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A HISTORY OF THE TEXAS EDUCATION AGENCY INSTRUCTIONAL FACILITIES
ALLOTMENT (IFA) PROGRAM IN HIDALGO COUNTY SCHOOL DISTRICTS
LOCATED IN THE TEXAS RIO GRANDE VALLEY FROM 1997 TO 2007

A Dissertation

by

MICHAEL J. SANDROUSSI

Submitted to the Graduate School of the
University of Texas-Pan American
In partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

May 2012

Major Subject: Educational Leadership

A HISTORY OF THE TEXAS EDUCATION AGENCY INSTRUCTIONAL FACILITIES
ALLOTMENT (IFA) PROGRAM IN HIDALGO COUNTY SCHOOL DISTRICTS
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Michael J. Sandroussi

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May 2012

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ABSTRACT

Sandroussi, Michael J., A History Of The Texas Education Agency Instructional Facilities Allotment (IFA) Program In Hidalgo County School Districts Located In The Texas Rio Grande Valley From 1997 To 2007. Doctor of Education (Ed.D.), May, 2012, 173 pp., 2 figures, 18 tables, 58 titles, 10 appendices.

This study examines the implementation of the Texas Education Agency (TEA) Instructional Facility Allotment (IFA) Program in the Rio Grande Valley (RGV) through documentation chronicling Hidalgo County school districts from 1997 through 2007 that secured IFA & EDA monies to build new facilities. Participants in this study included Hidalgo County school districts, three school architects, ten Hidalgo County school district superintendents and one Texas state senator.

The fifteen school district superintendents were asked to complete an Instructional Facility Allotment (IFA) and Existing Debt Allotment (EDA) survey. The three architects, ten superintendents and state senator were interviewed in order to provide school facility conditions before and after the implementation of the IFA program. Based on the superintendent interviews four emerging themes were documented. Ex post facto data from the Texas Education Agency (TEA) Academic Excellence Indicator System (AEIS) website was reported in order to address the IFA program components. Collectively this information was compiled and analyzed to produce research findings.

This research study discovered IFA program facts, figures and statistical data. The data reflected that the IFA program influenced Hidalgo County school districts to conduct facility bond elections and the local effort versus the state effort neutralized the state's adequacy and equity issues when building new school facilities in Hidalgo County between 1997 and 2007.

DEDICATION

Writing a dissertation requires a great amount of effort and time away from one's family and friends. It also requires dedication and unselfish understanding from loved ones. The completion of my doctoral studies would not have been possible without the grace of God and the love and support of my family. My wife and immediate family gave me the strength and encouragement to complete this study.

I dedicate this dissertation to my parents and grandparents who always believed that I was destined to do great things in this world. Thank you John Kazhia Sandroussi, Maria Socorro Sandroussi, Santos Salinas, Guadalupe Salinas (Nana), Jahra Sandroussi and Kazhia Sandroussi for everything you did. I am truly grateful to all of you for teaching me honesty, integrity and a strong work ethic. These core values helped me to be successful in the world of public education, industry and my future desire to pursue a public office.

ACKNOWLEDGEMENTS

I will always be grateful to my committee co-chairs, Dr. Martha Tevis and Dr. Anita Pankake and committee members Dr. Miguel De Los Santos and Dr. Jerry Lowe. Thank you for encouraging me through this process and never giving up on me.

I would like to thank my wife and kids for giving me the opportunity to complete this study. There were many times we attended out of town school events and my wife would always drive when I was reading or doing research on the way to the school related activity. I will never forget the bumpy roads that she literally went through to get us to our destination, I love you Charlene!

I am grateful to all of the school board members who gave me an opportunity to serve children in the capacity of teacher, coach, principal and superintendent. Without their unyielding support I would not have been successful in helping students attain their goals. A special thanks to: Orange Grove ISD, Skidmore-Tynan ISD, Calallen ISD, Edcouch-Elsa ISD and West Oso ISD. An educator can only do his job when allowed to do so, thank you for allowing me to do my job.

Finally the support that I received from family members, friends, teachers, and mentors has inspired me to continue to help individuals meet their goals in life. An education whether it is attained at the college level or a post-secondary setting will affect the quality of life for individuals in this world. My life is dedicated to helping people attain some type of education in order to improve their quality of life and become productive citizens in their communities. My

Uncle, Core-Bishop John Trad, once told me, “The existence of our people depends on the quality of education that they attain”. I was twelve years old when I heard this and have never forgotten his words.

I would especially like to thanks Dr. Andres (Andy) Martinez for helping me get through the tough times when I was superintendent in the Rio Grande Valley. With his support and encouragement I was able to complete my dissertation. Thank you Dr. Martinez!

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CHAPTER I

INTRODUCTION

After 15 years and three major court cases challenging the Texas Public School Finance System, the Texas Supreme Court declared an efficient system of education requires not only classroom instruction but also suitable classrooms where that instruction is to take place.¹ Known as Edgewood III, (*Edgewood Independent School District v. State of Texas*, Texas Commissioner of Education Lionel “Skip” Meno 917), the majority opinion of the court included the following passage:

We acknowledge, and the State concedes, that if the cost of providing a general diffusion of knowledge rises to the point that a district cannot meet its operations and facility needs within the equalized program, the State will, at the time, have abdicated its constitutional duty to provide an efficient system. From the evidence, it appears that this point is near.²

A dissenting opinion strongly criticized the state’s lack of equitable financing for school facilities. Justice Rose Spector wrote:

The unfairness of this [school finance] system has exacerbated Senate Bill 7’s failure to include any provisions for facilities...This is not a significant problem for the wealthiest districts, since they are able to generate sufficient additional funds from their own tax bases by levying debt taxes. Poor school districts, however, are able to generate only a small fraction of those amounts. Poor districts are thus forced to choose between funding current operations and funding capital expenditures.³

¹ *Edgewood Independent School District v. Meno 917* (Texas S.W. 2d 717, 1995).

² *Ibid.*

³ *Ibid.*

Edgewood III is a very important part of Texas school history because the courts deemed the Texas school finance system constitutional except for the funding of facilities. During this period the court issued an injunction that prohibited school districts from issuing bonds after September 1, 1995 unless the legislature addressed the facilities issue during its 1995 session.⁴ Although legislators considered implementing the facilities program currently in use, in 1995, they instead provided funding for a grant program that offered cash for school construction projects. The \$170 million appropriated for the grant program fell short of the \$2 to \$3 billion needed.⁵ To address inequities in facilities funding, the Edgewood plaintiffs were ready to move forward and file another lawsuit, but the legislators responded by enacting the Instructional Facilities Allotment program effective September 1, 1997.⁶

School litigation in the state of Texas has predominately focused on equity versus adequacy. The issue of equity has taken a back seat to the topic of finance adequacy in the State of Texas.⁷ “Adequacy” refers to the need for just enough funding to allow students to achieve.⁸ “Equity”, or an equitable system, means that all communities whether rich or poor, are taxed at a similar rate and have equal access to similar amounts of revenue per student.⁹ Adequacy and equity have been and are still contentious topics for school districts in Texas and elsewhere in the nation. This study focuses on equitable facility funding issues, not adequate facility funding. The Texas Rio Grande Valley (RGV) has been deeply involved in this controversial issue for many years. Although the battle continues, the Texas Education Agency Instructional Facilities

⁴ Ibid.

⁵ Texas Education Agency [TEA], “Texas Instructional Facilities Allotment Program Description.” <http://www.tea.state.tx.us/index2.aspx?id=5515> (accessed October 30, 2010).

⁶ Ibid.

⁷ Intercultural Development Research Association [IDRA], “Equity vs. Adequacy.” http://www.idra.org/Education_Policy.htm/Fair_Funding_for_the_Common_Good/Equity_vs_Adequacy/ (accessed April 27, 2011).

⁸ Coalition to Invest in Texas Schools, “School Funding 101: A Brief History of School Funding in Texas 2004.” <http://www.investintexaschools.org/schoolfunding/history.php> (accessed November 12, 2010).

⁹ Intercultural Development Research Association. “Equity vs. Adequacy.”

Allotment (IFA) addressed one facet of the issue by making available *equitable* school funding for school building construction to all school districts in the state.

IFA provided assistance to school districts in making debt service payments on qualifying bonds or lease-purchase agreements for the construction of new schools. IFA guidelines demand that bond or lease-purchase proceeds be used for the construction or renovation of instructional facilities. The IFA program has provided significant property tax relief for property-poor school districts like those in the Rio Grande Valley (RGV) through increased state exemptions for funding school facilities in the State of Texas.¹⁰ This funding source has assisted many school districts in the RGV by providing equitable and quality educational facilities. This initiative has also slowly brought into existence *state of the art school* facilities by providing a funding source used to build new classrooms, libraries, cafeterias, gymnasiums, athletic complexes, fine arts buildings and improve technology throughout the school districts in Texas, including the Rio Grande Valley. The availability of IFA funding has allowed school districts to upgrade school facilities in order to produce a productive and safe learning environment. This purpose is in contrast to some school facility literature in which the rationale for repairing and building school buildings is to protect the local government's capital investment, not to protect students or to provide an environment for optimum learning.¹¹

There are seven economically depressed counties in the RGV area and a high level of economically disadvantaged students and property poor school districts.¹² Together Cameron, Hidalgo, Jim Hogg, Starr, Web, Willacy and Zapata counties make up the Rio Grande Valley.

¹⁰ Texas Education Agency. "Texas Instructional Facilities Allotment Program."

¹¹ Linda M. Frazier, "Deteriorating School Facilities and Student Learning," *Eric Digest*, May 1993, 2. <http://www.ericdigests.org/1993/school.htm> (accessed April 6, 2011).

¹² Educational Service Center Region One. "Region One ESC Profile." http://www.esc1.net/129310814135137920/lib/129310814135137920/Region_One_Demographic_Profile-October_2009.pdf (accessed October 30, 2010).

Before IFA funding, school districts throughout the state depended on local funds to build school facilities. Texas school districts had few options for meeting local facility needs and very little state money had ever been directed toward facility funding, plus legislators had been reluctant to make long-term commitments. However, substantial documented needs and the continuing threats of litigation inspired lawmakers to enact two facility grant programs in the early 1990's, the Emergency Grant (1991) and the School Facilities Assistant Grant (1995).¹³ These programs came before IFA was implemented. In 1991 the Emergency Grant provided \$50 million of state funds intended to address emergency needs identified by a school inventory; this was considerably less than the \$2.25 billion in needs identified in a survey submitted by the Texas Bond Review in March 1991. Nevertheless, the Texas Legislature distributed the emergency grant funds in 1992 to 131 districts through a formula based on wealth, growth, and tax effort. In 1995 the School Facilities Assistant Grant provided a \$170 million in grants to provide much needed assistance to 276 districts through a formula based on tax effort and wealth.¹⁴

Statement of the Problem

The IFA facilities funding mechanism in the state allows school districts to enter into bonded indebtedness for construction and certain types of capital outlay projects. "Capital outlay refers to funds that are intended for purchasing land and /or buildings, repairing or developing architectural structures, and installing various mechanisms such as electricity, and gas."¹⁵ Under this program, local school districts are allowed to levy voter approved tax rates for debt service. IFA formula funding for schools is based on the school district's student enrollment (Average Daily Attendance), level of need and property wealth per student. The state assists school

¹³ Lisa Dawn, "Financing Public School Facilities in Texas: A Case Study," *Eric Digest*, October 1999, 7. <http://www.eric.ed.gov/PDFS/ED435166.pdf> (accessed October 30, 2010).

¹⁴ Ibid.

¹⁵ Glossary of Education. "Capital Outlay." <http://www.education.com/definition/capital-outlay/> (accessed April 5, 2011).

districts by generating funding based on the IFA formula. This joint effort between the local school districts and the Texas Education Agency secures funding to repay the school district's bonded indebtedness.¹⁶

The property wealth of school districts and educational opportunities for students continue to be controversial topics for state legislators in the RGV, Texas, and elsewhere in the nation. Rapidly increasing student enrollment, state mandated curricula, high stakes testing, and technology demands have all helped to create a continued need for RGV schools to improve facilities for students and staff members. The amount of IFA facilities funding that the RGV received from 1990 through 2007 is not documented and research or data collection that reflects the building improvements that occurred in the RGV, specifically in Hidalgo County school districts, did not exist prior to this study. The Region I Educational Service Center (ESC I), Texas Education Agency and other educational entities have not produced adequate documentation in order to measure the influence of the IFA program on Hidalgo County school bond issues.

Baseline data does not exist to allow a determination regarding whether or not the IFA program neutralized the state's equity issue when building new facilities in Hidalgo County school districts. The lack of data limited the disclosure of the impact and leverage that IFA monies produced in financing bonds in Hidalgo County and the local effort and the state's effort in paying the bonds. IFA research in the Rio Grande Valley currently does not exist. This research study produced a document that reflects the history of school building construction in the RGV.

¹⁶ Texas Education Agency [TEA], "Texas Instructional Facilities Allotment Program Description." <http://www.tea.state.tx.us/index2.aspx?id=5515> (accessed October 30, 2010).

This study was developed to provide evidence that IFA funding existed and documented school building construction in RGV school districts during the IFA funding period. Without IFA funding many school districts in the state and specifically Hidalgo County might not have been able to build new instructional facilities.

Purpose of the Study

The purpose of this study is to provide evidence of IFA facility construction in the Rio Grande Valley through documentation chronicling Hidalgo County school districts from 1997 through 2007 that secured IFA monies to build new facilities. This study examined the history of the Texas Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) program funding sources in the Rio Grande Valley school districts by describing school bond issues, school district construction and renovations, school district finances, levying of local taxes, and local effort versus state effort in the implementation of the IFA and EDA programs. The IFA program started in 1997 and funding continued through June 2007.¹⁷

The study investigated the following school district data from 1994-1995 through 2009-2010: student enrollment, district appraisal values, and per student values. This information is utilized in the IFA formula. These time periods were selected in order to explore data three years before the IFA program was initiated and three years after the school districts received IFA monies in 2007. The three-year period, before and after IFA implementation, allowed the researcher to examine fifteen years of data in Hidalgo County school districts that received facilities funding. The data reflects the variables affected by school building construction in school districts in the RGV.

This historical study contains data derived from a review of literature, the Texas Education Agency and state IFA documents, Hidalgo County school district IFA surveys,

¹⁷ Texas Education Agency. "Texas Instructional Facilities Allotment Program."

interviews with RGV school district architects some of whom started building schools in the early 1950's, and interviews with Hidalgo County school district superintendents leading before IFA and those seated during and after the implementation of IFA. An interview with a current Texas state senator from the RGV is also included because this individual was instrumental in passing the IFA legislation.

Research Questions

The following research questions guided this study:

1. How did the Instructional Facilities Allotment (IFA) Program in Texas influence Hidalgo County School Districts to conduct Facility Bond Elections between 1997 and 2007?
2. Did the Instructional Facilities Allotment (IFA) Program in Texas neutralize the state's adequacy and equity issues when building new school facilities in Hidalgo County School Districts between 1997 and 2007? (Local Effort versus State Effort)

Significance of the Study

This study offers a clearer understanding of IFA funding in the Rio Grande Valley. It provides a written record of facilities built with IFA funding in the RGV. The study brings to light the impact of the Texas Education Agency Instructional Facility Allotment for the RGV school districts by establishing a baseline for upcoming facilities funding mechanisms at the local and state levels. The analysis and conclusions of the study provide insight for decision makers at the legislative and administrative levels of school governance to help determine forthcoming facilities funding for property poor school districts generally in the state and specifically in the Rio Grande Valley. With the hundreds of millions of dollars spent, it is important to know if the original intent of the financial allocation was achieved in the fifteen Hidalgo County School Districts.

