voter turnout, 53 percent voted “yes” for the election, and 47 percent voted “no”. Based on majority rule, the school district approved the TRE and increased the property tax to \$1.17.⁶⁴ Rolyne Kafka, the budget director of YISD, explained that an adequate education is based on “the amount of facilities that both the teacher and student have accessible.”⁶⁵

Tornillo Independent School District (TISD) TISD successfully passed a TRE in November of 2007.⁶⁶ They were the only successful independent school district who attempted a TRE out of four in the El Paso area that year.⁶⁷ With this TRE they were able to increase their property tax rate from \$1.04 to \$1.09. However, since then, TISD has not attempted to hold another TRE to further increase their tax rate to the max. TISD is the smallest school district in El Paso County, and unlike Clint and Fabens, it is landlocked.

Both Clint and Fabens have never attempted to pass a TRE. CISD has a self-reported M&O rate of \$1.04 and an I&S rate of \$0.295 to create a \$1.335 self reported total tax rate. FISD has a self-reported M&O rate of \$1.04 and an I&S rate of \$0.213 to create a total self reported rate of \$1.253.⁶⁸ Community Scholars has analyzed and concluded that the reason these two school districts have not attempted to pass a TRE is because they are not land-locked, unlike other ISDs like YISD and SEISD, who are. Whether a school district is landlocked or not is believed to be directly related to its ability to pass a TRE since school districts that are not landlocked benefit from growth. Growth leads to a larger taxable property pool which, in turn, has the potential to generate enough local funding to maintain a \$1.04 M&O rate, without having to pass a TRE.

El Paso Independent School District (EPISD) The El Paso Independent School District held a TRE on June 15, 2010 to increase the local property tax by \$0.13, which meant a \$130 increase to a home with an assessed valuation of \$100,000. Election officials said that 9,851 voters, or about 68 percent, voted against the tax, whereas the other 4,629, or about 32 percent, voted in favor of the tax change. The EPISD sought to raise \$37 million (\$17.5 million in local tax money

⁶¹ (Ballinger, 2011)

⁶² (Combs, Window on State Government, No Date)

⁶³ (Ysleta Independent School District, 2007)

⁶⁴ (El Paso County, 2007)

⁶⁵ (Kafka, 2011)

⁶⁶ (El Paso County, 2007)

⁶⁷ (Vranish, 2008)

⁶⁸ (Texas Education Agency, 2010)

and the rest from the state) if the proposal passed.⁶⁹ Parker stated that the reason for EPISD's failure in passing the TRE was attributed to the community's varied opinions on whether they considered their district as property poor or property wealthy. He said that the community anticipated that YISD was "a wealthy district, when in reality the TRE was a necessary election to maintain the idea of an adequate education."⁷⁰

Many factors affected the election process and the outcome of the election. Kenneth Parker, the Chief Financial Officer of EPISD, stated that misrepresentation of the facts of the TRE played a key role in the outcome of the election. The facts that were shared with the public greatly affected the attitude of community. With these misrepresentations, EPISD voters believed that the district was financially stable and that there was no need for additional funding, and that the tax increase was not necessary. The timing of the election with the recession was also a contributing factor that made many voters "uneasy" on higher taxes.⁷¹

Now that the TRE failed, there have been numerous job cuts across the district along with a minimal hiring of math and science teachers and an increase in class size. EPISD had a six-week period after the TRE failed to construct their budget and did so by cutting positions and trying to maintain "as little effect on the classroom as possible."⁷² Average classroom size increased by one student; this brought classroom size to 21 in high schools and 24 in elementary schools.⁷³ Pre-K, however, is no longer available and has been cut due to the failing TRE and budget cuts from the state. However, EPISD managed to maintain programs such as English as a Second Language (ESL), Dual-Credit courses, the coach model, and athletic programs. Many voters vote based on the facts given to them and do not consider the overall effects once a decision is made; they remain one-sided.⁷⁴

EPISD asked voters to accept the 2010-2011 rates that require a \$0.13 tax increase or \$10.83 per month on a \$100,000 taxable home value to meet expenses. If voters pass the \$17.5M TRE, the State of Texas, by the law, will be obliged to match more than dollar-for-dollar or approximately \$19.3M. Seniors 65 years and older, disabled veterans (as permitted by the Texas Tax Code), and those on a social security disability will not have to pay the tax increase. Parker reviewed the budget and explained that school financing law changed over four years ago, and that any rise in the tax rate higher than the current \$1.04 Maintenance and Operations (M&O) must be accepted by the voters.

Parker stated that the district had been stuck in 'targeted revenue' based on the 2005-2006 revenues per student's average daily attendance. Parker added, "The state does not supply funding for increasing costs like utilities, healthcare, and opening new schools." He concluded by saying that, "Failure to pass a TRE will result in the district cutting \$18M over the next two years, which would have a negative impact in the classroom." He told the board that 200 communities throughout Texas had already passed a TRE under the new school financing law.⁷⁵

⁶⁹ (Licon, 2010)

⁷⁰ (Parker, 2011)

⁷¹ (Parker, 2011)

⁷² (Parker, 2011)

⁷³ (Parker, 2011)

⁷⁴ (Parker, 2011)

⁷⁵ (El Paso Independent School District, 2011)

Socorro Independent School District (SISD) Socorro Independent School District is one of the lowest taxing districts in the State of Texas with only 95 cents per \$100 valuation. Texas, however, allows for \$1.04 taxation without voter approval. Once the taxes are raised to \$1.04, the school district is allowed to ask residents to vote to raise the rate to the \$1.17 cap. SISD is the district that will face the highest slash in funding in El Paso County, due to their continuous low property tax rates. School districts, like SISD that chose to keep lower taxes are not facing some of the largest budget cuts in the State of Texas.⁷⁶

Property wealth is also a factor in determining the amount of money allotted per student. When school districts gain a higher property wealth, the state allots more money for that district based on that property wealth, which then becomes the total taxable property divided by the number of students in the district.⁷⁷ Socorro is the only school district in El Paso that will be facing a higher loss the second year in comparison to the first year. The proposed plan also worries administrators of the effortlessness of underfunding school districts past the two- year period.⁷⁸

State Spending Per Pupil In 2009-10, Texas ranked 37th in state and local funds spent per student in public school, averaging at \$9,227. But the state ranked 44th in 2008-09, averaging \$8,610. The same year, the top spending state, New Jersey, averaged \$16,253, while the lowest spending state, averaged \$5,932. The national average is \$10,313.

