



Testimony on Senate Bill 1506

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This bill would allow certain students in certain public school districts to transfer out of a public school into either another public school in the same district, into another district, or into a private school. The Texas School Alliance, composed of 29 of the state's largest school districts comprising roughly one-third of the state's students is strongly opposed to this legislation.

SB 1506 creates an entitlement for qualifying students to attend any public or private campus they choose. This will create tremendous planning difficulties for public school districts. School districts have no ability in the bill to turn students away from a particular campus or district due to facilities or staffing constraints. Currently, Cypress Fairbanks has 32 schools that are over capacity, with 248 portable buildings serving as classrooms this year to accommodate enrollment growth. One consequence of adding portable buildings to crowded facilities is a strain on infrastructure. For example, the district begins serving lunches at 10:30 in the morning and finishes at 1:15, parking lots are overcrowded, and students participating in the school breakfast program eat in classrooms since cafeterias lack capacity. Additionally, adding staff mid-year can be difficult as teachers are harder to find at that time. This leaves the important question of what impact this entitlement will have on children on existing campuses that may become over-crowded or more crowded as children move in.

SB 1506 claims to promote competition but does not provide a level playing field. Public schools will have to comply with a host of state and federal regulations including regulations related to how they can discipline students, the curriculum they must teach, the number of students in a classroom, information that must be gathered and reported to TEA, and testing and accountability requirements. If these regulations are not good for schools, why do we subject public schools to them?

SB 1506 allows students out of state promotion and graduation requirements. Texas has been in the process of beefing up expectations for students through promotion and graduation requirements. No student is currently allowed to graduate from a Texas public high school without passing all sections of the Texas Assessment of Knowledge and Skills. This bill erodes that commitment by allowing students to transfer out of a public school at taxpayer expense in order to graduate under an alternative plan without having to meet these requirements. If we don't think that all students should have to pass these examinations, then why are we requiring it of public school students?

SB 1506 allows private schools to take public money without public accountability. Texas has invested significant time and resources in creating a state accountability system. Although this bill requires private schools to administer an assessment, there is no mechanism for providing information to the public regarding aggregate student performance (aggregate performance is provided to the Comptroller, but there is no requirement for that data to be published by campus) and there are no sanctions for poor performance. Although a particular parent may have an idea of what is occurring on a campus, how does performance information get back to the person who does not have children in public schools but is still required to pay taxes?

Although SB 1506 appears to be directed at low-income students, it will likely discriminate against poor children. The combination of a relatively high income standard (a family of five can qualify for participation with an income of \$89,282) and the ability of families to supplement tuition means that some students will have opportunities to attend very expensive private schools with state supplement while others will not be able to afford to do so. The available private school will very much depend on the family's available income and ability to supplement tuition.

Technical Issues

The districts selected for the program are not selected on the basis of the quality of services provided but size and student income. Currently, the largest districts in counties with populations greater than 750,000 are Austin, Dallas, Fort Worth, Houston and San Antonio. However, Northside ISD (rated as a recognized school district in 2006-07) is likely to have more than 50 percent of its student body qualify as economically disadvantaged either this year or next and will also qualify.

The standard of participation for the child is keyed off of a relatively high income level. To qualify for participation, a child must reside in an eligible district, have a household income that does not exceed 200 percent of the standard for participation in the federal free and reduced-price lunch program, and meet one other qualification including starting school in this state for the first time or having attended a public school for the majority of the preceding semester. Additionally, once a child qualifies for participation, they continue to qualify until they graduate or turn 21.

The income qualifications outlined in the bill translate into the following annual income levels for families of various sizes.

Household Size	Reduced Lunch Income	Qualifying Income
2	\$25,327	\$50,654
3	\$31,765	\$63,530
4	\$38,203	\$76,406
5	\$44,641	\$89,282
6	\$51,079	\$102,158
7	\$57,517	\$115,034
8	\$63,955	\$127,910

Consequently, a student can move into an eligible district to establish qualification for the program and then move out of that district and continue to qualify. Additionally, if they meet the income test in one year due to a particular circumstance (maybe one parent elects to forgo income for a given year) they will continue to qualify even if their income increases substantially in the next year.

The cost of the voucher program may exceed the state foundation school program cost.

The bill funds the private school on the basis of the lesser of total operating expenditures in the prior year as reported by AEIS or the cost of private school services, not on the basis of what the state would save if the student were not attending his/her resident district. Currently, the most recent AEIS reports are for the 2005-06 school year and indicate expenditures for the 2004-05 school year. The report provides revenue for all funds and for the general fund. In neither case is this the same as the amount of revenue that the state will save if a student elects to attend a private school and is no longer counted in average daily attendance. Consequently, the state may face a higher cost for students transferring out of the public schools. Take, for example, the Edgewood Independent School District.

According to the 2005-06 AEIS report (the most recent available), the district's total per student operating expenditures for 2004-05 were \$8,541. 90 percent of this amount would go to the private

school (unless the private school cost were lower) and 10 percent would go to the eligible district. On the other hand, the district received \$6,166 in state and local FSP-related revenue one year later according to the most recent summary of finance for 2005-06 (local taxes plus state aid excluding IFA and EDA). The difference results mainly from the impact of federal funds—Edgewood ISD received \$1700 per student in federal funds in 2004-05. If the bill were amended to include only general fund per student operating funds, the two amounts get closer, but are still not equal. General fund operating expenditures are still higher--\$7,090 per student. Operating expenditures include revenue from a number of sources not accounted for in the foundation school program including penalty and interest on delinquent taxes, spending from fund balance, spending from foundation support, etc.

If the participating student happens to participate in special education or bilingual education, the price gets higher. This is because base funding is computed from the average funding for all students (which includes the average cost of special education and bilingual education) and then the bill calls for an add on for the cost of these programs.

The Accountability Provisions are Lacking

The bill calls on any receiving private school to administer appropriate state assessments or a nationally norm-referenced assessment approved by the comptroller. It then calls for the evaluation of the program. However, since the private and public schools may not be administering the same assessment, and comparative analysis will be difficult.

The state of Texas has invested millions of dollars and more than a decade implementing a comprehensive accountability system predicated on the notion that parents and taxpayers alike deserve information regarding school performance. This system provides school report-cards with information on student performance, overall spending and revenues, and staff experience and education. No similar system for private schools is included in this bill. It requires the administering of assessments, but a parent is only entitled to his/her own child's assessment results. Aggregated results are provided to the comptroller and to researchers, but this legislation does not provide for sharing information regarding aggregated assessments by campus to the general public. If vouchers are predicated on the notion that parents will make good choices for their children, don't they need this kind of information on which to base these choices? Don't taxpayers who may not have children in the school system also deserve information on the use of their tax dollars? If we don't think this kind of information is necessary, why must public schools comply with state and federal accountability requirements?

Lastly, although the bill provides for the evaluation of the program, it does not provide for the termination of the program if results are not positive. Nor does it provide for sanctioning or closing individual campuses that are not performing well.