While facility needs still exist, the state is currently decreasing, rather than increasing funding. The state's level of assistance related to the guaranteed yield for the instructional facilities program has not changed since 1999, while school district property valuations and appraisal values have increased. As a result, fewer school districts are eligible to receive state program aid for qualified projects, and fewer students benefit from state assistance.¹⁸

Information reported in this study will facilitate the development of important documents to be used by legislators and lawmakers in making a case for keeping IFA funding in the budget items for education. Even though facilities funding is only one component of the overall state finance mechanism, it occupies a fundamental place in the state's effort to provide *equitable* school facilities for all students in the state of Texas.

Definition of Terms

For the purpose of this study the following definitions will be utilized:

Ad Valorem: Latin for “according to value.” This is a method of taxation that uses the value of the taxable item to determine the amount of tax. All school districts levying a property tax are levying what is called an “ad valorem” tax.¹⁹

Adequacy or “Adequate” School Funding: When talking about school finances in Texas, adequacy means the amount of money schools would need to meet minimum, or “adequate”, state education requirements, with adequate needing to be defined by the state. Currently the state cannot agree on what standard of academic achievement constitutes an “adequate” education, much less the amount of money it would take to achieve such a level.²⁰

¹⁸ Texas Legislative Budget Board Report. *Texas State Government Effectiveness and Efficiency*, 484. (Austin, TX: Legislative Budget Board, 2009).

¹⁹ David Webb, *A Brief History of Texas School Finance: Litigation, Legislation and Other Engrossing Events from Civil War to the Present* (Pasadena, TX: Drake Printing Press, 2005), 149.

²⁰ Ibid.

Average Daily Attendance (ADA): The average number of students that are at school on a normal school day. Schools calculate this number by dividing the total number of students who attend school each day of the school year by the number of instructional days in the school year. ADA is very important for school funding purposes.²¹

Capital Outlay: “Capital outlay are funds that are intended for purchasing land and /or buildings, repairing or developing architectural structures, and installing various mechanisms such as electricity, and gas. Capital outlay is a necessary allocation of funds to ensure that students study in a safe, secure, classroom environment. In particular, as student enrollment grows over time, it will become very important to have capital outlay available to build additional schools.”²²

Edgewood Litigation: A series of lawsuits that challenged the funding inequities in the Texas school finance system. The cases are known as Edgewood I (1989), Edgewood II (1991), Edgewood III (1992) and Edgewood IV (1995). The Edgewood litigation is the most significant litigation over school funding in the state’s history. It has spawned increases in funding to tax-poor school districts and the “Robin Hood” plan that requires tax-wealthy districts to shed excess tax revenue.²³

Equity or “Equitable” School Funding: When discussing school finances in Texas, equity means requiring substantially equal access to similar revenue per student at similar levels of tax effort. Equity is defined as “equal treatment of equals” or ensuring that schools are provided equitable amounts of money to educate students, including taking into account that students with different needs require differing levels of funding to address those needs.²⁴

²¹ Ibid., 150.

²² Glossary of Education. “Capital Outlay.”

²³ Webb, 154.

²⁴ Ibid., 155.

Existing Debt Allotment (EDA): A state assistance bond debt program for school districts that is paid through local debt service taxes.²⁵ The program was created to provide additional assistance to school districts for debt that was issued before the Instructional Facilities Program was implemented.

Facilities Funding: Variable amounts of state money allocated to eligible school districts for school construction and related expenses. The state legislature sets the amount of these funds. Facilities funding includes the Existing Debt Allotment (EDA) and the New Instructional Facilities Allotment (NIFA) and the Instructional Facilities Allotment (IFA).²⁶

Instructional Facilities Allotment (IFA): Major state legislative reform that assists property poor school districts in Texas to build or renovate school district facilities. “The IFA program was authorized in House Bill 4 by the 75th Legislature in the spring of 1997 and became effective September 1, 1997. The IFA program provides funding to school districts that assists with debt service, payments on qualifying bonds and lease-purchase agreements.”²⁷

Local Enrichment: Local enrichment refers to extra money raised by school districts beyond the minimum funding provided by the state system. Unequal local enrichment has been considered the weakness and monumental flaw of the Texas system of school finance.²⁸

Local Property Tax Effort (Local Share): Each school district is required to pay a portion of the cost of local education based on the value of taxable property in the district. That share is determined by the State of Texas.²⁹

²⁵ Texas Legislative Council Report. *State Roles in Financing Public School Facilities* (Austin, TX: Texas Legislative Council, 2006), 102.

²⁶ Webb, 155.

²⁷ Texas Education Agency. “Texas Instructional Facilities Allotment Program.”

²⁸ Webb, 157.

²⁹ Ibid.

Permanent School Fund: A special collection of state funding and land set aside that has been used since the mid – 1800’s to support public education in Texas.³⁰

Property Poor (Tax Poor) Districts: Districts that cannot raise enough taxable revenue to provide even a minimum education without state funding. Generally these districts have a property value of less than \$280,000 per Weighted Average Daily Attendance (WADA). These districts are often referred to as “Chapter 42” school districts.³¹ A low wealth district or property poor district is one that has a wealth per weighted student below the equalized level.

Property Rich (Tax Rich) School Districts: School districts that exceed an equalized wealth level of approximately \$350,000 in property value per student in weighted average attendance. These districts are referred to as high wealth or “Chapter 41” school districts.³² In 1993-1994 through 1998-1999 the equalized wealth level was \$280,000, 1999-2000 through 2000-2001 the equalized wealth was \$295,000, 2001-2002 the equalized wealth level was \$300,000, 2002-2003 through 2005-2006 the equalized wealth level was \$305,000 and in 2006-2007 the equalized wealth was \$319,500.³³ A low wealth district or property poor district is one that has a wealth per weighted student below the equalized level.

Property Tax: The property tax is an ad valorem tax. Schools charge and collect property taxes (as do cities, counties, and other taxing districts). School taxes typically have two components: Maintenance & Operation Tax Rate (M&O) to pay for operational costs and the Interest & Sinking Tax Rate (I&S) or debt service tax to pay for issued debt in relation to building facilities.³⁴

³⁰ Ibid, 158.

³¹ Ibid.

³² Ibid.

³³ Texas Education Agency. “Manual for Districts Subject to Wealth Equalization (Chapter 41) 2005-2006.” <http://www.tea.state.tx.us/index2.aspx?id=6815&menuid=645&menuid2=789> (accessed October 30, 2010).

³⁴ Webb, 158

Rio Grande Valley (RGV): The Rio Grande Valley (RGV) or the Lower Rio Grande Valley, informally called “The Valley”, is an area located in the southernmost tip of South Texas. It lies along the northern bank of the Rio Grande River, which separates Mexico from the United States. This region is made up of four counties: Starr, Hidalgo, Willacy, and Cameron.³⁵

School Bond Issue: A bond issued by a public school district to finance a building project or other capital projects. In Texas most school bond issues are for new facilities, site acquisition, improving current facilities, and all equipment costs related to construction.³⁶

State Funding Effort (State - Local Share): The state funding system of Texas is based on the idea that education can be jointly paid for by the state and local school systems. The *local* share is based on the ability of a local community to pay for its public schools. Some communities are well off with high value homes, businesses and oil or minerals; other communities have smaller homes and businesses. The *state* share is the *difference* between the cost of educating children in a district and the local share that the state requires schools to pay.³⁷

Texas Education Agency (TEA): The Texas Education Agency provides leadership, guidance, and resources to help schools meet the educational needs of all students. Located in Austin, Texas, TEA is the administrative unit for primary and secondary public education. Under the leadership of the commissioner of education, the agency manages the textbook adoption process, oversees development of the statewide curriculum, administers the statewide assessment program, administers a data collection system on public school students, staff and finances, rates school districts under the statewide accountability system, operates research and

³⁵ Wikipedia, s.v. “Rio Grande Valley.” http://en.wikipedia.org/wiki/Rio_Grande_Valley. (accessed April 24, 2010).

³⁶ Ballotpedia, s.v. “School Bond and Tax Elections in Texas.” http://ballotpedia.org/wiki/index.php/School_bond_and_tax_elections_in_Texas. (accessed April 24, 2010).

³⁷ Webb, 160.

information programs, monitors for compliance with federal guidelines and serves as a fiscal agent for the distribution of state and federal funds.³⁸

Unequalized Enrichment: A term used to describe money that is unequally available to school districts because of differences in local property wealth per student, and which is not equalized by state funding. This gives certain school districts differing amounts of additional funds for enhancing educational opportunity beyond the basic programs provided by the equalized foundation of school program and equalized enrichment.³⁹

Weighted Average Daily Attendance (WADA): The basic allotment funding is adjusted to take into account district and student characteristics such as limited English proficiency, disability and poverty. The adjustment is done in order to provide additional monies to address the specialized services for students with special needs.⁴⁰

Limitations

There are limitations to this study because funding facilities data for the Rio Grande Valley, prior to 1997, does not exist or has not been documented by local and state agencies. The lack of facility funding documentation in the RGV prior to 1997 does not allow the researcher to compare IFA monetary awards before and after 1997. This limits the ability to establish a baseline measurement to more precisely address the research questions.

The following limitations are present in this research study and should be considered in any attempts to use the data in other situations:

- (a) The study is limited to the Rio Grande Valley Schools and the schools of one county in that region (Hidalgo County). This may not represent the entire RGV because

³⁸ Ibid.

³⁹ Ibid., 161.

⁴⁰ Ibid., 162.

- many school districts did not participate in the IFA program. It also limits any generalizing to the state as a whole.
- (b) A high mobility rate among school district superintendents in the RGV made it difficult to locate these individuals; even when located, they may not have remembered details in reference to facilities before and after 1997.
 - (c) IFA data obtained only addresses the time period from 1997 through 2007 in Hidalgo county school districts.

Assumptions

The study assumes the following:

- (a) Texas Education Agency (TEA) provided accurate information.
- (b) Current RGV school superintendents and central office school officials provided accurate data when completing the IFA/EDA school district survey.
- (c) Previous pre 1997 RGV school superintendents provided accurate information during the interview process based on their memory and ability to recall detailed information; and they were not speaking with a biased view.

Summary

Since the establishment of school districts in Texas, the funding mechanism to provide quality and equitable facilities and student instruction has created heated controversy. This is evident from the multitude of lawsuits that have occurred against the state of Texas. These lawsuits have created the public school finance system that is currently in place. The question in these law suits is always the same: are we funding school districts fairly? Equity in funding schools to provide quality educational programs and facilities consistently throughout the state has been debated at each legislative session and in many courtrooms in the state. When the topic

of receiving an equitable Free and Appropriate Education (FAPE) is discussed by legislators and educators, it is done with the assumption that school district facilities are also equitable throughout the state, realistically they are not. Previous school building research reflects that decent and adequate facilities are correlated with improved academic outcomes.⁴¹

Property poor school districts are the educational institutions that continue to struggle to generate enough money at the local level to address maintenance and operations issues and ordinarily do not generate enough money to build new school facilities. The Texas Education Agency IFA Program has facilitated the construction of new school buildings throughout property poor schools in the state and has provided equitable facilities for property poor school districts no matter where these school districts are located.

The state continues to struggle in providing a funding source to empower all school districts to provide an equitable education for all students, in all geographic areas of the state. To this day many school districts, especially the ones located in the RGV, still fight to secure funding that will provide a quality education and equitable instructional facilities. The information presented in Chapter 2 describes the litigation and educational benchmarks that have impacted public education throughout the years. This chapter describes the evolution of facility funding of property poor school districts in the RGV and school districts in the state of Texas. Chapter 3 describes the methodology that was utilized in conducting this research. Chapter 4 examines student enrollment, district appraisal values and value per student data at the local, regional and state level. Chapter 5 analyzes and reports the data discovered in Hidalgo County school districts. Chapter 6 addresses the findings and conclusions from this study and recommendations for future school facility studies. The compiled data addresses both research

⁴¹ Mark Shneider, "Do School Facilities Affect Academic Outcomes?" *National Clearinghouse for Educational Facilities*, 1. <http://www.ncef.org/pubs/outcomes.pdf> (accessed April 27, 2011).

questions and the conclusions outline implications for future research for lawmakers to utilize in possibly changing the current Texas Public School Finance System of Texas and other state policies that affect school facility funding.

CHAPTER II

REVIEW OF RELATED LITERATURE

This chapter examines the history of Texas public schools and the funding mechanism known as the Texas Public School Finance System. The major litigation that has occurred throughout the years is reviewed in order to provide information about how the current public school finance system was established and how it addresses the needs of school districts, regarding classroom instruction, operations and building of school facilities. The national report “*A Nation at Risk*” is summarized in this chapter because of its impact on public education throughout the country and, specifically, the state of Texas. The Instructional Facilities Allotment (IFA) Program including the IFA formula funding component is described in this chapter in order to provide an understanding of this monetary resource. A brief description of the IFA formula and guidelines is also reported in order to specify how school districts qualify for state funding. The Existing Debt Allotment (EDA) Program is also summarized in this chapter because this program together with the IFA program provided facility funding to school districts in order to build new facilities and facilitate the passage of school bond issues across the state of Texas.

Early Colonial Schools

The decision to build schools started in the early Colonial period of the United States. Tony Johnson states that in 1635, six years after the first settlers landed, the first Latin Grammar school house was established in Boston, and within one year after that, Harvard College was

established by the Puritans.⁴² In 1647, the General Court of the Massachusetts Bay Colony began establishing laws and ordered every town of 50 or more households to offer instruction in reading and writing; for those towns of 100 or more households, the law required that instruction in Latin grammar also be provided to prepare students to attend a university.⁴³

In effect, this 1647 law mandated that towns of a specified size establish elementary and secondary schools. Known as the “old deluder Satan act”, this legislation sought to ensure that the Word of God and the laws based on it would remain the birthright of every inhabitant of this Biblical commonwealth. Such a law was essential in order to prevent Satan from sabotaging this grand and glorious scheme of preparing the world for ultimate salvation.⁴⁴

Schools at the time were built in order to teach religion, reading and writing. The importance of creating schools in order to teach religion later evolved into the history of the American schoolhouse that reflects certain social, political, and economic forces. School facility funding was a major factor in building early Colonial schools.⁴⁵ The importance of establishing schools in the nation to educate the people began in 1647, in Texas talk about public education started in 1836.

History of Texas Public Schools

A free, public education has long been the goal of Texas. The Texas Declaration of Independence in 1836 listed the failure of the Mexican Government to establish any public school system of education, although this government possessed boundless resources.⁴⁶ In 1840, more than 150 years ago, the first Anglo-American public school law in Texas was enacted and provided for surveying and setting aside 17.712 acres of land in each county to support free public schools. Five years later, the state's constitution dedicated one-tenth of the

42 Johnson, Tony W. *Historical Documents in American Education* (Boston, MA: Allyn and Bacon, 2005), 4.

43 Ibid.

44 Ibid., 5.

45 Ibid.

46 Billy Walker, *The Basics of Texas Public School Finance*, 2nd ed. (Austin, TX: Texas Association of School Boards, 1982), 1.

annual state revenue as perpetual funds to support free public schools.⁴⁷ The School Law of 1854, set aside as a permanent school fund \$2 million of the \$10 million dollars that was given to Texas by the U.S. Congress because of Texas boundary claims against the United States.⁴⁸ Following the Civil War and Reconstruction, the new state constitution of 1876 set aside 45 million acres of public domain land for school support and directed that the income from the new Permanent School Fund (PSF) be invested in bonds.⁴⁹

Texas Constitution of 1876

After the Constitution of 1876 was set in place, the state legislature chose to organize school districts. Incorporated cities were charged with establishing schools within the city limits, constructing school buildings and levying taxes to support the schools. Areas that did not qualify as incorporated cities had to use a system of community schools in which parents and guardians were required to organize districts yearly by applying to the county judge who then appointed the local trustees.⁵⁰ In 1884 the school law was again rewritten, the state ad valorem tax was affirmed and a decision was made to have the Permanent School Fund invested in county and other bonds to increase income.⁵¹

Over the years, a series of additional laws gradually granted cities and towns freedom in the development and administration of their schools, resulting in the formation of independent school districts. By 1910, there were 8,599 districts; today there are only 1,025 school districts

⁴⁷ Webb, 12.