The Federal Education Budget Project, part of the Washington-based New America Foundation, nonpartisan public policy institute, ranked Texas 43rd in public education spending per student for the 2007-08 school year, thus averaging \$8,350.⁷⁹ The table below shows the school year, school district spending, other state spending, and the total spending per pupil.

Table 9: Total TX Public School Spending Per Pupil, 1998-99 through 2008-09

School Year	District Spending Per Pupil	Other State Spending*	Total Spending Per Pupil
1998-99	\$7,095	\$0	\$7,095
1999-00	\$7,928	\$74	\$8,003
2000-01	\$8,245	\$93	\$8,339
2001-02	\$8,643	\$138	\$8,782
2002-03	\$8,838	\$52	\$8,890
2003-04	\$8,916	\$94	\$9,010
2004-05	\$9,269	\$33	\$9,302
2005-06	\$9,629	\$131	\$9,761
2006-07	\$10,162	\$41	\$10,203
2007-08	\$11,024	\$83	\$11,107
2008-09	\$11,567	\$75	\$11,642

Source: Texas Comptroller of Public Accounts and Texas Education Agency

⁷⁶ (Torres Z. , El Paso Times, 2011)

⁷⁷ (Strayhorn, Property Tax Collection Administration, 2004)

⁷⁸ (Torres Z. , El Paso Times, 2011)\

⁷⁹ (El Paso Independent School District, 2011)

In the table shown above, there has been a 57.1% increase between school district spending in the 1998-99 school year to the 2008-09. The difference is shown in the other state-spending column, which includes textbooks and miscellaneous public education expenditures. From 2000 to 2003, there was a 14.3% increase in school district spending. On the other hand, from 2006 to 2009, there was a smaller percent increase in school district spending than the other four school years (2000-2003).

Funding Structure's Impact on Success

In 1993, SB7 added the Property Tax Recapture provision, also known as the Robin Hood Program. The main objective for recapturing revenue from districts with higher wealth was to improve equity in the funding system. By 2004, Robin Hood was collecting \$1.2B per year from 134 school districts. It became very difficult to terminate the Robin Hood provisions because the state government could not find a replacement in order to sustain the support for the schools. During the 1990's, dissatisfaction with the recapture soared from property wealthy school districts. Similarly, state funding increases were not keeping up with the cost of education in Texas. In fact, by 2003, almost 690 school districts were at or close to the statutory maximum tax rate of \$1.50.⁸⁰ This, in turn, caused legal action to overturn the system because of high taxes and inadequate funding. TREs replaced the wealth equalization method of funding, and further shifted the funding responsibility to the local government.

The comparison between the wealth equalization program and a TRE and their effect on public education will be analyzed comparing dropout rates, completion, minority results on SAT and ACT tests analysis. The data below includes years 2000 to 2003 in order to convey the effects of wealth equalization on the four areas of study; whereas the data in years 2006 and 2009 convey the effect of TREs on the same areas.

The annual dropout rate measures the percentage of students who drop out of school during one academic year. An annual dropout rate is calculated by dividing the number of students who drop out during one year by the total number of students who enrolled the same year. Annual dropout rates may differ because different grade levels are included in the calculation, dropouts are defined differently across the state, student counts are taken at different times or data systems employed provide different levels of precision. Dropout rates are considered a measurement of performance; it has the greatest potential to produce accurate rates that are comparable across schools, districts or states.⁸¹ The minority population in the following tables is made up of Blacks, Asian/Pacific Islanders, Hispanics and Native Americans.

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⁸⁰ (Invest in Texas Schools, 2004)

⁸¹ (Quality, 2010)

Table 10: Comparison Dropout Rates

	Ethnicity	Dropouts	Total Students	Total Rate (%)
2000	Minority	11,809	631,010	5.7
	White	4,194	544,262	0.8
	Econ. Disadvantaged	5,360	290,866	1.9
2003	Minority	12,281	688,590	1.7
	White	3,384	541,993	0.6
	Econ. Disadvantaged	6,626	456,519	1.5
2006	Minority	39,211	1,083,589	14.9
	White	9,592	534,204	1.8
	Econ. Disadvantaged	23,359	555,270	4.2
2009	Minority	31,953	849,976	11.4
	White	6,767	506,473	1.3
	Econ. Disadvantaged	15,181	569,299	2.7

Source: Texas Education Agency

The dropout rates in 2003 were low, increased in 2006, and experienced a decrease in 2009. All ethnicities experienced this fluctuation of dropout rates. Hispanics have been the majority population in Texas in 2003; thus having the highest number of dropouts and highest dropout rate. African Americans however, have had the highest dropout rates in 2006 and 2009. Asian/Pacific Islanders have the lowest dropout rate and the second lowest number of students enrolled. Native Americans have the lowest number of students and still have a higher dropout rate than Whites.

With the second lowest dropout rate, Whites have the highest number of students in 2003 and the second highest number of students behind the growing number of Hispanic students in 2006 and 2009. In 2003, 37 percent of the total student population was economically disadvantaged and in 2009, 42 percent of the total student population was economically disadvantaged. The highest number of dropouts was seen in 2009 at 53,901. The highest dropout rate, however, came in 2006 with 16.7 percent and the lowest was in 2003 at 5.9 percent.

