



September 18, 2012

To the Eagle Mountain-Saginaw ISD Community,

Since December 2010, I have had the privilege to be your superintendent. As a Fort Worth native, I am honored to serve in a district that is so close to my family's roots. With 17,533 students, a 124 million dollar budget, 25 campuses, 2,123 staff, and 73 square miles, I understand that I, as well as every educator in the district, must be diligent to work toward our mission of fostering a culturing of excellence for every student.

We have both exciting opportunities and great challenges ahead of us. The purpose of this letter is to inform you of the financial and legislative challenges the district faces in the upcoming year.

Overview of State Funding for EM-S ISD

In 2011 during the 82nd legislative session, the Texas legislature made the decision to cut education dollars by 5.4 billion dollars. Governor Perry declined to use the State's Economic Stabilization Fund ("rainy day fund"), which has existed since 1989 to "...prevent or eliminate a temporary cash deficiency in general revenue." Because our legislature did not address the shortfall at the state level, funding was reduced for EM-S ISD by 8.5 million in the 2011-2012 school year and 2.5 million for 2012-2013. In fact, we receive \$371 less for each student in 2012-2013 than we received in the 2005-2006 school year.

If current law is not changed, we will receive no increases in funding for the next four years and according to current law, in the 2017-2018 school year we will lose another 13 million. This decrease is happening at the same time we are projected to gain approximately 500 students per year and the cost of operating our schools continues to rise. While state officials have endeavored to reduce taxes for property owners, this reduction in state funding has required EM-S ISD to make significant budget cuts and ultimately raise the maintenance and operations tax rate by \$.05 in the past two years. Therefore, the actual impact of the state's property tax relief initiative has, in effect, been an increase in taxation for property owners in the great majority of districts across the state.

Increased Demands

This shortfall in funding has come at the same time that the State has revamped its testing program and introduced the State of Texas Assessments of Academic Readiness (STAAR) and 12 high school End-of-Course exams. The new accountability system will be the most challenging we have ever had with increased costs for implementation and compliance for schools and the district.

Unfunded mandates from the State cost the district approximately \$6,800,000 annually to carry out and unfunded mandates from the federal level require an additional \$115,000 each year.

The EM-S ISD Response

To address the 11 million shortfall, we have managed the budget impact by:

- Increasing student:teacher ratios from:
 - 17:1 to 22:1 in grades K-4*
 - 22:1 to 25:1 for 5th grade*
 - 26/27:1 for middle school
 - 27/28:1 in high school

*The state cap without a waiver from the TEA. A waiver allows the district to exceed the class size limit set by the TEA.
- Suspending cost of living allowances for EM-S ISD employees since 2010, even though insurance premiums have increased by 16.07% since 2010.
- Reducing staff by 37 positions through normal resignations and retirements. We were compelled to do this even though our student population has grown by over 800 students in the past two years and we opened Chisholm Trail, our third high school.
- Changing our school hours to allow a move to a three-tier bus system. This change reduces transportation expenses by \$750,000 annually.
- Reducing campus and departmental discretionary budgets by 15%.
- Reducing costs for supplies, electricity, and water.
- Using our fund balance strategically to meet budget shortfalls.
- Raising the maintenance and operations tax rate by \$.05.

To plan for future shortfalls, the district has filed for financial exigency, implemented a budget reduction and enhancement process, and is considering the potential of a TRE (Tax Ratification Election) in September 2013.

What is Coming in the 83rd Legislative Session

Texas lawmakers begin the 83rd legislative session on January 8, 2013 and will create and enact the laws that will affect our state for the next two years. Not only have we been told that there is no relief in sight for school funding but to also expect further cuts. Even with the possibility of additional cuts, one of the big topics of discussion in the upcoming legislative session is school vouchers or “school choice.” With vouchers, the money that would be paid by the state to local public schools is offered to parents in a form of grant or tax credit to offset the cost of educating their child in another school setting. If passed, school choice will reduce public school funding even further. It is not clear whether the State’s accountability and assessment system would be required to be followed by non-public schools. I support parents’ responsibility and right to choose what is best for their individual child, whether that is public, private, parochial, home school, or charter schools. As a superintendent and taxpayer, I simply do not believe it is the responsibility of taxpayers to publicly fund a family’s personal choice through local property taxes.