⁴⁸ Ibid.

⁴⁹ Walker, 3.

⁵⁰ *Equity Center News & Notes*. "Is Texas a Wealthy State?" October 2010,1.
<http://www.equitycenter.org/images/stories/2010%20october%20notes.pdf> (accessed April 30, 2011).

⁵¹ Texas Education Agency. "The History of Public Education in Texas."
<http://ritter.tea.state.tx.us/tea/historyoverview.html> (accessed April 5, 2011).

in Texas.⁵² This reduction in the number of school districts came about throughout the years because legislation forced consolidation of school districts.⁵³

Establishment of Boards of Education

In 1911, a rural high school law was passed, establishing county boards of education and permitting creation of rural high schools and the consolidation of common school districts. The effort to make common or rural school districts equal to independent or urban districts was heightened by the passage of a law in 1917 authorizing the state to purchase textbooks.

Expansion of rural aid to schools that included state support for teacher salaries gradually helped improve education provided to children residing on farms and ranches.⁵⁴ By 1923 the legislature authorized the first Texas survey that allowed out-of-state experts to examine the public school system in Texas and in 1929 the legislature was induced to make provisions for kindergarten in public schools.⁵⁵

“In 1935-1936 there were 6,953 school districts in Texas, including 5,938 common school districts, enrolling an average of 65 students and the 1,015 independent districts with an average enrollment of 800+ students. The State Board of Education commissioned a thorough study of school district consolidation with the financial support of the Works Progress Administration [WPA].”⁵⁶ In 1936 the State Board of Education authorized a statewide adequacy survey to assess conditions in schools across the state in an effort to reorganize and consolidate school districts.⁵⁷ In 1938 the State Board of Education issued a three-year study, “Report of the Results of the Texas Statewide School Adequacy Survey”. This report proposed

⁵² Equity Center News & Notes, 2.

⁵³ Webb, 20.

⁵⁴ Texas Education Agency. “The History of Public Education in Texas.”

⁵⁵ Texas Education Agency. “Texas Public Schools Sesquicentennial Handbook 1854-2004,” 24.
<http://www.tea.state.tx.us/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=6500> (accessed October 30, 2010).

⁵⁶ Ibid.

⁵⁷ Ibid.

the most radical and detailed school district consolidation plan ever formulated in the state's history. Following the recommendations in this study would have eliminated many school districts; therefore, the plan was resisted by conservative elements and was not implemented on a systematic basis.⁵⁸ All recommendations that addressed consolidation of schools were rejected.

Gilmer-Aiken Act

In 1947 the Gilmer-Aiken Committee was formed by the Texas Legislature and charged with the responsibility of developing major education reforms, particularly in the area of public school finance. By necessity the committee studied the efficiency of the district structure.⁵⁹ In 1948 the Gilmer-Aiken Committee issued a report, "To Have What We Must," setting forth proposals for school district reorganization.⁶⁰

State Senator A.M. Aiken, Jr. and State Representative Claud Gilmer helped to enact the Gilmer-Aiken Law of 1949 which established the Texas Education Agency; changed the existing State Board of Education from a nine-member body appointed by the governor to a board of 21 members elected by popular vote; abolished the elected office of state superintendent of public instruction and created the office of the commissioner of education who was appointed to a four year term by the State Board of Education; abolished the traditional per capita system of distributing education funds and adopted in its place a funding plan based on economic index and established the state's first minimum salary schedule for teachers.⁶¹ The drive to improve public education gained momentum in 1949 with the passage of the Gilmer-Aiken laws.⁶² These laws also created the Foundation School Program (FSP) to allocate state funds to local school districts.

⁵⁸ Ibid., 25.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Texas Education Agency. "The History of Public Education in Texas."

The Gilmer–Aiken Act was the landmark event because it created an organized system for providing for school districts in Texas. It was the first comprehensive finance system for Texas school funding which guaranteed a minimum amount of funds per student and allowed local enrichment.⁶³ The 51st Legislature in 1949 created support for the plan. Wholesome effects were soon evident in the terms of increased state support; however, reliance upon property tax wealth was still substantial and wide differences in spending levels continued to develop between school districts.⁶⁴

In 1958 the Kale-Aiken Committee again studied the prospects for consolidation of school districts into more efficient units, but again the committee did not find solutions.⁶⁵ In 1961 the Texas State Board of Education was authorized to invest the Permanent School Fund (PSF) in corporate securities, including corporate bonds and common stock.⁶⁶

In 1964 the federal government officially entered education via an educational program for disadvantaged pre-school children.⁶⁷ In 1965 the U.S. Congress passed the largest ever appropriation to education, the Elementary Secondary Education Act (ESEA).⁶⁸

Texas Funding Disparities in Property Poor Schools

State and federal funding continued to flow into Texas school districts. There were funding disparities in Texas due to funding formulas that were implemented during this time period. The dilemma of wide differences in spending continued through the early sixties. By 1965 the need for extensive public school funding revision was apparent, and Governor John Connally created the Governor’s Committee on Public School Education to address these

⁶³ Coalition to Invest in Texas Schools, “School Funding 101: A Brief History of School Funding in Texas.” <http://www.investintexaschools.org/schoolfunding/history.php> (accessed November 12, 2010).

⁶⁴ Daniel Casey, *The History of Texas Public School Finance through 1996* (Austin, TX: Texas Association of School Boards, 2001), 9.

⁶⁵ Texas Education Agency. “Texas Public Schools Sesquicentennial Handbook 1854-2004,” 26.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

issues.⁶⁹ This committee conducted extensive research into every phase of public schools and published its recommendations in 1968 in *The Challenge and the Chance*. In regards to public school finance, the report recommended that substantial finance equalization would occur if massive injections of state aid were provided to broaden the minimum foundation program. Widespread consolidation of schools was another equalization recommendation of the report but this was too controversial to be adopted.⁷⁰ All of the recommendations submitted by the committee were rejected.

In 1971 Texas was shocked into an awareness that problems in public school finance equity existed. The ruling of the U.S. Supreme Court in *Rodriguez v. San Antonio ISD* brought this about.⁷¹ When the U.S. District Court ruled that the state's financing scheme was unconstitutional on the basis of local wealth, appeals were heard in the U.S. Supreme Court. The Supreme Court reversed the lower court's findings but even the majority opinion carried strong encouragement to Texas legislators to create a more equitable method of school finance.⁷²

In the 1972 many studies in relation to Texas Public School Finance occurred. These studies focused on the revenue and allocations that were being distributed to school districts. The Texas Legislature failed to act in 1973 following the Supreme Court's ruling on the *Rodriguez* case in March of that year. When the 64th Legislature convened in January 1975 school finance confronted legislators and heated debates continued to occur.⁷³ An important outcome of this legislative session was the appropriations of school funding. The Foundation School Program received an addition of a second tier of state equalization based on state

⁶⁹ Casey, 10.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

estimated actual market value. The state did away with the economic index to determine public school funding.⁷⁴

In 1977 school finance was in turmoil because there were several proposed finance plans. The legislators could not reach consensus before the regular session closed. In July 1977 a special legislative session was held. The Legislature in this session passed Senate Bill 1 that increased foundation program aid and changed several funding formulas that increased school district funding. The initiatives to equalize funding continued through the late 1970's. In 1978 tax-payer equity was addressed by the Tax Relief Amendments which established countywide tax appraisal districts to bring uniformity and equity in property appraisal values.⁷⁵

In 1981 the 67th Legislature addressed equalization reform in school finance; however, this issue took a backseat to the task of legislative redistricting. In terms of finance legislation, most of the topics addressed were house-keeping items. Approximately \$1.5 billion was added to the Foundation School Program; this allowed for increases in teacher salaries, maintenance and operation allotments, and state equalization aid.⁷⁶ Although funding was increased, there still remained the issue of equitable facility funding.

A Nation at Risk

As public education in Texas was being scrutinized, the nation was experiencing major concerns about the educational system as well. Under the leadership of President Ronald Wilson Reagan, T. H. Bell, Secretary of Education, created the National Commission on Excellence in Education on August 26, 1981. The Commission was directed to examine the quality of education in the United States and to make a report to the Nation and to President Reagan within 18 months of its first meeting. In accordance with Secretary Bell's instructions, this report

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Ibid.

contained practical recommendations for educational improvements and fulfilled the Commission's responsibilities under the terms of its charter. The Commission was created as a result of the Secretary's concern about "the widespread public perception that something is seriously remiss in our educational system."⁷⁷ The Commission listened to testimony from individuals in public schools, university staff, foundations, businesses, government, and community members throughout the United States.⁷⁸ The outcome of the testimony attained by the Commission determined that America was *A Nation At Risk* and if an unfriendly foreign power had attempted to impose on America the mediocre educational performance that existed it would have been viewed as an act of war. Also reflected in the report was that Americans had squandered the gains in student achievement made in the wake of the Sputnik challenge.⁷⁹ Information taken from testimony documented thirteen risks. The risks addressed adult illiteracy, student illiteracy, comparison of international student achievement, student achievement on standardized tests, gifted students and their ability to match comparable achievement in school and test ability, SAT College Board Exams, decline in College Board achievement tests in the area of physics and English, proportion of students demonstrating superior achievement on the SAT declined, higher order thinking skills, science achievement, mathematic achievement, lower test achievement for college graduates, and remedial education and training programs in basic skills for reading, writing, spelling and computation.⁸⁰ The Commission stated that these deficiencies came at a time when the demand for highly skilled workers in new fields-was accelerating rapidly.⁸¹

⁷⁷ The National Commission on Excellence in Education. *A Nation At Risk: The Imperative For Educational Reform* (Washington, DC: United States Department of Education, 1983), 1.

⁷⁸ Ibid., 3.

⁷⁹ Ibid., 5.

⁸⁰ Ibid., 9.

⁸¹ Ibid., 10.

Analysts examined the indicators of student performance and found some chilling observations when investigating the demands for new skills. Educational researcher Paul Hurd made the following conclusion at the end of a thorough national survey of student achievement within the context of the modern scientific revolution, "We are raising a new generation of Americans that is scientifically and technologically illiterate."⁸² In a similar vein, John Slaughter, a former Director of the National Science Foundation, warned of "a growing chasm between a small scientific and technological elite and a citizenry ill-informed, indeed uninformed, on issues with a science component."⁸³ The testimony was so compelling that the Commission issued a call across America to inform them that America was at risk.⁸⁴ The Commission concluded that the decline in educational performance was, in large part, the result of disturbing inadequacies in the way the educational process itself was conducted.

Findings reflected four important aspects of the educational process: content, expectations, time, and teaching.⁸⁵ The Commission made five recommendations that addressed: content, standards and expectations, time, teaching, and leadership and fiscal support. The final word of the Commission, or better characterized as a plea, was that all segments of the population in America give attention to the implementation of the recommendations. The present plight did not appear overnight, and the responsibility for the current situation was widespread. Reform of the educational system would take time and unwavering commitment. It would require equally widespread, energetic, and dedicated action.⁸⁶ The report and the recommendations by the Commission sent the nation into a tail spin and generated many topics for legislators throughout the country to consider. The states were

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid., 14.

⁸⁵ Ibid., 18.

⁸⁶ Ibid., 36.

expected to pass legislation in order to address the recommendations listed in the *A Nation At Risk* report. Many states implemented the recommendations based on interpretations from their state law-makers.

Texas House Bill 72 (HB72)

The State of Texas responded to the *A Nation At Risk* report with House Bill 72. In June 1983, Governor Mark White appointed a Select Committee on Public Education chaired by Dallas billionaire H. Ross Perot.⁸⁷ The committee was charged with investigating the financing of education in Texas with a view towards reform of the system. The summer of 1984 marked the beginning of a new era in Texas education. That year the Texas State Legislature met in special session and enacted a landmark education reform bill that revamped virtually every aspect of the state's public education system, including the finance system.

Commonly known as House Bill 72, this legislation grew out of recommendations by the special Select Committee on Public Education headed by Mr. Perot.⁸⁸ Most of the committee's recommendations were incorporated into the reform bill. The legislation provided a pay raise for teachers, revised the state's funding system to funnel more money to property-poor school districts and improved equity among districts across the state, and required students to pass every course with a minimum grade of 70 in order to be eligible to participate in extracurricular activities.

Other major provisions included requiring high school students to pass a basic test before getting a diploma; requiring schools to follow a uniform grading scale; implementing a requirement for a standard, statewide teacher evaluation system; prohibiting social promotion; implementing class size caps in the early grades; and initiating mandatory pre-kindergarten

⁸⁷ Casey, 12.

⁸⁸ Ibid.

programs for economically disadvantaged or limited English proficient four-year-olds. The impact of HB 72 on public school finance placed a strain on property poor school districts to implement the class size restrictions. The inability to raise taxes to build new facilities in poor school districts complicated the need for quality and equitable facilities. Discrepancies among property poor and property rich school districts worsened when unfunded mandates from the state were ordered.

During this time period the Legislature was confronted by revenue constraints resulting from static revenues in the area of taxing oil, gas and the general sales tax. Legislators had to decide whether to increase state tax rates for the first time in more than twelve years or curb spending by providing only those funds necessary to carry out current law. The legislators decided not to increase state taxes. This particular legislative session proved to be non-productive because the stagnant economy produced a deficit budget in the state.⁸⁹

Texas Guaranteed Bond Program

In a special legislative session in the summer of 1984, the lawmakers were being pressured by both liberal and conservative elements in the state with regards to school finance reform, tax increases at the state level and other education issues. A major piece of legislation that evolved during this time period was the Guaranteed Bond Program.⁹⁰ The Guaranteed Bond Program was the state's initial step in assisting school districts with securing facility funding.⁹¹ The program backed districts' bond issues with the full faith and credit of the state through the state's Permanent School Fund (PSF). Before its passage, districts with limited tax bases found it difficult to obtain good bond ratings, making debt issuance difficult and expensive. By backing districts with the full faith and credit of the state, the Guaranteed Bond Program allowed

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Ibid.

many Texas school districts to obtain the best bond rating and reduce the cost of the bond issuance. Although this program was designed to assist school districts with their bond issues, many property poor school districts could not get community members to approve school facility bond issues.

While the Guaranteed Bond Program represented a first step in assisting school districts to secure facility funding, many school districts struggled to secure money to construct new school buildings. In 1987 facilities became part of the *Edgewood* litigation regarding the equity of the Texas school finance system. When District Judge Harley Clark ruled the school finance system unconstitutional, he also predicted that facility finance would become a major problem over the next decade.⁹²

History of School Litigation and Texas Legislation

Rodriguez v. San Antonio ISD

On May 16, 1968, 400 students at Edgewood High School in San Antonio held a walk out and marched to the district administration building. Ninety percent of the students in the Edgewood district at that time were of Mexican origin. Among the grievances from the students were insufficient supplies and a lack of qualified teachers. The student walk out influenced the parents to form the Edgewood District of Concerned Parents Association to address the students' concerns. On July 10, 1969 Demetrio Rodriguez of San Antonio filed a federal class-action lawsuit, contending that the state finance system violated the Fourteenth Amendment of the U.S. Constitution.⁹³ The state of Texas had not addressed school finance reform since 1949, when the Gilmer-Aikin Laws were passed. Rodriguez claimed that the Edgewood Independent School District had one of the highest tax rates in the city, but raised only \$37 per pupil while the Alamo

⁹² *Edgewood Independent School District v. Kirby* 777 (Texas S.W. 2nd 391, 1989).

⁹³ *Rodriguez v. San Antonio Independent School District.*, 299F.Supp.476 (W.D. Tex.1969).