According to the TEA, completion rates are based on how many students completed a secondary education or equivalent to a secondary education. To receive a secondary education and be considered a completer a student needs to graduate high school in four-years, continue high school or receive a GED.⁸²

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⁸² (Texas Education Agency, 2010)

Table 11: Comparison Completion Rates

	Ethnicity	Class Size	Graduated (%)	Continued (%)	GED (%)
2000	Minority	106,151	79.3	33.9	16.3
	White	111,826	86.7	3.6	5.6
	Econ. Disadvantaged	59,642	72.6	11.2	4.7
2003	Minority	121,599	83.7	34.5	11.1
	White	117,100	89.8	3.9	4.1
	Econ. Disadvantaged	74,723	77.8	12.4	3.2
2006	Minority	160,652	80.5	34.1	8.4
	White	123,046	89.0	4.2	2.8
	Econ. Disadvantaged	109,204	72.0	11.9	2.4
2009	Minority	187,798	80.0	35.4	5.0
	White	120,629	89.7	4.1	1.7
	Econ. Disadvantaged	120,083	78.3	9.7	1.2

Source: Texas Education Agency

From 2006 to 2009 class sizes increased approximately 51 percent. All ethnicities except African Americans and Native Americans experienced an increase in graduation rates. Hispanics and African Americans experienced a decline in continued education and all ethnicities experienced a decline in the number of GEDs. Asian/Pacific Islanders and Hispanics were the only ethnicity that experienced a decrease in dropout rates due to the increase in graduation rates over the 2006 to 2009 period. Less Native Americans and Whites have been pursuing GEDs and have either graduated or continued high school. In 2009, Whites completed nearly 96 percent of all their studies compared to Hispanics that completed nearly 88 percent. It is more likely for a person of White ethnicity to complete high school than a person that is economically disadvantaged or of African American or Hispanic ethnicity. Hispanics are the largest class and yet they have one of the lower completion rates in the State of Texas.

The Accountability Rating System in Texas changed in 2002, but had no new ratings for 2003. The SAT tests students' basic knowledge of reading, writing, and mathematics. The test consists of three sections: critical reading, mathematics, and writing. Scores on the SAT sections ranges from 200 to 800. To meet the criterion on the SAT a student must have a score of 1100 and a 24 on the ACT. The ACT measures general educational development in four curriculum based areas: English, mathematics, reading and science. The four areas rely on students' ability to apply content knowledge and reasoning skills acquired in their coursework to high-level tasks. Student performance on both the SAT and ACT is reported as a scaled score, which is a normative standard score calculated from raw score.⁸³

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⁸³ (Quality, 2010)

Table 12: Comparison SAT/ACT Scores

	Ethnicity	# Taking SAT/ACT	% Taking SAT/ACT	# Scoring At Or Above Criterion	% Scoring At Or Above Criterion
2000	All Students	120,077	62.2	32,747	27
	Minority	41,747	51.4	4,182	18.9
	White	69,902	69.9	25,423	36.4
2003	All Students	133,768	62.4	36,354	27.2
	Minority	49,419	52.6	4,759	18.0
	White	70,499	66.4	26,257	37.2
2006	All Students	141,188	65.8	38,205	27.1
	Minority	57,398	59.9	5,867	19.2
	White	71,810	70.2	27,485	38.3
2009	All Students	146,648	61.5	39,415	26.9
	Minority	69,017	59.8	7,269	19.5
	White	68,101	66.8	27,626	40.6

Source: Texas Education Agency

Not all students in Texas take the SAT or ACT before graduating as it is not a graduation requirement. From 2003 to 2009 there has been a 9.6 percent increase in the number of students taking the SAT or ACT and an 8.4 percent increase in the number of students scoring at or above the criterion. In 2003 only 62.4 percent of all students took the SAT/ACT. In 2006, 65.8 percent of students took the SAT/ACT; and then the percent of students taking the test declined 4.3 percent to 61.5 percent. The percent of all students scoring at or above the criterion also declined 0.3 percent from 27.2 percent to 26.9 percent.

African Americans have progressed in all areas of the SAT/ACT and are still significantly behind Whites. Hispanics are ahead of African Americans in the number of students that take the SAT/ACT and the number and percent of student that score above the criterion. African Americans however, have a higher percentage of students that take the SAT/ACT. Out of the 50 percent of Hispanics that attempted the SAT/ACT in 2009, only 12 percent scored at or above the criterion which is only a 1 percent increase from 2003.

Whites, on the other hand, have approximately 41 percent of students scoring at or above the criterion with approximately 69 percent of students taking the SAT/ACT. About 68,000 students attempt to take the SAT/ACT and of those 68,000 students 28,000 score at or above the criterion. Compared to Hispanics that have 48,000 students the SAT/ACT, only about 6,000 score at or above the criterion. African Americans that have 21,000 students that the SAT/ACT and only 2,000 score above the criterion. If all students in Texas receive an adequate education provided by the state, as stated in the Constitution, there should not be disparities of this magnitude should not exist among ethnicities across the State of Texas.

Equalization of Education

The disparities among school districts are also clear. If the state imposes a 6 percent decrease in funding for school districts in the State of Texas, cuts appears to be equal, but a wealthy school district will have more money left from the cuts than a poor school district.⁸⁴ TRE elections are now beginning to be one of the only options for school districts to compensate for the possible loss of funding from the state. Some districts have not waited for legislative action and have already planned for budget cuts. Others have begun to hold TRE elections.⁸⁵ TRE were not necessary before, but now they have become necessary. Before the cuts, school districts would have never considered a TRE to raise property taxes.