**From the Texas Education Code
Sec. 4.001. PUBLIC EDUCATION
MISSION AND OBJECTIVES.**

(a) The mission of the public education system of this state is to ensure that all Texas children have access to a quality education that enables them to achieve their potential and fully participate now and in the future in the social, economic, and educational opportunities of our state and nation.

That mission is grounded on the conviction that a general diffusion of knowledge is essential for the welfare of this state and for the preservation of the liberties and rights of citizens.

Supporters of vouchers include important elected officials, including the governor and the new commissioner of education. You will hear those in favor of vouchers say that school choice improves the quality of education by encouraging competition and free enterprise. As a public entity, free enterprise and the economic principles of supply and demand do not apply in the same way they do in private business. We educate all who come regardless of need, background, or previous educational experience. We serve all and do not discriminate. Non-public schools have the ability to refuse service to those students deemed too costly to educate or do not qualify based on their own standards. Can you imagine taking your children to kindergarten for the first time only to be told that all seats are filled, and you must go to a school in a different neighborhood? Or conversely, what if our classes are not full which would necessitate us letting teachers go in the middle of August or moving them to content areas in which they are not highly qualified? Neither of these are good options; we must remain prepared for each child who comes through our doors.

In addition, vouchers provide opportunity for private enterprise to embark into the school business by starting for profit virtual schools. The emphasis on virtual schools allows these entrepreneurs to quickly enter the market without building facilities and major infrastructure. These for profit schools will answer to corporations and investors, rather than the local taxpayer, the parent, or the child. Virtual learning environments are common for adults and can be very effective. However, replacing a student's kindergarten through twelfth grade learning experience with a virtual teacher is not going to provide for a child's optimum success. Bottom line, there are no proven examples of successful statewide voucher programs in the United States.

The Students of EM-S ISD and our Community Need Your Voice

We must continue to expect legislators to value the role of educators, make decisions based upon sound research demonstrating best educational practices, and oppose legislation that would further cut public school funding in the state of Texas; a state that already ranks 49 of 50 in educational spending.

As I mentioned at the beginning of this letter, I grew up just a few minutes from our community on the Northside of Fort Worth. My grandfather worked at Swift Armour for over 30 years. My father was a Fort Worth police officer. My mother was a school and business secretary. Two of my grandparents were employees of Lockheed when it was called the "bomber plant." My family depended on our public schools and they provided opportunities and experiences for me that I would not have had otherwise. My wife and I have two children: Graeson (10) and Emerson (7). As I consider their futures and their needs as students, I am concerned about the direction that our country and our state is heading in regard to a free and appropriate public education for all.

As your superintendent and a parent in this community, I ask for your support of our schools and involvement in influencing a change in regard to public schools in our state. This is the time. The next legislative session will begin soon and we need each one of you.

I request that each of you do three things:

1. Stay informed about school finance and its effects on the EM-S ISD community.
2. Urge our legislators to support our public schools by ensuring the proper financing of our school district.
3. Be involved in the district and the community.

We are a community school district. We serve your children and have high aspirations for their success. This is accomplished through the partnership that exists between the children's parents and guardians and the schools that are committed to their growth. Thank you for your continued support.

Sincerely,

Jim F. Chadwell, Ed.D.
Superintendent
Eagle Mountain-Saginaw ISD

Further Resources on School Finance

Eagle Mountain-Saginaw ISD Finances | www.emsisd.com/finances

Stay up to date on the latest financial information about the District.

Moak Casey | www.moakcasey.com

Moak Casey & Associates are Texas school finance and accountability experts and advise school districts around the state. Visit their website for the latest in legislative updates as well as school finance publications.

Texas Tribune | www.texastribune.org

The Texas Tribune is a nonpartisan, nonprofit media organization that promotes civic engagement and discourse on public policy, politics, government, and other matters of statewide concern.

Texas Education Agency | www.tea.state.tx.us

Click on Funding in the column on the left on the TEA homepage.

Who Represents Me | www.fyi.legis.state.tx.us

Who Represents Me provides information about current districts and members of the Texas Senate, Texas House of Representatives, the Texas delegation to the U.S. Senate and House of Representatives, and the State Board of Education.