Heights Independent School District, also located in San Antonio and one of the wealthiest districts in Texas, raised \$413 per pupil.⁹⁴ Studies revealed that in Bexar County the tax rate per \$100 property value needed to equalize funding was 68 cents for Alamo Heights but \$5.76 for Edgewood.⁹⁵

Rodriguez and other parents jointly filed suit in federal district court in Texas challenging the Texas school funding system on behalf of children who resided in property poor school districts. The plaintiffs claimed that the reliance on local taxes to fund schools denied them “equal protection” as guaranteed under the Fourteenth Amendment of the U.S. Constitution.⁹⁶ As stated by Farr and Trachtenberg, the plaintiffs used the same race-based equal protection arguments by “arguing that the property-tax-based system of education finance in Texas discriminated on the basis of wealth.”⁹⁷ The legal argument was based on the assertion that public education is a “fundamental interest” that should not be conditioned on school district property wealth. The legal argument at the core of the *Rodriguez* case was based on the principle of fiscal neutrality. In January 1969 a three judge federal district court was impaneled because Rodriguez challenged a state law on federal grounds.

The state countered that the Texas Legislature had authorized a study of school finance, and Judge Adrian Spears delayed hearing the case so that the Texas Legislature might resolve the issue.⁹⁸ The legislature closed the session without taking action on this issue. On December 23, 1971, the three-judge court ruled on the Rodriguez case. The panel held the Texas School Finance System unconstitutional under the “equal protection” clause of the Fourteenth

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Steven Farr and Mark Trachtenberg, “The Edgewood Drama: An Epic Quest for Educational Equity,” *Yale Law and Policy Review* 17, no. 607 (1999): 727.

⁹⁸ Webb, 25.

Amendment.⁹⁹ The state appealed the ruling and the case went to the State Supreme Court as *San Antonio Independent School District v. Rodriguez*.¹⁰⁰ On March 21, 1973, the Supreme Court ruled 5-4 against Rodriguez stating that the issue should be resolved by the state of Texas because the “equal protection” clause of the Fourteenth Amendment was not applicable.¹⁰¹ It held that the state would not be required to subsidize poorer school districts.¹⁰² This ruling in effect produced additional barriers to equalization. The court denied a hearing on April 23, 1973. Supreme Court Justice Thurgood Marshall called the decision “a retreat from our historic commitment to equality of educational opportunity.”¹⁰³ Rodriguez responded to the decision, “The poor people have lost again.”¹⁰⁴

In *San Antonio ISD v. Rodriguez* (1973), Justice Powell wrote the majority opinion for the 5-4 decision. He noted that although disparities between school districts did exist, the state was attempting to remedy the situation by creating a minimum foundation program.¹⁰⁵ Though districts were encouraged to develop special programs with matching funds, poorer school districts were unable to take part in the programs because of their poor property wealth. This in turn created a tremendous inequality in funding among districts in the state.¹⁰⁶ Despite losing this battle on federal constitutional grounds, this was a landmark case in Texas school funding history because it set the stage for the next thirty years of court battles, starting with a series of legal cases that have become known as “Edgewood.”¹⁰⁷

⁹⁹ *Rodriguez v. San Antonio Independent School District*, 337F.Supp.280 (W.D. Tex.1971).

¹⁰⁰ *San Antonio Independent School District v. Rodriguez*, 411 U.S. 1 (1973).

¹⁰¹ *Ibid.*

¹⁰² Webb, 26.

¹⁰³ *Ibid.*

¹⁰⁴ *Ibid.*

¹⁰⁵ *San Antonio Independent School District v. Rodriguez*, 411 U.S. 1 (1973).

¹⁰⁶ *Ibid.*

¹⁰⁷ *Ibid.*

The Edgewood ISD Cases

Edgewood I

The battle for equitable school funding continued with the Edgewood litigation. In 1984 the Edgewood Independent School District in San Antonio, Texas filed a state court lawsuit to change the school funding formula. Known as *Edgewood I* (Edgewood Independent School District v. State of Texas, Texas Commissioner of Education William N. Kirby 777), the lawsuit was filed in state court by a coalition of school districts challenging the equity of the state school finance system.¹⁰⁸ A *Rodriguez* style lawsuit, *Edgewood* received support from an alliance of school districts that again challenged the fairness of the state school finance system.¹⁰⁹ The lawsuit challenged the second tier of financing created under the 1975 Foundation School Program law, claiming it to create unfair funding for property poor school districts.¹¹⁰ The trial court found the system violated the Texas Constitution. The Court of Appeals reversed the trial court decision. The Texas Supreme Court found that the system was neither financially efficient nor proficient in providing for the general diffusion of knowledge throughout school districts in the state and therefore violates article VII, section 1 of the Texas Constitution.¹¹¹ The Texas Supreme Court gave the Texas Legislature until May 1, 1990 to create a constitutional system.¹¹² This was a great victory for property poor public school districts.

Edgewood II

¹⁰⁸ *Edgewood Independent School District v. Kirby 777* (Texas S.W. 2nd 391, 1989).

¹⁰⁹ *Ibid.*

¹¹⁰ *Ibid.*

¹¹¹ *Ibid.*

¹¹² William P. Hobby and Billy D. Walker, "Legislative Reform of the Texas Public School Finance System," *Harvard Journal on Legislation* 28, no.2 (1991): 379-394.

In response to the 1989 *Edgewood* case, the Texas Legislature adopted Senate Bill 1 (SB 1) in 1990. This senate bill required biennial studies to gather data on district inequity. This data was supposed to be used to adjust formula funding to reduce funding gaps in school districts. However, the funding mechanism for school districts remained the same, until 1991 when another lawsuit from *Edgewood ISD* was filed against Commissioner William N. Kirby, once again challenging the funding mechanism. This lawsuit is commonly known as *Edgewood II* (*Edgewood Independent School District v. State of Texas*, Texas Commissioner of Education William N. Kirby 804). The Texas Supreme Court found that the system remained unconstitutional.¹¹³ This case ignited a firestorm of controversy in the state of Texas because of the inequity that still existed between property rich and property poor school districts.

This heated controversy generated ideas that helped create Senate Bill 351.¹¹⁴ This senate bill allowed the state to enact a new tax system, consolidate school districts, construct a constitutional scheme to recapture local tax revenue and cap spending by wealthy school districts. It restructured the school finance system by creating 188 County Education Districts (CEDs) to which taxing authority would be granted.¹¹⁵ Every school district throughout the state was assigned to one of these taxing authorities that collected taxes and redistributed the funds to school districts that belonged to the County Education District.¹¹⁶

Property Rich School Districts versus the State of Texas

Newly elected Governor, Ann Richards, signed Senate Bill 351 (SB351) into existence. One month after she signed the bill, a group of three rich school districts sued the state.¹¹⁷ These

¹¹³ *Edgewood Independent School District v. Kirby 804* (Texas S.W. 2d 491, 1991).

¹¹⁴ Casey, 17.

¹¹⁵ Ibid.

¹¹⁶ Ibid.

¹¹⁷ *Carrollton-Farmers Branch Independent School District v. Edgewood Independent School District 826* (Texas S.W. 2d 489, 1992).

districts sued, asserting that HB 351 levied a state wide ad valorem (property) tax that violated the Texas Constitution Article VIII. The Texas Supreme Court sided with the plaintiffs and found the bill unconstitutional.¹¹⁸ There was a delay in the implementation of the Supreme Court's order until 1993. The state allowed the CEDs to collect taxes from 1991-1993. In attempting to meet the order of the Supreme Court, the Texas Legislature passed three constitutional amendments that went before the voters in May 1993.

An important amendment that raised concerns among property rich school districts was the Fair Share Plan. This plan allowed for limited recapture or distribution of wealth for the first time in the state's history. It basically meant that the state was going to take money from property rich school districts and send it to property poor school districts. The amendment, named Proposition One, became known as the "Robin Hood" amendment.¹¹⁹ The Republican Party of Texas formed a movement to stop this from happening and the public defeated the proposition. The Legislature, however, had a deadline set by the court to correct the funding issue.

Finally in 1993, lawmakers devised a third plan that met the Court's expectations.¹²⁰ The new plan, part of Senate Bill 7, prohibited school districts from having more than \$280,000 of property wealth per student and required them to choose one or more of five options to reduce their wealth to that level. The following five options available to school districts were voluntary in nature: (1) consolidate with another district to create one school district; (2) detach property and annex it to another district; (3) purchase attendance credits from another school district making the richer school district poorer; (4) contract to educate students in other districts in order to make the rich school district poorer; and (5) consolidate tax bases with another district.

¹¹⁸ Casey, 17.

¹¹⁹ Casey, 20.

¹²⁰ Farr, 607.

Districts would be funded up to \$250,000 property value per student but were no longer allowed to exceed \$280,000 in property value per student.¹²¹ Senate Bill 7, the legislation that invoked the property tax recapture provision, became known as the “Robin Hood” plan. The purpose for recapturing revenue from high-wealth districts and using it to fund lower wealth districts was to reduce the equity gap in the Texas public school finance system.¹²²

Edgewood III

The Edgewood plaintiffs wasted no time. They filed another lawsuit in 1994, this time against Texas Education Agency Commissioner Lionel “Skip” Meno.¹²³ Known as *Edgewood III* (Edgewood Independent School District v. State of Texas, Texas Commissioner of Education Lionel “Skip” Meno 917), the plaintiffs objected to the inadequacy of the state appropriations between rich and poor school districts. The Legislature had passed Senate Bill 7 which, instead of a state property tax, created a provision-known as "recapture" or “Robin Hood” that redistributed property tax dollars to school districts in hopes of creating equity among all school districts in the state of Texas.¹²⁴ Although the Texas Supreme Court found for the defense, this lawsuit brought to light that the Texas public school finance system did provide funding for school district daily operations, but it did not provide funding for construction of schools via general obligation bonds.¹²⁵ Although legislators considered implementing the Instructional Facilities Allotment (IFA) Program currently in use, in 1995, they instead provided funding for a grant program that provided cash for school construction projects.

¹²¹ Casey, 20.

¹²² Coalition to Invest in Texas Schools, “School Funding 101: A Brief History of School Funding in Texas 2004.”

¹²³ *Edgewood Independent School District v. Meno 917*.

¹²⁴ Casey, 21.

¹²⁵ Farr, 607.

Edgewood IV

During the 1990's, dissatisfaction with recapture as a means for achieving equity continued to mount. At the same time, modest state funding increases were not keeping up with the cost of education in Texas. To meet revenue needs of districts, school boards raised property tax rates. In fact, by 2003, nearly 690 school districts were at or near the statutory maximum tax rate of \$1.50.¹²⁶ This, in turn, sparked litigation to overturn the system because of high taxes and inadequate funding.¹²⁷ Known as Edgewood IV (West Orange Cove Consolidated ISD v. State of Texas, Texas Commissioner of Education Felipe Alanis 107), property rich plaintiffs filed a lawsuit alleging that they had lost the ability to maintain local discretion in setting tax rates once they had reached the tax rate cap. In 2003 the Texas Supreme Court reversed an affirmative decision by the Appellate Court and remanded the case to the trial court to decide certain questions of fact related to whether or not districts must tax at \$1.50 and whether or not they had lost meaningful discretion if they did.¹²⁸

Other School Finance Litigation

In 2004, another group of school districts mounted a lawsuit that became known as *West Orange-Cove CISD v. Neeley* (West Orange Cove Consolidated ISD v. State of Texas, Texas Commissioner of Education Shirley Neely).¹²⁹ When the case went to trial in 2004, over 300 school districts were involved as plaintiffs or plaintiff interveners. Twenty-two low wealth school districts, many from Hidalgo County, joined this lawsuit because of the inequitable

¹²⁶ Casey, 23.

¹²⁷ *West Orange Cove Consolidated Independent School District v. Alanis 107* (Texas S.W. 3d 558, 2003).

¹²⁸ Ibid.

¹²⁹ *West Orange-Cove Consolidated Independent School District v. Neely*.

http://www.maldef.org/education/litigation/worangecove_v_neeley/index.html (accessed April 5, 2011).

funding that existed in the state of Texas.¹³⁰ Hidalgo County school districts involved in this lawsuit were Donna ISD, Edcouch-Elsa ISD, Hidalgo ISD, La Joya ISD, Mercedes ISD, Mission Consolidated ISD, Monte-Alto ISD, Pharr San Juan Alamo ISD, Sharyland ISD, and Valley View ISD.¹³¹

Plaintiff school districts argued that, because they must levy the maximum property tax rate to maintain equity and adequacy, the local property tax had become equivalent to a state ad valorem tax, which is prohibited by the Texas Constitution. They also argued that the state finance system underfunded public education, preventing the districts from meeting their responsibilities to promote the “General Diffusion of Knowledge” or dissemination of subject matter.

In September 2004, the Travis County District Court ruled in favor of the plaintiffs and set a date of October 1, 2005 for the Texas Legislature to remedy the unconstitutional aspects of the school funding system, including unconstitutional aspects of facilities funding.¹³² The Texas Supreme Court sent it back to the district court and the district court dismissed the case. By 2004, *Robin Hood* was recapturing \$1.2 billion per year from 134 school districts. The Texas Legislature used those recaptured dollars to fund the Foundation Program. As a result, it was very hard to end the *Robin Hood* provisions because state government would have to find replacement funding to maintain support for schools. Although there has been a steady increase in the amount of state funding in school districts, the share of the education spending through the state’s Foundation School Program has been declining.

In January 2009 the Legislative Budget Board released a report, “*Texas State Government Effectiveness and Efficiency*”, which stated concerns about the effectiveness of the

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Ibid.

Instructional Facilities Allotment Program. The report describes the state's level of assistance related to the guaranteed yield for the IFA program has not changed since 1999 even though school district property values have increased.¹³³ As a result, fewer school districts are eligible to receive state program aid for qualified projects and, thus, fewer students benefit from state assistance. The reason for the falling state share is that both the state's foundation formula and its guaranteed tax base formula are not automatically adjusted for the rising cost of education. This means that as a school district's property base per pupil rises from one year to the next, the state aid allocations are reduced. As local property taxes increase in value, more local property tax revenues for school districts will be generated, when this happens the same increases will result in a reduction of state aid allocations. As a result school districts are forced to raise property taxes to make up the reduction of state aid and to meet the rising costs of education.¹³⁴

State funding continues to address equity issues. This theme has generated lawsuits and will continue to generate controversy in legislative sessions because of the funding gap between property rich and property poor school districts. Texas legislators and stakeholders continue to work at establishing a middle ground that incorporates funding schools at an equitable level with the ultimate goal being that students across Texas are treated fairly. Outcomes of the previous legislative sessions have produced statewide initiatives, mandates, policies and laws that have created the current Texas Public School Finance System.

Litigation dealing with equity issues and court rulings has set major benchmarks for legislators throughout the years. These landmark cases in the history of Texas schools have been

¹³³ Texas Legislative Budget Board Report. "Texas State Government Effectiveness and Efficiency," 475. Austin, TX: Texas Legislative Budget Board.

¹³⁴ Jennifer Imazeki and Andrew Reschovsky, "School Finance Reform in Texas: A Never Ending Story?" 24-25. <http://www-rohan.sdsu.edu/~jimazeki/papers/TXSchlFin0503.pdf> (accessed April 1, 2010).

integral in developing legislation that directly impacts public school systems in Texas, especially in the area of school district facility funding.¹³⁵

Instructional Facilities Allotment

Senate Bill 7 was established as a direct outcome of the equity litigation and legislative controversy with regards to school funding issues. This bill provides the resources, known as the Texas Education Agency Instructional Facility Allotment Program, needed for school districts to construct school buildings.¹³⁶ Through an application process the IFA Program provides guaranteed state aid for debt service payments only for instructional facilities that meet the IFA guidelines. (See Appendix H)

Prior to IFA, school districts fully financed school facilities with local tax dollars. The instructional facilities allotment (IFA), initially authorized in House Bill 4, was passed by the 75th Texas Legislature in 1997 and incorporated in the Texas Education Code as Chapter 46.¹³⁷ This legislation provided \$200 million to render assistance to school districts in making debt service payments on qualifying bonds and lease-purchase agreements. IFA funds had to be allocated, or distributed evenly, among qualifying school districts during the 1997-1999 biennium.¹³⁸ An additional \$150 million was authorized by the 76th Legislature for use during the 1999-2001 biennium. This funding amount was also held at this level by the 77th Legislature for the 2001-2003 biennium.¹³⁹ In 2004 there were no IFA awards and 2005 only \$20 million in new IFA monies were awarded.¹⁴⁰ No new IFA monies were awarded in 2006 and \$50 million

¹³⁵ Ibid.