Adequate Education

The idea of an “adequate education” varies based on the source. No exact definition or measurement of adequacy exists in the Texas constitution. Recently, researchers and policy experts have begun to define an adequate education as the level of resources needed for students to meet state and federal requirements for testing, school attendance and graduation.⁸⁶ Parker stated, “An adequate education combined with the student’s participation with the resources that the school district provides.” This idea deals with how active students are in their school environment and how many resources are available to the individual students. This also takes into consideration the quality of information that teachers provide to their students. In addition, each teacher must adhere to a curriculum by the end of each semester. If a teacher fails to complete this curriculum, then another teacher will replace the previous teacher; therefore, leaving the “Cream of the Crop” to teach in the school districts.⁸⁷

Based on the interviews conducted, Community Scholars has identified several factors that affect an adequate education, and have categorized some of these factors more important than others. Funding independent school districts is the most important factor; funding can ultimately define what an adequate education is for an independent school district.

Availability and access to adequate resources plays a key role in providing each student with equal opportunities. These resources include essential items like books, desks, computers, teaching material, etc. The overall funding budget is critical for a school district to offer an adequate education. The financial budget encompasses cuts, reductions, and expenditures that determine changes that affect education. In addition, it creates a financial plan for the next two academic years for each school district. The financial budget aids school districts in projecting whether they will need to hold a TRE and what effects legislative cuts will have on the district.

Community Scholars also found that classroom size is needed to maintain a healthy classroom environment. There was a study conducted in the U.S. that analyzed whether smaller classroom sizes (of about 15-20 students) would perform better than larger class sizes (about 25-30 students.) The results showed that the smaller classroom sizes performed 20% better than the larger classroom sizes. Individual teacher and student participation is also an important and final

⁸⁴ (The Reporter, 2011)

⁸⁵ (Kafka, 2011)

⁸⁶ (Invest in Texas Schools, 2004)

⁸⁷ (Parker, 2011)

factor that determines whether education is adequate or not. In order to have a functional school district there must be capable teachers and driven students who participate in the educational process. *For more information regarding this study, refer to Appendix A.*

Currently, there is no statewide monetary statutory definition of an adequate education.⁸⁸ The lack of such definition creates the ability for the state to continue underfunding and allows for the change of funding per pupil over the years. The table below displays funding per pupil data that was adjusted for inflation over a nine-year period. The first two years (2000 and 2003) represent the results of the wealth equalization funding structure, whereas the second group of years (2006 and 2009) conveys data under the TRE funding structure. The funding per pupil was calculated by dividing the total state expenditures by the total number of students.

Table 13: Quantifying Adequate Education

Year	Funding per Pupil
2000	\$8,303.12
2003	\$8,957.02
2006	\$7,949.54
2009	\$8,572.00

Source: Texas Education Agency

The funding per pupil over the last nine years has not fluctuated greatly. There is no constant amount of money that is allocated and met each year, which inevitably causes discrepancies in funding from year to year. While matching a monetary value to the concept of an adequate education might be difficult, Community Scholars subtracted the lowest and highest funded districts in 2009, divided the difference by two and developed a minimum monetary requirement for legislation to adopt, which can be found in the discussion section of the report, along with other recommendations.

Discussion

After conducting collegiate-level research over a six-week period, Community Scholars offers the following conclusions, which sum up the entire report and illustrate the existence of the devolution of funding. Following the Conclusions, Community Scholars offers public policy recommendations to alleviate the problem.

Conclusions

Over the last 30 years, there has been devolution of education funding within Texas. There has clearly been a shift of funding responsibility from the state to the local independent school districts. Public school funding is a statutory requirement that the state is currently not addressing properly. Over the last 10 years, the State of Texas has successfully underfunded and continued to underfund school districts by not meeting its statutory responsibilities of allocating 25 percent of its revenue for public education, which is stated in Article VII Section 3 of the Texas constitution. The majority funding for a school district should come from the state rather

⁸⁸ (Invest in Texas Schools, 2004)

than depending on funding that comes from directly from the district's taxpayers. Currently, the responsibility of state and local funding is beginning to equalize.

Community Scholars has concluded that TREs are a two-fold crisis. On one hand, TREs make it possible for school districts to raise their tax rate, thus increasing revenue, as well as give the local community a chance to have political involvement in public education taxing. Most importantly, TREs allow local school districts to collect additional revenue that replaces some of the state's lack of funding. On the other hand, the TRE funding structure reduced the previous M&O tax rate of \$1.50 to \$1.04 (without an election) and a \$1.17 (with an election.) Finally,

TREs have the potential to become a *de facto ad valorem* tax, or a statewide tax, if more districts max out at the \$1.17 cap. Given these factors, deciding whether a TRE is an effective alternative funding solution to state funding is not a simple answer.

The 82nd legislative cuts affect each school district differently; a 6 percent reduction across the board in local funding harms both property poor districts and property wealthy districts, however, these reductions will ultimately hurt property poor districts more than it would harm property wealthy districts. Therefore, "equal" cuts across Texas school districts are unbeneficial; they further affect the state's devolution of responsibility. Current budget cuts will directly increase the number of TREs across the state for the next two years.

Compared to the wealth equalization period, the TRE period showed a significant increase in dropout rates in minorities and the economically disadvantaged. There was minor fluctuation in completion rates as well as SAT/ ACT scores in both minority and the economically disadvantaged in both periods. Therefore, Community Scholars have concluded that dropout rates are affected by TREs, while completion and SAT/ACT rates are not affected by either funding structure.

The Texas Constitution does not include a statutory monetary definition that provides an adequate education. Community Scholars concluded that an adequate education encompasses several factors, such as funding, the finance budget and access to resources. Defining an adequate education, without a monetary component, is difficult based on the fact that all definitions are based on individual perspectives. There are some individuals who believe an adequate education is based on individual participation of teacher and student, and there are others who believe that it is based on the financial budget of the school district.

