

# TARS/MIDSIZE CONFERENCE

SAN ANTONIO DEC 9-11,2005



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A LEGISLATIVE AGENDA



# THE 300 SQUARE MILE PENALTY

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- HB 1126, 1975 SESSION, DETERMINED SMALL BY CHOICE TO BE LESS(<) THAN 300 SQUARE MILES IN THE DISTRICT. THUS:
- $AA = 1 + ((1600 - ADA) \times .00025) \times ABA$
- $AA = 1 + ((1600 - 800) \times .00025) \times \$4600$
- $AA = 1 + (800 \times .00025) \times \$4600$
- $AA = 1 + .20 \times \$4600$
- $AA = 1.20 \times \$4600$
- $AA = \$5520$



THAT WAS FOR A DISTRICT LESS THAN 300 SQ MILES NOW LET'S  
LOOK AT A DISTRICT MORE THAN 300 SQ MILES

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- $AA = 1 + ((1600 - ADA) \times .0004) \times ABA$
- $AA = 1 + ((1600 - 800) \times .0004) \times \$4600$
- $AA = 1 + (800 \times .0004) \times \$4600$
- $AA = 1 + .32000 \times \$4600$
- $AA = 1.32 \times \$4600$
- $AA = \$6072$
  
- MORE THAN 300 SQ MILES = \$6072 PER ADA  
LESS THAN 300 SQ MILES = \$5520 PER ADA
- A DIFFERENCE OF \$552 PER ADA
- SIGNIFICANT ? YES ! EXCESSIVE ? LET'S SEE...



# THE CONFERENCE COMMITTEE ON SCHOOL FINANCE WAS TOLD THAT THE 300 SQ MILE GAP WOULD BE A 60% INCREASE...EXCESSIVE!

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- $$\begin{array}{r} .00040 \\ \underline{.00025} \\ .00015 \end{array} \quad \text{OR} \quad \begin{array}{r} 40 \\ \underline{-25} \\ 15 \end{array} \quad \text{SO} \quad 15/25 = .60$$

- WHY THAT'S A 60% INCREASE ! EXCESSIVE!
- NOW LET'S LOOK AT IT ANOTHER WAY



## LET'S SEE WHAT IT IS IN REAL DOLLARS

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- REMEMBER OUR FORMULA FINDINGS

> 300 SQ MILES IN DISTRICT = \$ 6072

< 300 SQ MILES IN DISTRICT = \$ 5520

A DIFFERENCE OF \$ 552

- $\$552 / \$5520 = .10$  OR 10%

- HOW ABOUT A 10% INCREASE! EXCESSIVE ?

- LET'S SEE ...



# 10% EXCESSIVE ???

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- YOU MAY RECALL THAT DURING THE LAST REGULAR AND SPECIAL SESSIONS, BOTH THE HOUSE AND SENATE VERSIONS OF A SCHOOL FINANCE PACKAGE HAD A GUARANTEED PHASE IN OF UP TO 8%,16%, AND 24% INCREASE FOR SOME DISTRICTS.
- HOW THEN CAN 10% BE EXCESSIVE FOR SOME, BUT 24% IS FAIR FOR OTHERS ?

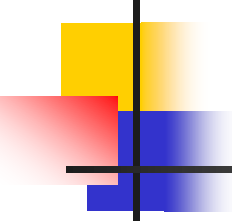
# TARS AGENDA ITEM NO. 2

## FULL ADA VS REGULAR ADA IN THE SMALL AND MID SIZE ADJUSTMENTS



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- IN CURRENT LAW REGULAR ADA IS DEFINED IN CHAPTER 42.101.  
“For each student in average daily attendance, not including the time students spend each day in special education programs in an arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment of....”
- In Chapter 42.103. Small and Mid-Sized District Adjustment.  
“ADA is the number of students in average daily attendance...under Section 42.101....”



Let's see the effect of Full vs Regular ADA using one of our previous formula examples using 900 as Full and 800 as Regular ADA

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FORMULA YIELD AT FULL ADA

$$AA = 1 + ((1600 - 900) * .0004) * \$4600$$

$$AA = 1 + (700 * .0004) * \$4600$$

$$AA = 1 + .28000 * \$4600$$

$$AA = 1.28 * \$4600$$

$$AA = \$5888$$

NOW WE USE REGULAR ADA OF 800

$$AA = 1 + ((1600 - 800) * .0004) * \$4600$$

$$AA = 1 + (800 * .0004) * \$4600$$

$$AA = 1 + .32000 * \$4600$$

$$AA = 1.32 * \$4600$$

$$AA = \$6072$$





# RESULT OF USING FULL INSTEAD OF REGULAR ADA

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REGULAR ADA PRODUCED AN ALLOTMENT OF \$ 6072

FULL ADA ONLY PRODUCED AN ALLOTMENT OF \$ 5888

A DIFFERENCE OF \$ 184

THIS DIFFERENCE BECOMES EVEN MORE SIGNIFICANT WHEN  
YOU APPLY IT TO ALL OF YOUR SPECIAL STUDENT PROGRAMS  
THAT ARE ALL WEIGHTED.



## A FINAL LOOK AT THE SMALL AND MID-SIZE ADJUSTMENT AS APPLIED IN THE HOUSE VERSION

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- IN CURRENT LAW THE ADJUSTMENTS ARE  
COMPOUNDED :

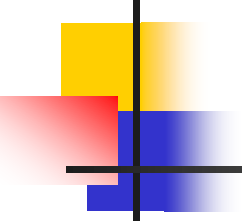
$$AA = 1 + ((1600 - ADA) * .0004) * ABA$$

- IN MOST OF THE HOUSE VERSIONS THEY WERE  
ADDED :

$$AA = 1 + (((1600 - ADA) * .0004) * BA) + ABA$$

- I NOTED AT THE TIME THAT I KNEW THE  
DIFFERENCE BETWEEN 4x4 AND 4+4

# TARS AGENDA NO. 3: BANDING THE NEW CEI



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As everyone knows by now the new CEI, based on the “Teacher Fixed Effects”, was a loser for small and mid-sized schools. Through the efforts of Senator Duncan of Lubbock we were helped in two ways:

- 1) There was a grandfather clause, whereby a district could not be assigned a new CEI less than current, and;
- 2) The difference between the highest and lowest CEI in the new application could not be greater within regional boundaries than existed before.



## TARS AGENDA NO. 4: TRANSPORTATION

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- 1.50 PER ROUTE MILE VS. \$.44 IS A SIGNIFICANT DIFFERENCE FOR OUR SMALLEST DISTRICTS
- EVEN \$ MOST OF THE MIDSIZE DISTRICTS ARE NOT CURRENTLY BEING REIMBURSED AT A SIGNIFICANTLY HIGHER RATE