¹³⁶ Texas Education Agency. "Texas Instructional Facilities Allotment Program." 1.

¹³⁷ Texas Education Agency. "Texas Education Code Chapter 46 Assistance with Instructional Facilities and Payment of Existing Debt." <http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.46.htm> (accessed April 1, 2010).

¹³⁸ Ibid.

¹³⁹ Texas Education Agency. "Texas Instructional Facilities Allotment Program." 2.

¹⁴⁰ Ibid.

in new IFA awards occurred in 2007.¹⁴¹ (See Appendix G) To qualify for IFA funding, the debt service must be repaid over a period of eight years or more, the majority of school districts which receive funding choose to repay the debt within a twenty or thirty year term. This means that a bond must have a weighted maturity of at least eight years.

Existing Debt Allotment

In 1999 the Legislature created the Existing Debt Allotment Program (EDA), which is similar to the IFA program in that it provides tax equalization for local debt service taxes. The EDA program payments are based on eligible debt service that requires no application and has no award cycle. Districts use EDA to finance debt on either instructional or non-instructional facilities because the funds are not restricted. The EDA program was created to provide additional assistance to school districts for debt issued before the inception of the IFA program.¹⁴²

This program provides assistance for voter approved debt on which a school district made payments before August 31, 2005. Each time the Legislature meets it must roll forward the authorization to provide EDA assistance for debt added during the preceding biennium. In other words the Texas Legislature decides in 2009 whether to provide state aid for bonds that were new on the debt schedule in 2007-2008 or 2008-2009. Districts that have wealth in excess of \$350,000 per ADA are ineligible for EDA support from the state.

Accessibility of IFA Program

All school districts in Texas may access IFA funding by submitting an application to the Texas Education Agency (TEA) in Austin, Texas. Before IFA funding is sent to school districts, the application must be submitted to the TEA and school districts must acquire voter authority

¹⁴¹ Ibid.

¹⁴² Texas Legislative Council Report. *State Roles in Financing Public School Facilities* (Austin, TX: Texas Legislative Council, 2006), 102.

through either a successful bond election or the expiration of the required 60-day notice period in the case of a lease-purchase agreement. Eligible bonded debt must have a weighted maturity of at least eight years. Weighted maturity is the length of time until the average security in a fund will mature or be redeemed by its user. In this case the user is the school district that issues the bonds. Lease-purchase agreements must also have a term of at least eight years.¹⁴³ All proceeds from bonds or lease-purchase agreements must be used for the construction or renovation of an instructional facility. Specifically districts must use proceeds to fund debt or refund bonds issued during the 1997-1998 school year or later.¹⁴⁴ Also all projects must qualify under the specific IFA guidelines in order for the project to be funded. The Instructional Facility Allotment Program guarantees a maximum of \$250 per student in average daily attendance (ADA) or the actual debt payment whichever is less. State aid is guaranteed at a yield of \$35 per penny of tax effort per un-weighted ADA with districts being required to levy sufficient taxes to cover the local share of the allotment. Small districts with less than 400 students are eligible for a maximum allotment of \$100,000 per year or their actual debt payment whichever is less.¹⁴⁵

IFA Guidelines

The Texas Education Agency Instructional Facilities Allotment Guidelines state that a district must submit an application to TEA and meet all required deadlines in order to receive IFA funding. (See Appendix H) After all applications are submitted on a timely basis, the TEA State Funding Division ranks all eligible applications in order of property wealth per student, based on Average Daily Attendance (ADA).¹⁴⁶ State assistance is awarded beginning with eligible districts that have the lowest property wealth and continues until all available funds are

¹⁴³ Ibid.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Ibid.

used. If a district meets and maintains IFA conditions, Texas statute guarantees IFA state aid for the life of the debt that has been approved for funding. Based on available funding, the Texas Education Agency considers three other priority areas for school district awards; preference is given to (1) districts without outstanding debt obligations; (2) districts experiencing an enrollment increase over the previous five years; and (3) districts that applied in a previous biennium but did not receive an award due to a lack of state funds. The TEA also places districts that qualified but were not funded on a priority list for subsequent yearly funding cycles.¹⁴⁷

Several school districts in the Educational Service Center Region I and particularly in Hidalgo County met the IFA criteria when applying for funding because they experienced student growth between 1997 and 2007.¹⁴⁸ A report published by the Texas Education Agency, *Enrollment in Texas Public Schools 2008-09*, tracked student growth throughout the state of Texas from 1998 through 2009.¹⁴⁹ HB 72 also affected facility needs because this bill required all school districts in the state to maintain a maximum class size of 22 in grades K-2 (effective in 1985) and grades 3-4 (effective in 1988).¹⁵⁰ These class size requirements plus student growth in the RGV produced ideal conditions for securing funding for new facilities through IFA. RGV school districts are located in low property wealth areas and have a large percentage of economically disadvantaged students enrolled.¹⁵¹ Their inability to produce tax revenue to build facilities strengthened their cause in securing IFA money. Before IFA money is accessed IFA

¹⁴⁷ Texas Legislative Council Report, 101.

¹⁴⁸ Texas Education Agency, "Enrollment in Texas Public Schools 2008-09," 30. http://ritter.tea.state.tx.us/research/pdfs/enrollment_2008-09.pdf (accessed April 1, 2010).

¹⁴⁹ Ibid.

¹⁵⁰ Daniel Casey, *The History of Texas Public School Finance through 1996*. (Austin, TX: Texas Association of School Boards, 2001), 13.

¹⁵¹ Educational Services Center Region One. "Region One ESC Profile."

formula calculations must be prepared in order for a school district to determine whether they are eligible to participate in the program.¹⁵²

Eligible District IFA State Aid Calculations

The following IFA formula is utilized by school districts to project whether or not they qualify for IFA funding. Formula funding determines the amount of IFA funding for school districts.¹⁵³

School districts may determine IFA state aid by using the following formula:

IFA state aid =

$$(\$35 \times ADA \times \text{bond tax rate} \times 100) - (\text{bond tax rate} \times [PTAD \text{ prior year property value} / 100])$$

Where the bond tax rate =

(The district's current year Interest and Sinking (I&S) tax rate applicable to the payment of eligible bonds)

Example for Determining IFA State Aid and Local Share

Example ISD has —

- PTAD prior year property value of \$100,000,000
- ADA of 1,000
- Annual debt service payments of \$100,000

Example ISD's IFA state aid and IFA local share are calculated as follows:

1. **Taxable property value =**
\$100,000,000 property value ÷ \$100 assessed valuation = \$1,000,000
2. **Tax yield per penny of bond tax rate =**
\$1,000,000 taxable property value x .01 = \$10,000
3. **Tax yield per penny per student =**
\$10,000 ÷ 1,000 ADA = \$10.00 local revenue
4. **State aid per penny =**
\$35.00 guaranteed yield – \$10.00 local revenue = \$25.00 state aid
5. **Percentage debt service assistance paid as state aid =**
(\$25 ÷ \$35) x 1 = 71.43%
6. **Amount of IFA state assistance =**
\$100,000 annual debt service x 71.43% state share = \$71,429
7. **Amount of IFA local share* =**
\$100,000 annual debt service – \$71,429 state share = \$28,571

¹⁵² Texas Association of School Business Officials, "TEA School Finance 101: Funding of Texas Public Schools," 35. <http://www.tasbo.org/resources/business-news-list/221-school-finance-101-guide-released-by-tea> (accessed July 1, 2010).

¹⁵³ Ibid.

* A district may not allocate the same collections as its local share for both the IFA program and the EDA program.¹⁵⁴

Summary

Texas School funding concerns continue to revolve around equity issues. Texas has continued to focus on methods to provide equitable levels of wealth for its public school districts. While the burden of funding Texas public school facilities has been placed historically upon the shoulders of the local school district, increasing litigation has influenced the decisions of legislators toward providing a larger state share of funding for facilities. The historic cases of *Edgewood ISD* brought attention to school facilities funding as part of a bigger portrait of school funding inequities. The history of the court's decisions in the state of Texas focused not only on leveling the funding in the classroom but highlighted the need for improvement of school facilities by providing the school facilities programs to assist districts with low wealth and heavy enrollment growth. The overturning of the school finance system under the state constitution in *Edgewood v. Kirby* focused attention on the matter of school finance reform once again, leading to Texas school litigation that has led to the current implementation of the facilities program, the Instructional Facilities Allotment (IFA) Program.¹⁵⁵ IFA has provided facilities funding for disadvantaged districts with low property wealth.

Although it is implied that decent adequate facilities improved academic outcomes, the provision of adequate facility funding for building improvements in order to construct Texas schools continues to present an equity dilemma in many areas in Texas.¹⁵⁶ The Instructional Facility Allotment guidelines and formulas reflect this predicament because property wealth

¹⁵⁴ Ibid.

¹⁵⁵ Casey, 26.

¹⁵⁶ Schneider, 2.

plays a major role in awarding IFA funding to school districts.¹⁵⁷ The area code in which a student lives will usually determine whether he or she resides in a rich or poor school district as defined by Chapter 41 or Chapter 42 Texas Education Agency Guidelines.¹⁵⁸ Property wealth and the ability for school districts to levy taxes in a property poor school district in an equitable manner will be an ongoing task that legislators; and, the court system will continue to wrestle with these issues for many years.

¹⁵⁷ Texas Education Agency. “TEA School Finance 101: Funding of Texas Public Schools,” 35.

¹⁵⁸ Ibid., 25.

CHAPTER III

METHODOLOGY

Introduction

The information in this chapter is divided into three sections: the purpose, data collection procedures and data analysis. This study involves fifteen school districts in the Rio Grande Valley and describes when they secured and implemented 1997 to 2007 IFA funds.¹⁵⁹ This study focuses on a ten-year period using observations, interviews, survey results, school documents and state reports. An investigation of IFA components in Hidalgo County school districts' student enrollment, appraisal values, and value per pupil is also reported in order to describe changes that occurred in these areas when IFA facility funding was injected into the lower Rio Grande Valley. This type of study is defined as qualitative.¹⁶⁰ Although this study is considered a qualitative study, it does contain statistical data that was analyzed utilizing quantitative methods. For the purpose of this study a qualitative method was utilized, but the researcher also includes an example of a statistical analysis to illustrate that several parts of the study could have a quantitative component as well. Future studies in the area of facility funding may be done utilizing qualitative or quantitative methods. As outlined by the researcher, the following approaches and strategies were utilized to conduct this study:

¹⁵⁹ Texas Education Agency. "Texas Instructional Facilities Allotment Program."

¹⁶⁰ John W Creswell, *Qualitative Inquiry & Research Design: Choosing Among Five Approaches*, 2nd ed. (Thousand Oaks, CA: Sage Publications Inc., 2007), 74-75.

- First, the study clearly identified the boundaries and provided an in-depth understanding of the implementation of IFA funding in the RGV, specifically in Hidalgo County school districts. The parameters for this study include a time period of ten years, from 1997 through 2007. The study focuses only on Hidalgo County school districts during this time period.
- Second, the study identified the school districts that successfully passed bond issues to secure IFA funding. This study focused on the amount of IFA/EDA facility funding that school districts received and the types of school buildings and school district renovations that occurred during a ten-year period. It also reflects the percent of local effort and state effort for each school district. This effort is important in property poor school districts because of the repayment of the school bonds that are issued.
- Third, the data collection draws on multiple sources of information including state data, school data, school district IFA/EDA surveys, superintendent interviews, architect interviews, and an interview with a current RGV state senator.
- Fourth, the study utilized a systematic strategy that identified IFA issues within fifteen school districts located in Hidalgo County before and after 1997. This strategy consisted of conducting interviews with superintendents who served Hidalgo County school districts before and after 1997. Key school superintendent interviews exposed school facility conditions and funding in the RGV before and after the IFA/EDA program was implemented and several common themes were derived in order to address the research questions and identify future IFA research. The implementation of the IFA/EDA program in Hidalgo County is presented on a yearly sequence starting in 1997 and ending in 2007. The chronology of this information describes the meaning of this study.
- Fifth, the study reports the meaning based on the findings of the research, whether the meaning comes from learning about the issue or learning about an unusual situation. This research document reflects a ten year period of the IFA/EDA program in the RGV and it describes the amount of money each school district received, the facilities that were built and renovated, the bond issues that passed and failed, the local effort and state effort exerted, plus changes that occurred in the area of student enrollment, appraisal values, and per pupil values as a possible link to IFA/EDA funding being injected into Hidalgo County School districts. The superintendent interviews pre and post IFA/EDA funding produce information to explain the conditions of school district facilities. The RGV state senator interview offers information on how the IFA program was created by legislators and describes why the facility program was established.

This study provides an in-depth understanding of the implementation of the Texas Education Agency Instructional Facilities Allotment (IFA) Program in Hidalgo County from 1997 through

2007. It contains statistical, narrative data prior to and after IFA implementation that occurred in the school districts studied.

The need for educational facilities continues to be an issue for many school districts in the state of Texas. Poorer school districts are greatly impacted because of their inability to generate revenue based on their property wealth and tax effort.¹⁶¹ This study examined the history of the Texas Instructional Facilities Allotment (IFA) funding source in selected Rio Grande Valley school districts by describing school bond issues, new school construction and renovations, district appraisal values, student enrollment trends, value per pupil and local effort versus state effort. The study also captures the chronological history of the implementation of the IFA program in the RGV before and after 1997 and includes emerging themes found through analysis of interviews with superintendents, architects and a legislator.

Purpose of the Study

The purpose of this study was to provide evidence of IFA facility construction in the Rio Grande Valley through documentation chronicling Hidalgo County school districts from 1997 through 2007 that secured IFA monies to build new facilities. This study examined the history of the Texas Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) program funding sources in the Rio Grande Valley school districts by describing school bond issues, school district construction and renovations, school district finances, levying of local taxes, and local effort versus state effort in the implementation of the IFA and EDA programs. The IFA program started in 1997 and funding continued through June 2007.¹⁶²

¹⁶¹ Casey, 53.

¹⁶² Texas Education Agency. "Texas Instructional Facilities Allotment Program."

The information gathered provides answers to the following research questions:

1. How did the Instructional Facilities Allotment (IFA) Program in Texas influence *Hidalgo* County School Districts to conduct Facility Bond Elections between 1997 and 2007?
2. Did the Instructional Facilities Allotment (IFA) Program in Texas neutralize the state's adequacy and equity issues when building new school facilities in *Hidalgo* County School Districts between 1997 and 2007? (Local Effort versus State Effort)

Data Collection

The researcher submitted a UTPA Institutional Review Board for the Protection of Human Subjects in Research (IRB Protocol Submission) application form to the appropriate university office to secure approval to conduct interviews and permission to conduct an IFA/EDA survey. The IRB Committee determined this study did not meet the criteria for research as it relates to human subjects. (See Appendix A) Once the application was cleared, the researcher contacted each selected participants via email explaining the study and containing a University of Texas-Pan American Informed Consent Form. The selected participants included current school district superintendents, retired school district superintendents, school architects and one RGV state senator. Participants were asked to complete and return the consent forms indicating their permission to complete the IFA/EDA survey and record the interview. (See Appendix B)

The interview protocol for superintendents that served Hidalgo County school districts before and after 1997 allowed for a structured, formal interview process. The interview questions were designed to require no preparation on the part of the superintendents and were intended to gain an overall background of knowledge reflecting their experience with facility conditions and construction. (See Appendix C) The questions allowed the superintendents to tell their experiences through open-ended responses. The superintendent interviews were audio-taped, video-taped, transcribed and analyzed by the researcher. Transcripts were coded to

determine recurring key words, topics, concepts and phrases. Once the coding was completed themes were identified and the recurring themes were categorized to create emerging themes relevant to the study. The themes, together with the information from IFA/EDA surveys, were used to address the research questions.