Students currently do not have an equal opportunity to attain an adequate education and are at an advantage or disadvantage depending on where they live. If a student lives 5 miles in the wrong direction, then that student receives an education that is not as comparable to another student who lives 5 miles in the right direction.

On a local level, landlocked school districts are more likely to attempt passing a TRE. By definition, districts that are landlocked have no room for growth in their given area. Therefore, districts that are landlocked have the need to pass a TRE, since no growth in the district attributed to new complexes or homes, means less revenue. Districts like YISD and SEISD have passed TREs in order to compensate for the lack of growth in their districts. However, districts like Clint and SISD have not passed TREs because of the revenue they gained from growth. The

largest school districts in El Paso are landlocked; therefore, more people will suffer the effects of higher tax rates.

There is no way of creating a profile of a school district that would pass or fail a TRE. Results for TREs are sporadic across the State of Texas, which makes it hard to determine the characteristics of districts that would even choose to hold a TRE. Throughout the State of Texas, it can be concluded that each school district is affected by a different factor.

Recommendations

The State of Texas needs to increase its general revenue stream. The lack of revenue stream is causing Texas to have to prioritize one issue over another, which obviously leads to the underfunding of certain facets of government, such as education. An increase in revenue stream would decrease the need for TREs as well as prevent the risk of having another *de facto ad valorem tax*.

Although Texas hasn't favored tax increases in the past, a state income tax would be the most fair and dependable source of funding for public schools in Texas. Texas, along with 6 other states, has never implemented an income tax. Even though some citizens believe that this tax is needed to fund programs like public education, officials believe that Texas is not in need of a state income tax because "other means of additional revenue" exist. In addition, politicians say that it would be "political suicide if any politician in the Texas legislature proposes a state income tax" even though a state income tax would be beneficial to the overall funding of public education in the State of Texas.

Significant structural change should be made to the way Texas funds public education, because "band-aid solutions" are not the answer. Currently, there is a financial wound on Texas funding education that cannot be overlooked. The state has attempted to fix the current financial crisis in the past by creating the Robin Hood Program back in 1993 and soon after, the recapture formula, which was established in 1999. Since TREs have been established, many fear that it will become another *de facto ad valorem tax*; a similar problem that caused the state legislature to change the Robin Hood Program. Based on this, individuals believe that these methods of funding are just temporary patches aim to fix the problem, but never actually address it. Therefore, Community Scholars recommends a significant structural change in funding structure to fix the problem of funding in school districts, since neither TREs nor wealth equalization have funded school districts to their constitutional requirement.

Since no statutory monetary definition for an adequate education, Community Scholars offers the following definition for an adequate education: "An education that provides each student with equal opportunities, access to adequate resources and a healthy/safe learning environment for all students." The Texas Legislature needs to adopt a statewide of adequate education of at least \$15,000 per pupil.

Community Scholars recommends amending the Texas Constitution to allow a statewide income and property tax, which will be put up to voters. Although it seems idealistic, amending the Texas Constitution currently has a 77 percent success rate. We also recommend increasing voter awareness on voting on amendments to the Texas Constitution.

A historically effective policy tool, litigation should continue to be used by school districts to bring about structural changes to the public education finance system in the State of Texas. Community Scholars believes that local school districts should continue to sue the State of Texas until adequacy is met, and legislation is forced to change the system, since historically, structural changes have been brought about as a response to lawsuits by independent school districts against the State.

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Appendix A:

Study of Classroom Size

A lower classroom size, according to scientists, “Is a healthier, more productive, and more suitable classroom environment, than that of a higher classroom size.”⁸⁹ The data from the United States, England, Hong Kong and Switzerland, were presented at the American Educational Research Association's (AERA) annual meeting, the world's largest gathering of education researchers. In one study, researchers closely watched students' behaviors and found that in smaller classes in both elementary and high school, students stayed more focused and misbehaved less. They also had more direct interactions with teachers and worked efficiently in small groups rather than by themselves.⁹⁰ The study shows that classroom size does affect the overall performance of students. Therefore, if the classroom size in the school districts increases, then the performance will decrease as well. This idea is contradictory to the initial goal of El Paso’s education program, which is to provide an above adequate education for all students with in El Paso.

Appendix B: Texas ESCs

Regions 1-20

Texas ESCs

The Education Service Centers (ESCs) provide a variety of services to school districts. They support school administration, they provide services in related areas such as computer support for business and student services, administrator training, bus driver training, and cooperative purchasing. These centers provide a variety of improvements for curriculum and staff development opportunities for teachers. Technical help and training in instructional technology, programs for special populations, and staff development in instructional improvement are more common. Centers also work with cooperatives throughout school districts for programs such as drug abuse prevention, migrant education, improving schools, and adult education.⁹¹

The Texas Education Code was created in 1995 and in chapter 8, subchapter ‘A’, section 8.001, explains the reasons for the distinguished regions in Texas. The section discloses the establishment and operation of more than 20 regional education service centers (ESC). The centers will be located around the state so that each school district can meet standards that were established by the commissioner. The commissioner may decide any operation or administration matter such as the number of location centers, the regional boundaries of centers, and the portion among centers of state and federal funds administered by the agency. Though this chapter does

⁸⁹ (Agency, 2011)

⁹⁰ (Toppo, 2008)

⁹¹ (Education Service Center, 2011)

not, limit a school district's freedom to purchase from any ESC or nor require a school district to purchase services from a regional ESC.⁹²

Community Scholars looked at the number of counties for each region, along with the number of districts in each region. Each individual region will be conveyed in relation to their property values, the wealth per pupil and enrollment rates.

Table X: Regions 1-20

Region	Counties	Districts	2008-09 Enrollment	2009-10 Enrollment
Region 1-Edinburg	7	37	390,701	399,837
Region 2-Corpus Christi	11	42	104,457	104,284
Region 3-Victoria	11	40	52,743	52,598
Region 4-Houston	7	53	1,050,722	1,076,115
Region 5-Beaumont	6	30	80,269	80,625
Region 6-Huntsville	15	57	164,218	168,725
Region 7-Kilgore	17	106	165,199	166,948
Region 8-Mt.Pleasant	11	49	56,604	56,966
Region 9-Wichita Falls	12	38	38,728	38,813
Region 10-Richardson	8	80	723,432	737,043
Region 11-Fort Worth	10	94	521,135	531,304
Region 12-Waco	12	84	149,721	152,497
Region 13-Austin	17	75	355,700	367,273
Region 14-Abilene	13	43	48,223	50,103
Region 15-San Angelo	18	44	47,592	47,846
Region 16-Amarillo	26	64	81,365	83,157
Region 17-Lubbock	20	60	79,530	80,257
Region 18-Midland	19	35	76,998	76,925
Region 19-El Paso	2	18	175,116	179,384
Region 20-San Antonio	15	81	387,118	397,144

Source: Texas Education Agency

Property Values & Tax Rates

The following tables present the statistics of the property values and tax rates of Regions 1-20. The tax rates include the M&O, I&S, and the total tax rate. The maximum, minimum and median values show the highest and lowest values and rates and the median rate.

Table X: Region 1 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$9,743,761,472	\$1.170	\$0.396	\$1.436
Minimum	\$37,305,640	\$0.803	\$0.000	\$0.848
Median	\$473,522,919	\$1.040	\$0.180	\$1.255

Source: Texas Education Agency

⁹² (State of Texas, 1995)

Table X: Region 2 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$11,142,281,734	\$1.17	\$0.487	\$1.526
Minimum	\$26,640,510	\$0.880	\$0.000	\$1.040
Median	\$335,794,518	\$1.040	\$0.174	\$1.238

Source: Texas Education Agency

Table X: Region 3 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$4,293,533,311	\$1.170	\$0.475	\$1.515
Minimum	\$29,334,693	\$0.97	\$0.0000	\$0.971
Median	\$243,456,611	\$1.040	\$0.080	\$1.142

Source: Texas Education Agency

Table X: Region 4 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$109,763,599,469	\$1.183	\$0.480	\$1.527
Minimum	\$42,474,138	\$1.007	\$0.000	\$1.040
Median	\$1,609,144,164	\$1.040	\$0.270	\$1.320

Source: Texas Education Agency

Table X: Region 5 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$8,701,093,692	\$1.170	\$0.430	\$1.600
Minimum	\$37,529,114	\$1.010	\$0.000	\$1.040
Median	\$503,102,610	\$1.040	\$0.168	\$1.238

Source: Texas Education Agency

Table X: Region 6 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O rates	I&S	Total tax rates
Maximum	\$19,686,233,651	\$1.090	\$0.450	\$1.480
Minimum	\$26,563,279	\$0.879	\$0.000	\$1.005
Median	\$302,516,886	\$1.040	\$0.177	\$1.217

Source: Texas Education Agency

Table X: Region 7 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O rates	I&S	Total tax rates
Maximum	\$7,928,354,707	\$1.252	\$0.430	\$1.549
Minimum	\$32,723,033	\$0.760	\$0.000	\$0.938
Median	\$315,206,349	\$1.040	\$0.116	\$1.173

Source: Texas Education Agency

Table X: Region 8 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O rates	I&S	Total tax rates
Maximum	\$3,189,092,969	\$1.170	\$0.440	\$1.490
Minimum	\$16,840,126	\$0.913	\$0.000	\$1.040
Median	\$155,453,360	\$1.040	\$0.108	\$1.168

Source: Texas Education Agency

Table X: Region 9 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O rates	I&S	Total tax rates
Maximum	\$3,846,036,808	\$1.170	\$0.460	\$1.500
Minimum	\$21,821,130	\$0.988	\$0.000	\$1.040
Median	\$138,389,157	\$1.040	\$0.075	\$1.170

Source: Texas Education Agency

Table X: Region 10 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O rates	I&S	Total tax rates
Maximum	\$78,626,228,844	\$1.170	\$0.500	\$1.640
Minimum	\$16,299,237	\$0.820	\$0.040	\$0.885
Median	\$518,181,189	\$1.040	\$0.310	\$1.379

Source: Texas Education Agency

Table X: Region 11 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Tax Rate
Maximum	\$25,491,845,650	\$1.170	\$0.500	\$1.670
Minimum	\$27,710,511	\$0.825	\$0.000	\$0.894
Median	\$708,293,324	\$1.040	\$0.230	\$1.280

Source: Texas Education Agency

Table X: Region 12 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Tax Rate
Maximum	\$6,000,724,856	\$1.170	\$0.460	\$1.555
Minimum	\$13,703,188	\$0.843	\$0.000	\$0.843
Median	\$139,325,609	\$1.040	\$0.117	\$1.194

Source: Texas Education Agency

Table X: Region 13 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Tax Rate
Maximum	\$61,899,156,368	\$1.170	\$0.475	\$1.515
Minimum	\$31,170,871	\$0.927	\$0.000	\$0.927
Median	\$719,315,480	\$1.040	\$0.190	\$1.230

Source: Texas Education Agency

Table X: Region 14 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Tax Rate
Maximum	\$3,788,924,941	\$1.170	\$0.350	\$1.440
Minimum	\$21,155,338	\$0.928	\$0.000	\$1.000
Median	\$207,441,958	\$1.040	\$0.070	\$1.166