A current RGV state senator was also interviewed; an interview protocol for this interview was also developed. (See Appendix D) The questions for this interview focused on how and why the legislators approved the IFA program. Three school architects had been interviewed by the researcher in 2007 to gain perspective on how facilities were built in the Rio Grande Valley in the 1950's. These interviews were also included in this study to explain how schools in the RGV were constructed and the variables that determined the architectural designs for each school campus.

The researcher made on site visits to review the consent form in order to ensure that all participants understood the following: the topic, background information, procedures to conduct interviews, risks or possible discomforts associated with the study, benefits of participation, voluntary participation, anonymity and/or confidentiality, contact person for related questions, and who to contact regarding their rights as a participant. Signatures were secured prior to the interviews. Participants signed two copies of the consent form in order for both the participant and the researcher to keep a copy. (See Appendix E)

An IFA/EDA survey and consent form was sent to fifteen Hidalgo County School superintendents. (See Appendix F) The researcher confirmed delivery of the survey via phone calls and follow up emails. Superintendents who currently serve these school districts completed and returned the consent forms. Once the superintendent completed the consent form, they notified the researcher that they forwarded the IFA/EDA survey to their business department.

The school district business managers together with the school district finance directors completed the IFA/EDA survey. The survey was designed to collect data that reflected the implementation of the IFA/EDA program and the funding received by Hidalgo County school districts from 1997 through 2007. This data was used to produce statistics and numbers that are reported using tables and figures in this research study. This information reflected IFA/EDA monetary awards, school facilities that were built, bond issues that passed and failed together with the local effort and state effort for each school district; the data is presented in chronological order from 1997 through 2007. The tables reflect which school districts received the greatest amount of funding and help produce a clear picture of the local effort versus the state effort in reference to paying the school bonds approved by the community.

Hidalgo County consists of fifteen public school districts: (a) Donna Independent School District, (b) Edcouch-Elsa Independent School District, (c) Edinburg Independent School District, (d) Hidalgo Independent School District, (e) La Joya Independent School District, (f) La Villa Independent School District, (g) McAllen Independent School District, (h) Mercedes Independent School District, (i) Mission Independent School District, (j) Monte Alto Independent School District, (k) Pharr San Juan Alamo Independent School District, (l) Progresso Independent School District, (m) Sharyland Independent School District, (n) Valley View Independent School District, and (o) Weslaco Independent School District.¹⁶³ All fifteen Hidalgo County school districts were included in this study.

Twelve out of fifteen school districts responded to the IFA/EDA survey. Phone calls, emails and onsite visits to the three school districts that did not respond to the survey were conducted to encourage participation. Eventually, however, an open records request was

¹⁶³ Educational Service Center Region One. "Region One School Districts." <http://www.esc1.net/12931081413533950/site/default.asp> (accessed October 30, 2010).

submitted to the Texas Education Agency for the following school districts that did not reply or participate in the completion of the IFA survey: Edcouch-Elsa ISD, La Villa ISD, and Hidalgo ISD. Data that was received for those districts from Texas Education Agency was reviewed and considered erroneous due to inconsistent IFA/EDA yearly funding amounts. The IFA/EDA data received from TEA for the three school districts was not included in this study because it would compromise the validity of the study. Although these three districts did not participate in the survey phase of this study, the researcher did include them in tables and figures in the areas of student enrollment trends, district appraisal values, and per pupil values. This was done in order to reflect the trends that occurred in these three areas for all Hidalgo County school districts. Documents were accessed from the Texas Education Agency Academic Excellence Indicator System (AEIS) website.¹⁶⁴

Descriptive statistics, illustrations, charts, figures and information in narrative form are reported in order to reflect a historical document that gives an account of events that occurred before, during and after the implementation of the IFA program. Information was obtained through Texas Education Agency documents, school district documents, interviews with Rio Grande Valley school district architects, interviews with Hidalgo County Superintendents Pre and Post 1997, interview with a current RGV state senator and an IFA/EDA school district survey in fifteen Hidalgo County School Districts. Texas Education Agency documents are considered public records and were accessed via governmental website.

The data collected addressed the history of the Texas Instructional Facilities Allotment (IFA) funding source in Rio Grande Valley school districts by describing Hidalgo County (a) school bond issues, (b) new school construction and renovations, (c) school finances, (d) local

¹⁶⁴ Texas Education Agency. "Academic Excellence Indicator System." <http://ritter.tea.state.tx.us/perfreport/aeis/> (accessed October 30, 2010).

effort versus state effort, (e) student enrollment trends in Hidalgo County and the Rio Grande Valley ESC Region I area, (f) IFA monies that were awarded to school districts (h) school district appraisal values and (g) school district per pupil values.

Data Analysis

Descriptive information included recorded interviews, surveys, state data, publications, and journals. These sources provided the information for this research study. The timeline parameters for this research study were established as being from 1997 through 2007 in order to consistently document the implementation of the IFA/EDA Program in Hidalgo County school districts. Descriptive information was used to report data received from interviews and the IFA/EDA survey. The data shows common practices that appeared in more than one school district that built facilities before, during and after the IFA/EDA Program.

Interviews were conducted and field notes were taken and anecdotal information was recorded to describe emerging themes that were identified through school district superintendent interviews. The interviews were audio and video recorded. Data retrieved from the interviews was analyzed to code similar ideas and passages of text for further comparison of data. Based on the coding process, emerging themes in Hidalgo County school districts before and after the implementation of the IFA program were identified. The emerging themes that are reported are similar throughout Hidalgo County property poor school districts.

The data retrieved from the school district IFA/EDA surveys were organized and analyzed to create tables, figures, and charts that identify the amounts of IFA funding the districts received on a yearly basis between 1997 and 2007. Also reflected in this study are the different types of schools that were built in each particular district before and after 1997. School district information in the area of student enrollment, appraisal values and value per student was

retrieved from the Texas Education Agency (TEA). The researcher used triangulation in reporting information by analyzing interviews, compiling survey information and reporting TEA data related to the research questions. Creswell defines triangulation as the use of multiple and different sources, methods, investigators, and theories to provide corroborating evidence from different sources to shed light on a theme or perspective.¹⁶⁵ The utilization of data obtained through Texas Education Agency documents, school district documents, interviews with Rio Grande Valley school district architects, interviews with Hidalgo County Superintendents Pre and Post 1997, and Hidalgo County school district IFA/EDA surveys provide evidence that the IFA program was implemented in Hidalgo County school districts and the IFA program influenced the passage of many school bond issues in order to provide equitable facilities in the RGV.

The validity of this study depended on the reliable information gathered from each source. A technique for establishing credibility in this type of qualitative study was the use of member checks. Within this technique, as Creswell explains, the researcher solicits informants' views of the credibility of the findings and interpretations.¹⁶⁶ Lincoln and Guba consider this technique to be, "the most critical technique for establishing credibility."¹⁶⁷ With this technique in mind, the audio recordings of the interviews were transcribed immediately after the interviews were conducted. Once the interviews were transcribed the researcher validated the content with the video tapes of each participant. The video recordings were placed on DVD disks and the audio recordings were secured on an audio tape for each participant. All interviews were

¹⁶⁵ Creswell, 208.

¹⁶⁶ Ibid.

¹⁶⁷ Yvonne S. Lincoln and Egon G. Guba, *Naturalistic Inquiry* (Beverly Hills. CA: Sage Publications, 1985), 314.

transcribed and a copy of the transcript was sent to each of the participants to review and respond with recommended changes.

In order to analyze the data, the researcher reviewed and coded each transcript looking for emerging themes. Transcription and validation of interview documents increased the trustworthiness and credibility of the study. The researcher made use of triangulation in reporting information secured during the interviews with school district superintendents and the interview with the RGV state senator. Together the information taken from the interviews produced a scenario of the conditions in Hidalgo County school districts before and after the implementation of the IFA program. The superintendent interviews were audio-taped, video-taped, transcribed and analyzed. Transcripts were coded to determine recurring keys words, topics, concepts and phrases. To qualify for a theme five out of ten superintendents must have stated a key word or concept within the text of the transcript. Once the coding was completed themes were identified and the recurring themes were categorized to create emerging themes that are relevant to the study as a whole. The themes, together with the information from IFA/EDA surveys, were used to address the research questions.

The reliability of this study is dependent on the field notes, videotaping of individual interviews, IFA documents, school district IFA/EDA surveys, school district data, and documents retrieved from the Texas Education Agency. The data gathered from all of these sources corroborated the elements of this study and provide information to answer the two research questions. The materials and audit trail for this study are secured at the University of Texas Pan American College of Education complex.

Summary

The methodology utilized in collecting data for this research study has provided documentation of IFA facility construction in the RGV for school districts that secured IFA funding. The chronicling Hidalgo County school districts from 1997 through 2007 that received school facility funding illustrated the evidence of the implementation of the IFA program in Hidalgo County schools districts. The approaches and strategies used to collect data were conducive in producing this document. Data analysis of recorded interviews, surveys, state data, publications, and journals provide descriptive information for this study. The reliability of this study is based on the field notes, videotaping of individuals, IFA documents, school district IFA/EDA surveys, school district data and documents retrieved from the Texas Education Agency. The data gathered from all of these sources corroborates the elements of this study and answers the research questions.

CHAPTER IV

ANALYSIS OF IFA COMPONENTS

Instructional Facilities Allotment (IFA) Guidelines and Procedures

The researcher reviewed statistical data used in IFA program guidelines and procedures. Formula funding determines the amount of IFA funding for school districts.¹⁶⁸ Major components of IFA formula funding consist of: (a) taxable property values determined by a district's appraisal value, (b) student average daily attendance (ADA) determined by district student enrollment, and (c) ranking of school districts based on property wealth per student.¹⁶⁹ TEA also considers three priority areas for IFA awards: (a) student enrollment increases over the previous five years, (b) districts without outstanding debt obligations and (c) districts that applied and did not receive IFA funding due to a lack of funds.¹⁷⁰ Student attendance and district appraisal values are used to determine the per pupil value in each school district. School district property wealth has been the basis for previous school equity litigation in Texas public schools. Per pupil value is part of property wealth.

Texas Education Agency Data for Hidalgo County School Districts

The Texas Education Agency data for all fifteen Hidalgo County school districts including the Educational Service Center Region I is included in this portion of the study. This

¹⁶⁸ Texas Association of School Business Officials. "TEA School Finance101."

¹⁶⁹ Texas Education Agency. "Texas Instructional Facilities Allotment Program."

¹⁷⁰ Texas Legislative Council Report,101.

expo post facto data was available on the Texas Education Agency (TEA) Academic Excellence Indicator System (AEIS) website.¹⁷¹ Student enrollment, district appraisal values, and per student values are reported. The years utilized for this report were from 1995 through 2010, a fifteen-year period. These years were selected in order to examine information in Hidalgo County school districts two years before the 1997 IFA program was implemented and three years after the 1997 IFA program was implemented. It is also important to research these areas because (a) student enrollment impacts the need for facilities, (b) Average Daily Attendance (ADA) affects district budgets, (c) district appraisal values and the school district's effective tax rate combined to produce revenue for Maintenance & Operations (M&O) and Interest & Sinking (I&S) to pay a school district's debt service, (d) property wealth and value per student impacts local and state revenue. The IFA program was implemented in the RGV between 1997 and 2007; the statistical data reflects that these three areas changed between the pre and post IFA program in the RGV.

Student Enrollment Trends in Hidalgo County School Districts 1995-2010

Table 4.1 illustrates the student enrollment trends in Hidalgo County between 1995 through 2010. The categories in this chart show the beginning student enrollment in 1995 and the final enrollment in 2010. There is a column that reflects the total amount that student enrollment increased during this fifteen-year period, from smallest to largest enrollment gains. La Joya ISD reflects a 15,165 actual increase of student enrollment and their percentage change was 119% in a fifteen year period. Valley View ISD had a 180% (2,975) student enrollment increase followed by Sharyland ISD with 144% (5,626) and then La Joya ISD with 119 % (15,165). Although Valley View ISD had the largest percentage gain in student enrollment, La Joya ISD had the largest actual student enrollment growth compared to any other school district

¹⁷¹ Texas Education Agency. "Academic Excellence Indicator System."

in Hidalgo County. Percent increases in student enrollment are important in projecting school district needs, but actual student enrollment growth projects facility needs. Table 4.1 shows the student enrollment trends that occurred in school districts during this time period. The totals at the bottom of the table show that in 1995 Hidalgo County school districts had 127,406 students and in 2010 they had 195,813 students, a difference of 68,407 students and percent increase of 54%.

Table 4.1. Hidalgo County Student Enrollments 1995-2010

Hidalgo County Student Enrollment Trends 1995-2010				
(Smallest to Largest)				
School	Enrollment	Enrollment	15 Year	Percent
District	1994-95	2009-2010	Difference	Difference
La Villa	762	600	-162	-21%
Monte Alto	453	820	367	81%
Progreso	1,788	2,224	436	24%
Mercedes	5,083	5,522	439	9%
Hidalgo	2,572	3,495	923	36%
Edcouch Elsa	4,413	5,400	987	22%
Valley View	1,651	4,626	2,975	180%
McAllen	21,845	25,101	3,256	15%
Mission	11,861	15,341	3,480	29%
Weslaco	12,838	17,208	4,370	34%
Sharyland	3,912	9,538	5,626	144%
Donna	9,202	14,870	5,668	62%
PSJA	19,994	31,223	11,229	56%
Edinburg	18,262	31,910	13,648	75%
La Joya	12,770	27,935	15,165	119%
Totals	127,406	195,813	68,407	54%
ESCRegion I	273,547	398,808	125,261	46%
		Table 4.1		

In 1995 ESC Region I had 273,547 students and in 2010 it had 398,808 students, a difference of 125,261 or 46% increase. A 2010 comparison of Hidalgo County and ESC Region

I student enrollment trends reflects that Hidalgo County made up 49% of the students in Region I. The other seven counties in the RGV made up the remaining 51% of the student enrollment in the ESC Region I area. Also the fifteen-year analysis of enrollment growth reflects that ESC Region I, as a whole, had a growth of 46% as compared to Hidalgo County school districts which had a student enrollment increase of 54%.

Table 4.2. Actual Student Enrollment

Student Enrollment	
15 Year Enrollment Trend	
(Smallest to Largest)	
School District	Enrollment
La Villa	-162
Monte Alto	367
Progreso	436
Mercedes	439
Hidalgo	923
Edcouch Elsa	987
Valley View	2,975
McAllen	3,256
Mission	3,480
Weslaco	4,370
Sharyland	5,626
Donna	5,668
PSJA	11,229
Edinburg	13,648
La Joya	15,165
Total Growth	68,407
Average Growth	4,450
Table 4.2	

Table 4.3. Percent of Student Enrollment

Student Enrollment	
15 Year Percentage Trend	
(Smallest to Largest)	
School District	Percent Change
La Villa	-21%
Mercedes	9%
McAllen	15%
Edcouch Elsa	22%
Progreso	24%
Mission	29%
Weslaco	34%
Hidalgo	36%
PSJA	56%
Donna	62%
Edinburg	75%
Monte Alto	81%
La Joya	119%
Sharyland	144%
Valley View	180%
Average	
Percent Increase	54%
Table 4.3	

The student enrollment data reflects the district with the most student enrollment increase was not necessarily the district with the largest percentage increase. Table 4.2 shows enrollment trends and Table 4.3 illustrates the percentage of student enrollment growth. Both charts reflect the growth of student enrollment from the smallest to the largest. La Villa ISD lost enrollment

and Monte Alto ISD had the smallest gains in student enrollment as compared to the other school districts; on the other hand, Monte Alto ISD had a percentage increase of 81% which surpassed eleven other districts. (La Villa ISD was the only school district that lost student enrollment in Hidalgo County.)