Source: Texas Education Agency

Table X: Region 15 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Tax Rate
Maximum	\$3,274,710,239	\$1.170	\$0.440	\$1.480
Minimum	\$4,668,411	\$0.953	\$0.000	\$0.953
Median	\$145,526,498	\$1.040	\$0.076	\$1.170

Source: Texas Education Agency

Table X: Region 16 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$7,215,805,166	\$1.17	\$0.48	\$1.52
Minimum	\$31,160,157	\$0.89	\$0.00	\$0.89
Median	\$206,394,044	\$1.04	\$0.17	\$1.24

Source: Texas Education Agency

Table X: Region 17 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$8,580,167,347	\$1.17	\$0.46	\$1.50
Minimum	\$27,812,667	\$0.74	\$0.00	\$0.95
Median	\$213,478,359	\$1.04	\$0.60	\$1.17

Source: Texas Education Agency

Table X: Region 18 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$10,227,067,256	\$1.17	\$0.37	\$1.41
Minimum	\$7,232,700	\$0.90	\$0.00	\$0.95
Median	\$751,173,320	\$1.04	\$0.08	\$1.13

Source: Texas Education Agency

Table X: Region 19 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$14,451,251,785	\$1.17	\$0.30	\$1.34
Minimum	\$54,575,110	\$0.95	\$0.00	\$1.03
Median	\$149,576,332	\$1.04	\$0.19	\$1.22

Source: Texas Education Agency

Table X: Region 20 Property Values & Tax Rates

Statistic	Property Value	Tax Rates		
		M&O	I&S	Total Rate
Maximum	\$31,980,533,495	\$1.17	\$0.48	\$1.52
Minimum	\$43,545,879	\$0.89	\$0.00	\$0.89
Median	\$405,725,404	\$1.04	\$0.17	\$1.24

Source: Texas Education Agency

Wealth per Pupil

The Wealth per Pupil is calculated by the average daily attendance and each school district is given certain funding based on attendance rates. The more students a school district has in attendance the more money that is allocated to them by the state. Region 2, for example has the most average daily attendance and the most taxable value per pupil.

Table X: Region 1 Wealth per Pupil

Statistic	# of People	
	Avg. Daily Attendance	Taxable Value Per Pupil
Maximum	44,665	\$4,513,003
Minimum	138	\$47,589
Median	4,207	\$122,272

Source: Texas Education Agency

Table X: Region 2 Wealth per Pupil

Statistic	# of People	
	Avg. Daily Attendance	Taxable Value Per Pupil
Maximum	35,482	\$13,564,575
Minimum	36	\$104,821
Median	1,042	\$399,012

Source: Texas Education Agency

Table X: Region 3 Wealth per Pupil

Statistic	# of People	
	Avg. Daily Attendance	Taxable Value Per Pupil
Maximum	12,272	\$2,730,779
Minimum	40	\$163,347
Median	743	\$442,927

Source: Texas Education Agency

Table X: Region 4 Wealth per Pupil

Statistic	# of People	
	Avg. Daily Attendance	Taxable Value Per Pupil
Maximum	179,830	\$2,491,409
Minimum	75	\$135,571
Median	4,743	\$322,135

Source: Texas Education Agency

Table X: Region 5 Wealth per Pupil

Statistic	# of People	
	Avg. Daily Attendance	Taxable Value Per Pupil
Maximum	17,682	\$983,449
Minimum	185	\$128,018
Median	1,491	\$323,964

Source: Texas Education Agency

Table X: Region 6 Wealth per Pupil

Statistic	# of People	
	Daily Avg. Attendance	Taxable Value per Pupil
Maximum	44,915	\$3,736,144
Minimum	122	\$145,628
Median	774	\$413,823

Source: Texas Education Agency

Table X: Region 7 Wealth per Pupil

Statistic	# of People	
	Daily Avg. Attendance	Taxable value per pupil
Maximum	31,511	\$2,351,408
Minimum	96	\$92,947
Median	798	\$322,693

Source: Texas Education Agency

Table X: Region 8 Wealth per Pupil

Statistic	# of People	
	Daily Avg. Attendance	Taxable value per pupil
Maximum	8,823	\$812,005
Minimum	94	\$83,881
Median	764	\$258,092

Source: Texas Education Agency

Table X: Region 9 Wealth per Pupil

Statistic	# of People	
	Daily Avg. Attendance	Taxable value per pupil
Maximum	13,410	\$1,131,159
Minimum	72	\$124,077
Median	361	\$318,844

Source: Texas Education Agency

Table X: Region 10 Wealth per Pupil

Statistic	# of People	
	Daily Avg. Attendance	Taxable value per pupil
Maximum	144,347	\$2,032,466
Minimum	137	\$33,200
Median	1,853	\$279,858

Source: Texas Education Agency

Table X: Region 11 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	72,737	\$6,174,984
Minimum	45	\$150,935
Median	1,466	\$451,368

Source: Texas Education Agency

Table X: Region 12 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	35,248	\$3,483,602
Minimum	64	\$91,949
Median	658	\$239,835

Source: Texas Education Agency

Table X: Region 13 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	75,607	\$1,593,585
Minimum	24	\$179,865
Median	1,737	\$473,929

Source: Texas Education Agency

Table X: Region 14 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	15,062	\$4,590,485
Minimum	111	\$128,959
Median	348	\$322,884

Source: Texas Education Agency

Table X: Region 15 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	13,539	\$7,093,985
Minimum	67	\$69,839
Median	320	\$313,559

Source: Texas Education Agency

Table X: Region 16 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	28,083	\$10,187,843
Minimum	24	\$112,400
Median	350	\$430,392

Source: Texas Education Agency

Table X: Region 17 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	25,869	\$5,056,139
Minimum	90	\$100,691
Median	433	\$331,674