Appraisal Values in Hidalgo County School Districts 1995-2010

Table 4.4. Hidalgo County School District Appraisal Values 1995-2010

Hidalgo County Appraisal Values				
1994-95 through 2009-2010				
(Smallest to Largest)				
School Districts	Appraisal Values 1994-1995	Appraisal Values 2009-2010	15 Year Difference	Percent Change
Monte Alto	\$31,823,401	\$72,156,020	\$40,332,619	127%
La Villa	\$45,381,569	\$91,046,554	\$45,664,985	101%
Progreso	\$41,446,674	\$133,991,272	\$92,544,598	223%
Edcouch Elsa	\$99,732,309	\$250,678,764	\$150,946,455	151%
Hidalgo	\$131,674,728	\$413,626,484	\$281,951,756	214%
Mercedes	\$135,019,212	\$444,742,727	\$309,723,515	229%
Valley View	\$67,569,798	\$414,450,445	\$346,880,647	513%
Donna	\$324,995,206	\$953,678,764	\$628,683,558	193%
Mission	\$447,402,453	\$1,574,391,848	\$1,126,989,395	252%
Weslaco	\$558,460,948	\$1,773,592,997	\$1,215,132,049	218%
La Joya	\$615,053,594	\$2,211,278,464	\$1,596,224,870	260%
Sharyland	\$331,348,280	\$2,357,796,011	\$2,026,447,731	612%
PSJA	\$945,705,875	\$3,344,297,171	\$2,398,591,296	254%
McAllen	\$2,588,246,351	\$6,117,906,806	\$3,529,660,455	136%
Edinburg	\$1,510,666,962	\$5,653,490,255	\$4,142,823,293	274%
Appraisal Value Growth in Hidalgo County in Comparison to ESC Region I				
Hidalgo County	\$7,784,527,360	\$25,807,124,582	\$17,932,597,222	228%
Region I	\$19,421,639,768	\$59,622,371,249	\$40,200,731,481	206%

Table 4.4

Table 4.4 lists the appraisal values in Hidalgo County school districts. This table reflects the growth of district appraisal values from the smallest to largest gain. Edinburg ISD had an overall gain in appraisal value of 274% (\$4,142,823,293). This increase was almost three times the original value reported for this district in 1994-1995. While Edinburg ISD appraisal values

increased by 274%, Sharyland ISD had an appraisal value increase of 612%. Monte Alto ISD district appraisal values increased by 127% (\$40,332,619); this was the lowest increase in Hidalgo County.

The last column in Table 4.4 displays the percentage of change in appraisal values for each school district. La Villa ISD lost student enrollment, but had increases in district appraisal values. A possible explanation for this scenario is that a privately owned prison is located in the La Villa ISD school district and it impacts the appraisal values in that district. Mission ISD, Weslaco ISD, and La Joya ISD all experienced at least a one billion dollar increase in their appraisal values during this fifteen-year period. Sharyland ISD and PSJA ISD had a two billion dollar increase in their appraisal values during this same fifteen-year period. McAllen ISD had a three billion dollar increase in its appraisal values and Edinburg ISD had a four billion dollar increase in their appraisal values during this fifteen-year period.

During this fifteen-year period, Hidalgo County school district appraisal values increased to 228% (\$17,932,597,222) as compared to a combined increase of 206% (\$40,200,731,481) in other counties in the ESC Region I schools during this time period. This reflects an increase of 45% in a fifteen year period in Hidalgo County school districts as compared to total growth in the other ESC Region I school districts. Hidalgo County school district appraisal values in 2010 were \$25,807,124,582 as compared to \$59,622,371,249 in ESC Region I making up 43% of the total school district appraisal values in the ESC Region I.

These figures give an idea of the occurrences in school district appraisal values in a fifteen-year period in Hidalgo County. Although most of these districts are located in property poor areas in ESC Region I, they reflect billions of dollars in appraisal values. Hidalgo County

appraisal values grew by 228%, a \$17,932,597,222 increase. District appraisal values play a key role in generating local and state public school revenue.

Table 4.5. Percent Change

Appraisal Values	
1995-2010	
Percent Change	
(Smallest to Largest)	
School	Percent
Districts	Change
La Villa	101%
Monte Alto	127%
McAllen	136%
Edcouch Elsa	151%
Donna	193%
Hidalgo	214%
Weslaco	218%
Progreso	223%
Mercedes	229%
Mission	252%
PSJA	254%
La Joya	260%
Edinburg	274%
Valley View	513%
Sharyland	612%
Hidalgo County	228%
ESC Region I	206%
Table 4.5	

Table 4.6. Fifteen-Year Difference

Appraisal Values	
1995-2010	
15 Year Difference	
(Smallest to Largest)	
School	15 Year
Districts	Difference
Monte Alto	\$40,332,619
La Villa	\$45,664,985
Progreso	\$92,544,598
Edcouch Elsa	\$150,946,455
Hidalgo	\$281,951,756
Mercedes	\$309,723,515
Valley View	\$346,880,647
Donna	\$628,683,558
Mission	\$1,126,989,395
Weslaco	\$1,215,132,049
La Joya	\$1,596,224,870
Sharyland	\$2,026,447,731
PSJA	\$2,398,591,296
McAllen	\$3,529,660,455
Edinburg	\$4,142,823,293
Hidalgo County	\$17,932,597,222
ESC Region I	\$40,200,731,481
Table 4.6	

The majority of the appraisal value calculations in Hidalgo County schools were influenced by the following categories: business, residential, land and oil and gas.¹⁷² Overall, the residential category contributed to the majority of the appraisal values in Hidalgo County school districts. In 1997 Edinburg ISD had oil and gas that contributed to the majority of the appraisal values in that district, but in 2007 it was the residential values that provided Edinburg

¹⁷² Ibid.

ISD with the majority of their appraisal values.¹⁷³ The Hidalgo County Appraisal District conducts computations of the school district appraisal values. Their statistics reflect residential values are the greatest contributor to school district values.

Table 4.5 and Table 4.6 explain the appraisal values for each school district in Hidalgo County during the fifteen-year period. The data is represented from smallest to largest increases in appraisal values. The importance of these charts is the revelation that percent growth and actual growth do not correlate when comparing actual growth and percentage increases. An example of this type of comparison is Sharyland ISD and Edinburg ISD. Sharyland ISD had a growth of 612% as compared to 274% for Edinburg ISD, but Edinburg ISD had twice the district appraisal value growth than Sharyland ISD. Valley View ISD is another example of an increase in district appraisal value growth. Many variables have likely contributed to this increase, but the researcher did not investigate why the differences in each of the school districts occurred.

Value Per Pupil in Hidalgo County School Districts 1995-2010

Value per pupil has previously been the focus of school litigation in the Texas court system and has contributed to the development of the current Texas Public School Finance System. Value per pupil is calculated by taking the district's appraised value and dividing it by the student enrollment. An example of this type of calculation can be done with Monte Alto ISD data:

1994-1995 Student Enrollment	453
1994-1995 Appraisal Value	\$31,823,401
	<i>(\$31,823,401 ÷ 453 = \$70,250)</i>
1994-1995 Value Per Student	\$70,250

School districts utilize this method to calculate the value per student. This type of data is used in comparing students at the county, regional, and state levels. Many court cases have been filed in

¹⁷³ Ibid.

the state of Texas because of the large discrepancies in school district property values and value per student. Property poor school districts, more often than not, reflect a low value per student as compared to property rich school districts because the appraisal value is the numerator in determining value per student. Table 4.7 displays the value per student for all Hidalgo County school districts and the percentages increases for a designated fifteen-year period.

Table 4.7. Hidalgo County School District Value Per Student 1995-2010

<u>Hidalgo County School District Value Per Student</u>				
<u>1995-2010</u>				
(Smallest to Largest)				
<u>School</u>	<u>Value Per Student</u>	<u>Value Per Student</u>	<u>15 Year</u>	<u>Percent</u>
<u>District</u>	<u>1994-95</u>	<u>2009-10</u>	<u>Difference</u>	<u>Increase</u>
Monte Alto	\$70,250	\$87,995	\$17,745	25%
Edcouch Elsa	\$22,600	\$46,422	\$23,822	105%
Donna	\$35,318	\$64,153	\$28,835	82%
La Joya	\$48,164	\$79,158	\$30,994	64%
Progreso	\$23,180	\$60,248	\$37,068	160%
Valley View	\$40,927	\$89,592	\$48,665	119%
Mercedes	\$26,563	\$80,540	\$53,977	203%
Weslaco	\$43,501	\$103,068	\$59,567	137%
PSJA	\$47,299	\$110,313	\$63,014	133%
Mission	\$37,720	\$102,626	\$64,906	172%
Hidalgo	\$51,195	\$118,348	\$67,153	131%
La Villa	\$59,556	\$151,744	\$92,188	155%
Edinburg	\$82,722	\$177,170	\$94,448	114%
McAllen	\$118,482	\$243,732	\$125,250	106%
Sharyland	\$84,700	\$247,200	\$162,500	192%
<u>County Average</u>	<u>\$52,812</u>	<u>\$117,487</u>	<u>\$64,675</u>	<u>122%</u>
<u>ESC Region I</u>	<u>\$70,999</u>	<u>\$154,382</u>	<u>\$83,383</u>	<u>117%</u>

Table 4.7

In 1994-1995 Monte Alto ISD had a value per student of \$70,250 and in 2009-2010 it had \$87,995. Sharyland ISD had a beginning value of \$84,700 and fifteen years later \$247,200, an increase of \$162,500. Overall the county average during this time period was lower than the

other districts located in the ESC Region I area. In 2010 the value per student in the state of Texas was \$361,580 as compared to the *average* in Hidalgo County school district of \$117,487 a difference of \$244,093. This difference is 32% of the state's value per student in 2010, a 68% gap between the state and local average.

Table 4.8. Percent Increase

Hidalgo County School District		
Value Per Student		
Percent Increase		
(Smallest to Largest)		
School	15 Year	Percent
District	Growth	Increase
Monte Alto	\$17,745	25%
La Joya	\$30,994	64%
Donna	\$28,835	82%
Edcouch Elsa	\$23,822	105%
McAllen	\$125,250	106%
Edinburg	\$94,448	114%
Valley View	\$48,665	119%
Hidalgo	\$67,153	131%
PSJA	\$63,014	133%
Weslaco	\$59,567	137%
La Villa	\$92,188	155%
Progreso	\$37,068	160%
Mission	\$64,906	172%
Sharyland	\$162,500	192%
Mercedes	\$53,977	203%
Table 4.8		

Table 4.9. Fifteen Year Growth

Hidalgo County School District		
Value Per Student		
15 Year Growth		
(Smallest to Largest)		
School	15 Year	Percent
District	Growth	Increase
Monte Alto	\$17,745	25%
Edcouch Elsa	\$23,822	105%
Donna	\$28,835	82%
La Joya	\$30,994	64%
Progreso	\$37,068	160%
Valley View	\$48,665	119%
Mercedes	\$53,977	203%
Weslaco	\$59,567	137%
PSJA	\$63,014	133%
Mission	\$64,906	172%
Hidalgo	\$67,153	131%
La Villa	\$92,188	155%
Edinburg	\$94,448	114%
McAllen	\$125,250	106%
Sharyland	\$162,500	192%
Table 4.9		

Table 4.8 reflects a fifteen year growth of value per student in percentages, and Table 4.9 shows a fifteen year growth of actual values per student. Both tables illustrate that the actual growth in value per student may be different than the percentage increase. The fifteen-year data is listed from smallest to largest. Fluctuations in student enrollment or appraisal values in school districts will cause changes in value per student. Mercedes ISD had a gain of 203% versus Monte Alto ISD that had a gain of 25%. Mercedes ranked seventh among the fifteen districts in growth. Monte Alto ISD, Edcouch-Elsa ISD and Donna ISD had the lowest increases in value per pupil.

Sharyland ISD, McAllen ISD and Edinburg ISD had the most significant gains in actual growth. Except for Sharyland ISD their percentage gains were not as much as Mercedes ISD and Mission ISD. Although La Villa ISD lost student enrollment, their value per pupil increase due to their increase in appraisal values.

Summary of Research Findings

Chapter 4 contains important Hidalgo County figures and statistics. This information was compiled by analyzing student enrollment, district appraisal values and value per pupil data secured from the AEISD Texas Education Agency website from 1995 through 2010.¹⁷⁴

In 1995 Hidalgo County school districts had 127,406 students and in 2010 it had 195,813 students, a difference of 68,407 students and percent increase of 54%. In 1995 ESC Region I had 273,547 students and in 2010 it had 398,808 students, a difference of 125,261 and a 46% increase. A 2010 comparison of Hidalgo County and ESC Region I student enrollment trends reflects that Hidalgo County made up 49% of the students in Region I. The other seven counties in the RGV made up the rest of the student enrollment in the ESC Region I area. Also the fifteen-year analysis of student enrollment growth shows that ESC Region I, as a whole, had student growth of 46% as compared to 54% in Hidalgo County school districts. The overall student growth within this time period in the RGV schools was 193,668 students.

District appraisal values in Hidalgo County school districts increased by 228% (\$17,932,597,222) within a fifteen-year period. Other counties in the Rio Grande Valley had a combined increase of 206% (\$40,200,731,481). This reflects an increase of 45% in a fifteen year period in Hidalgo County school districts as compared to total growth in the other ESC Region I school districts. Hidalgo County school district appraisal values in 2010 were \$25,807,124,582 as compared to \$59,622,371,249 in all of the ESC Region I. During this time period Hidalgo

¹⁷⁴ Texas Education Agency. "Academic Excellence Indicator System."

County appraisal values made up 43% of the total school district appraisal values in the ESC Region I areas. The overall appraisal values in the RGV schools increased by \$17,932,597,222 in a fifteen-year period and almost half of the school districts located in Hidalgo County had increases in billions of dollars.

Value per pupil is derived from dividing district appraisal values by student enrollment. This formula, although consistently use in Texas, fluctuates according to student enrollment and appraisal values. The value per pupil *average* increased by 122% in Hidalgo County school districts, but this average was well below ESC Region I schools and the state of Texas.

Quantitative data is very important in this study. The following data tables were presented in Chapter 4 and represent information extracted from the AEIS Texas Education Agency (TEA) website:

Table 4.1	Hidalgo County Student Enrollments 1995-2010
Table 4.2	Actual Student Enrollment
Table 4.3	Percent of Student Enrollment
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CHAPTER V

ANALYSIS OF HIDALGO COUNTY SUPERINTENDENT INTERVIEWS & IFA/EDA SURVEY

The purpose of this study is to provide evidence of IFA facility construction in the Rio Grande Valley through documentation chronicling Hidalgo County school districts from 1997 through 2007 that secured IFA monies to build new facilities. This study examined the history of the Texas Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) program funding sources in the Rio Grande Valley school districts by describing school bond issues, school district construction and renovations, school district finances, levying of local taxes, and local effort versus state effort in the implementation of the IFA and EDA programs. The IFA program started in 1997 and funding continued through June 2007.¹⁷⁵

This chapter contains data derived from Hidalgo County school district IFA/EDA surveys, interviews with three RGV school district architects who designed schools in the RGV, interviews with ten Hidalgo County school district superintendents leading before IFA and those seated during and after the implementation of the IFA program. Three of the superintendents that were interviewed served Hidalgo County school districts both before and after the IFA program was implemented. Seven served before 1997 and six served after 1997. An interview with a current Texas State Senator who was instrumental in the passing of the IFA legislation was also

¹⁷⁵ Texas Education Agency. "Texas Instructional Facilities Allotment Program."

conducted. This senator had firsthand knowledge of facilities in the RGV prior to and after the IFA program was initiated in the Hidalgo County School Districts.