Source: Texas Education Agency

Table X: Region 18 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	24,878	\$10,790,330
Minimum	30	\$64,444
Median	482	\$775,397

Source: Texas Education Agency

Table X: Region 19 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	57,491	\$663,097
Minimum	85	\$39,404
Median	2,964	\$196,774

Source: Texas Education Agency

Table X: Region 20 Wealth per Pupil

Statistic	# of People	
	Average Daily Attendance	Taxable Value Per Pupil
Maximum	82,444	\$3,693,041
Minimum	14	\$84,244
Median	1,807	\$243,760

Source: Texas Education Agency

Enrollment

Regions across the State of Texas have different enrollment rates and are demographically different. Not all regions across Texas have the same percent of whites or percent of minorities and economically disadvantaged people. Success in Texas is measured in the passing of the Texas Assessment of Knowledge and Skills (TAKS).

Table X: Region 1 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	48,542	20.5	100.0	97.1	100.0
Minimum	282	0.0	79.5	55.2	69.0
Median	4,484	1.7	98.3	85.8	82.0

Source: Texas Education Agency

Table X: Region 2 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	38,324	87.3	99.0	92.2	100.0
Minimum	38	1.0	12.7	17.7	73.0
Median	1,124	21.9	78.2	61.3	84.0

Source: Texas Education Agency

Table X: Region 3 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	13,551	95.6	87.3	98.9	100.0
Minimum	41	12.7	4.4	14.5	73.0
Median	800	48.3	51.7	53.8	90.0

Source: Texas Education Agency

Table X: Region 4 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	199,524	93.1	99.5	100.0	100.0
Minimum	80	0.5	6.9	6.6	54.0
Median	5,935	44.8	55.2	53.5	87.0

Source: Texas Education Agency

Table X: Region 5 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	19,265	97.8	96.3	83.3	98.0
Minimum	156	3.7	2.2	25.8	68.0
Median	1,455	82.5	17.6	47.2	90.0

Source: Texas Education Agency

Table X: Region 6 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	47,769	95.6	94.7	90.4	100.0
Minimum	131	5.3	4.4	24.7	65.0
Median	820	64.1	36.0	54.1	88.0

Source: Texas Education Agency

Table X: Region 7 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	18,094	99.1	87.7	91.5	100.0
Minimum	109	12.3	0.9	26.1	64.0
Median	866	77.5	22.5	52.3	88.0

Source: Texas Education Agency

Table X: Region 8 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	6,658	98.3	78.2	89.5	100.0
Minimum	92	21.8	1.7	14.1	61.0
Median	831	74.9	25.1	52.9	88.0

Source: Texas Education Agency

Table X: Region 9 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	14,480	98.9	58.3	71.4	100.0
Minimum	81	41.7	1.1	26.1	-1.0
Median	390	79.9	20.1	47.3	91.0

Source: Texas Education Agency

Table X: Region 10 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	157,174	94.3	97.0	86.1	100.0
Minimum	147	3.0	5.7	0.0	69.0
Median	2,004	72.3	27.8	43.0	89.0

Source: Texas Education Agency

Table X: Region 11 Enrollment

Statistic	Enrollment	Percentage			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	79,114	96.9%	92.6%	83.7%	100.0
Minimum	43	7.4%	3.1%	1.6%	61.0
Median	1,688	77.2%	22.9%	40.0%	89.0

Source: Texas Education Agency

Table X: Region 12 Enrollment

Statistic	Enrollment	Percentage			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	38,438	90.8%	87.9%	90.0%	100.0
Minimum	64	12.1%	9.2%	16.6%	69.0
Median	678	73.1%	26.9%	52.1%	90.0

Source: Texas Education Agency

Table X: Region 13 Enrollment

Statistic	Enrollment	Percentage			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	83,033	92.0	94.8	90.0	100.0
Minimum	25	5.2	8.0	0.0	78.0
Median	1,874	57.1	42.9	48.6	89.5

Source: Texas Education Agency

Table X: Region 14 Enrollment

Statistic	Enrollment	Percentage			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	16,372	93.9	66.5	76.0	100.0
Minimum	119	33.5	6.1	13.4	-1.0
Median	380	70.4	29.6	58.7	90.0

Source: Texas Education Agency

Table X: Region 15 Enrollment

Statistic	Enrollment	Percentage			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	14,367	93.9	92.7	80.6	100.0
Minimum	67	7.3	6.1	6.7	43.0
Median	336	63.5	36.5	54.2	86.0

Source: Texas Education Agency

Table X: Region 16 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	30,647	96.0	95.3	87.1	100.0
Minimum	27	4.7	4.0	14.8	-1.0
Median	362	62.4	37.7	51.8	89.0

Source: Texas Education Agency

Table X: Region 17 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	28,112	86.3	82.1	86.7	100.0
Minimum	92	17.9	13.7	18.9	-1.0
Median	409	40.2	59.8	64.1	89.0

Source: Texas Education Agency

Table X: Region 18 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	27,230	78.0	98.4	91.5	100.0
Minimum	33	1.6	22.0	12.1	70.0
Median	559	35.3	64.7	51.3	86.0

Source: Texas Education Agency

Table X: Region 19 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	62,071	26.7	99.7	100.0	95.0
Minimum	90	0.3	73.3	62.3	70.0
Median	3,172	3.7	96.4	83.3	82.5

Source: Texas Education Agency

Table X: Region 20 Enrollment

Statistic	Enrollment	Percent			
		% White	% Minority	% Econ Dis	TAKS Pass Rate
Maximum	88,201	87.5	99.3	92.4	99.0
Minimum	16	0.7	12.5	0.0	62.0
Median	2,242	28.7	71.3	60.4	82.0

Source: Texas Education Agency