The following research questions guided this study:

- 1 How did the Instructional Facilities Allotment (IFA) Program in Texas influence Hidalgo County School Districts to conduct Facility Bond Elections between 1997 and 2007?
- 2 Did the Instructional Facilities Allotment (IFA) Program in Texas neutralize the state's adequacy and equity issues when building new school facilities in Hidalgo County School Districts between 1997 and 2007? (Local Effort versus State Effort)

Data collection took place in February 2007, March 2007 and between the months of August 2011 and January 2012. The three architects were interviewed in 2007 as part of a previous research project for a doctoral class that examined RGV architectural design. The ten Hidalgo County school district superintendents were interviewed in October 2011 and all served Hidalgo County School Districts at various times from 1989 through 2011. (See Appendix I) Texas State Senator Eddie Lucio Jr. was interviewed in December 2011. (See Appendix J) State Senator Lucio served in the Texas House of Representatives from 1986 through 1991 and has served as a Texas Senator since 1991. An IFA/EDA survey was sent to fifteen school districts in Hidalgo County. (See Appendix F) Representatives from twelve of the fifteen school districts responded to the survey. Edcouch-Elsa ISD, Hidalgo ISD and La Villa ISD did not respond to the survey; consequently, their IFA/EDA data is not included in the facilities summary document.

In order to answer the research questions posed in this study, presentation of data from the following sources is offered: (a) RGV school district architect interviews describing school construction in the early 1950's, (b) RGV school superintendent interviews addressing facility conditions before and after the implementation of the IFA program, (c) RGV Texas State Senator

interview addressing the implementation of the IFA program in 1997 due to poor school facility conditions in the RGV and (d) data from the IFA/EDA survey describing the amount of money each school district received, the types of facilities that were built, and the percentage of local and state effort used in implementing the IFA program from 1997 through 2007. Information from the interviews and surveys was used to develop data presentations, including charts, tables, graphs and figures that address the research questions from this study.

The interviews generated data regarding the conditions of facilities before and after the implementation of the IFA program; the IFA/EDA survey provided the quantitative data describing actions during the implementation of this program in the RGV. The conditions of school facilities in the RGV from the early 1950's through early 1990's are important to know about because the IFA program influenced property poor school districts to successfully conduct school bond issues.

The majority of the school districts in Hidalgo County are located in property poor areas and without IFA funds, new school facilities would not have been possible to build.¹⁷⁶ The districts' inability to levy local taxes for new school building construction in the RGV is a long-existing condition and contributed to the history of inequitable facilities issues in this area. The Texas legislature developed the IFA program in order to address this issue. This program ranks all school districts that apply for this program from highest poverty level to lowest poverty level, in order to award IFA funding.

The early construction of school buildings in the RGV and the design of the buildings in the early 1950's are described in this chapter. Because of the tight facility budgets in the RGV school districts, schools constructed during that time period were built to last 50 or more years. Most of the schools in use in the early 1990's in Hidalgo County were those built in the 1950's.

¹⁷⁶ Educational Service Center Region One. "Region One ESC Profile."

Interviews with individuals who served as superintendents prior to 1997 confirmed that students were attending these schools built in the 1950's. The superintendents interviewed reflected that the property poor school districts that they served did not have money to build new facilities. These administrators also confirmed that when money became available, they constructed new additions to and renovations of existing main school buildings built in the 1950's.

Early School Building Construction and Architectural Design

The section that follows will describe how three RGV architects built schools in Hidalgo County. The architects were interviewed in 2007 as a requirement for a doctoral class previously taken that examined RGV architectural design. The information secured during the interviews describes why schools were built utilizing a certain design. The architects that were interviewed have many years of experience constructing schools in the RGV.

Hidalgo County School District Architects Interviews

The researcher interviewed the following RGV school architects, Mr. Eli Ochoa, Mr. Manuel Hinojosa and Mr. Warren Suter, to provide a perspective of the RGV schools built in the 1950's. Their perspectives in constructing school buildings reflect the importance of design and budget.

Mr. Eli Ochoa is currently an architectural engineer who has been in the architecture business for 32 years. Mr. Ochoa owns ERO International located in McAllen, Texas. Mr. Ochoa stated,

...at the turn of the century school buildings in the Rio Grande Valley were being built by craftsmen who were mentored by individuals who had previously built schools. During this time period, these individuals did not have formal training in the area of architecture or any type of engineering, but rather received training from their mentors. Building codes did not exist and school buildings were usually built from wood and some type of mortar. Most of the buildings that were built during this time period are now gone because they were destroyed by extreme weather conditions, fire or termites.¹⁷⁷

¹⁷⁷ Eli Ochoa, interview by Mike Sandroussi, McAllen TX, February 23, 2007.

Mr. Manuel Hinojosa is an architect who currently works for ERO International; he has been in the architecture business for 43 years. In his interview, Mr. Hinojosa stated,

...in the early 1900's construction materials were scarce because the RGV did not have resources like metal, brick, and mortar to produce its own school building materials. The life cycle of some school buildings in the RGV did not last more than six to eight years because of the materials used to build them. It wasn't until the establishment of the railroad system in the Rio Grande Valley and the opening of new roads that building materials started heading towards the Rio Grande Valley. As buildings were built, the builders did not pay particular attention to the ventilation, lighting, and heating systems in the building. They did not understand the instructional components of the programs that were to be offered in schools and thus simple classroom designs were built. The builder just built simple school rooms because of the materials that were available.¹⁷⁸

Mr. Manuel Hinojosa continued his comments about school facilities in the RGV. He stated,

...after World War II, many societal changes occurred due to the baby boom and the rate of construction of new schools was deficient in meeting the needs of the population growth. Many military men that served as "Seabees" came back from World War II and started building facilities in the Rio Grande Valley. Organized in March 1942, the Naval Construction Battalions (Seabees) arose from the military's growing need for base construction. The majority of the buildings that were built looked like dome structures and they utilized the lamella design. Many of the school gyms, packing sheds and some school facilities in the Rio Grande Valley were built using this design.¹⁷⁹

Mr. Hinojosa explained that the Lamella roof framing system was important in the RGV. The lamella roof systems consist of crisscrossing patterns of parallel arches skewed with respect to the sides of the covered space. This roof system is composed of relatively short members (lamellae) hinged together to form an interlocking network in a diamond pattern. Although it uses techniques first used in Roman arches, contemporary lamella roof construction originated in Europe and was developed by an Italian architect, Victor Lamella.¹⁸⁰

¹⁷⁸ Manuel Hinojosa, interview by Mike Sandroussi, McAllen TX, February 23, 2007.

¹⁷⁹ Ibid.

¹⁸⁰ Lamella. "Roof Images." <http://www.google.com/search?q=lamella+roof&hl=en&prmd=imvns&tbm=isch&tbo=u&source=univ&sa=X&ei=Rw8mT6TRGciIsQLT1NSMAg&sqi=2&ved=0CC0QsAQ&biw=1152&bih=562> (accessed February 23, 2007).

The Houston Astrodome and New Orleans Super Dome have lamella roof designs. In the RGV Lyford ISD and Edcouch-Elsa ISD have gymnasiums that were built with the lamella design.

Mr. Hinojosa stated,

...Noser Construction located in McAllen, Texas built many of these facilities and they utilized the Lamella roof framing system. Although these facilities were built in the 1940's, several of these types of facilities are still being used throughout school districts in the RGV. The Lamella roof framing system was of great architectural and structural importance.¹⁸¹

Mr. Hinojosa also stated,

...in the mid 1950's an unprecedented program of schoolhouse construction was initiated in the United States of America, including the Rio Grande Valley. Overcrowded classrooms, temporary quarters, continued use of out dated buildings and growing student enrollments contributed to school building concerns that could not any longer be ignored.¹⁸²

Overcrowded classrooms, temporary quarters, growing student enrollments and unsafe buildings helped motivate people in communities throughout the country to a greater effort and accomplishments in school building construction than they had previously believed was possible. The AASA report published in the early 1960's reflects the pronounced lag in schoolhouse construction that was affected by a rising birth rate, school district reorganizations, and the elimination of many one-teacher schools.¹⁸³

During the 1960's architects began to consider additional variables that would influence the design and architecture of school buildings. They were already inferring that the *old mentality* of developing school buildings was not meeting the needs of the students and staff.

¹⁸¹ Hinojosa.

¹⁸² Ibid.

¹⁸³ Report of the American Association School Administrators School Building Commission. *Planning America's School Buildings*, 202. (Washington D.C.: American Association of School Administrators, 1960).

That was especially true regarding the needs as a result of rapid growth in the student population and lack of school district money.



Figure 5.1. Single Load Building: Marcel School, Mission, Texas (Picture donated by Manuel Hinojosa)

Figure 5.1 shows a popular building concept that emerged in the mid 1950's was the single load school. Mr. Ochoa and Mr. Hinojosa affirmed that this was the most popular design during this time because these buildings generally lasted between thirty to forty years. Before the design of the school was considered, the architectural team examined the positioning of the buildings, height elevations, wind direction, and sun positioning. Money was tight so designing schools became a *scientific art*. The positioning of school buildings, soil, foundation design, sun's path and wind direction were variables considered before the campus was constructed.

Besides Mr. Ochoa and Mr. Hinojosa, the researcher interviewed Mr. Warren Suter. Mr. Suter was a retired, self-employed, architect who started building schools in 1946. Mr. Suter designed and built the majority of the Mission CISD schools in Mission, Texas in the early

1950's.¹⁸⁴ The most popular campus design in the Mission school district during Mr. Suter's tenure was the single load building. An example of this type of building is the Marcel School built in Mission, Texas in 1955. (See Figure 5.1) Before building this type of school, Mr. Suter reported that he studied the wind directions, ground elevations, positioning of the sunrise and sunsets during the winter and summer months. Mr. Suter stated,

...I studied the wind directions, ground elevations and the position of the sunrise and sunsets during the summer and winter months. This type of building was built with the length of the building positioned from east to west. Large windows were on the north end of the building and a canopy, facing south, extended outside of the classroom to shade the facility from the sun. There were also smaller windows on the south end of the building (windward side) in order to ventilate the classroom. This type of window design produced a negative effect on the back-side of the windows drawing winds on the south side of the structure into the building. This dynamic wind event occurred because the larger windows on the north side drew the air from the south side into the classroom and then, after the wind circulated the room, the air left the building on the north side of the building. This phenomenon is known as the ventrille effect.¹⁸⁵

Mr. Suter also described the design of the school building foundation. He stated,

...I studied the foundation of the school building and designed schools that consisted of pier foundations that were drilled eight feet into the ground. This type of design worked fine when the moisture in the ground was constant. When the water table would go down, then the ground would shift due the lack of moisture and so would the piers, thus causing foundation damage. Canals that were first constructed in the Rio Grande Valley kept the water tables constant and the moisture constant around school buildings. When contractors started running pipes and cement pathways to run canal water, the ground started drying up and caused the piers to start shifting. When this was discovered we then started building schools with a sounder foundation design that did not utilize a pier foundation.¹⁸⁶

Mr. Suter also studied the position of the sun's path. "The Sun's Path" website illustrates the following points that Mr. Suter was describing.¹⁸⁷ He stated,

...in studying the different positions of the sun, I found that the sun did not rise directly east and set directly west as everyone perceives. Many people know that the sun rises in

¹⁸⁴ Warren Suter, interview by Mike Sandroussi, Mission TX, March 23, 2007.

¹⁸⁵ Ibid.

¹⁸⁶ Ibid.

¹⁸⁷ The Sun's Path. "How does the Sun Appear to Move Across Our Sky in the Northern Hemisphere?" <http://solar.physics.montana.edu/YPOP/Classroom/Lessons/Sundials/sunpath.html> (accessed March 23, 2007).

the east and sets in the west, but many individuals are not sure whether the sun rises *EXACTLY* east and sets *EXACTLY* west every day. Everyone knows that the days are longer in the summer and shorter in the winter, but the sun's path through the sky changes to create these differences in the length of a day.¹⁸⁸

The “The Sun’s Path” research confirms what Mr. Suter was studying in the early 1950’s. It is important to understand this information because the building process that Mr. Suter incorporated when building schools in the RGV led to well ventilated and cooler schools; this is especially important because at that time, there was not the luxury of air-conditioning. Before the conclusion of the interview Mr. Suter was asked what concerned him most when building schools in the 1950’s. Suter explained that asbestos products at that time were the most efficient products to use. He later found out that asbestos caused cancer and he became upset and his eyes began to water when he described the 9x9 floor tiles that were used in the majority of the schools built. He referred to the word asbestos as the “A” word.¹⁸⁹

The history of architectural design in public schools in the Rio Grande Valley facilitated the design of many school campuses in the 1950’s by providing a road map for RGV architects to follow. During this time period public schools were built with limited funding. Mr. Hinojosa stated that money impacted the architectural design of school buildings in the early 1950’s and the majority of the school districts in the RGV at that time were property poor school districts.¹⁹⁰ Similarly, Eli Ochoa said that property poor districts did not generate enough monies at the local level to build new school buildings therefore when they did secure money to build, they expanded school buildings; therefore, facilities by adding new structures to the old structures, i.e. additions to existing structures.¹⁹¹ Both Hinojosa and Ochoa stated that the IFA facilities program generated millions of dollars in the RGV and without these monies school districts

¹⁸⁸ Suter.

¹⁸⁹ Ibid.

¹⁹⁰ Hinojosa.

¹⁹¹ Ochoa.

could not have replaced their old buildings. Without these monies property poor school districts would not have been able to continue to build new school facilities in Hidalgo County.

Hidalgo County Superintendent Interviews

Table 5.1. Hidalgo County School District Superintendent Interviews

Hidalgo County Public School Superintendent Interviews					
Superintendents	School District	Years Served	Pre 1997	Post 1997	Pre & Post 1997
Dr. Alejo Salinas	La Joya ISD	1976-1979	*		*
	Hidalgo ISD	1981-1999	*	*	
Dr. Miguel De Los Santos	La Joya ISD	1979-1987	*		
	San Benito ISD	1989-1991	*		
	Edinburg ISD	1991-1995	*		
Mr. Monte Churchill	Mercedes ISD	1980-1997	*		
Dr. Robert Zamora	La Joya ISD	1987-1992	*		*
	Left to Work at TEA & ESC	1992-1997			
	La Joya ISD	1997-2003		*	
Mr. Ralph Cantu	Mission ISD	1989-1994	*		
Mr. Ernesto Alvarado	PSJA ISD	1989-1994	*		
Dr. Richard Rivera	Weslaco ISD	1996-2011	*	*	*
Dr. Juan Garcia	Donna ISD	1997-2004		*	
Dr. Andres Martinez	Donna ISD	2000-2001		*	
	Monte Alto ISD	2003-2008		*	
Dr. Filomena Leo	La Joya ISD	2003-2006		*	
Table 5.1					

Superintendent Interviews & Emerging Themes

Table 5.1 lists the ten Hidalgo County school district superintendents that were interviewed in order to collect qualitative data dealing with the conditions of RGV school districts. Seven superintendents served schools before 1997, six served after 1997 and three served before and after 1997. An interview protocol was used to ensure that each superintendent was asked the same open-ended questions. (See Appendix F) Superintendent perspectives were captured in the interviews and themes emerged in the area of student enrollment, facilities, tax rates and impact of the IFA program. All of these individuals served in property poor school districts and they shared stories about how they addressed a fast growing student enrollment in old dilapidated facilities with no tax base revenue to pass school bond issues.

The superintendent interviews were audio-taped, video-taped, transcribed and analyzed by the researcher. Transcripts were coded to determine recurring key words, topics, concepts and phrases. To qualify for a theme five out of ten superintendents must have stated that key word or concept within the text of the transcript. Once the coding was completed themes were identified and the recurring themes were categorized to create emerging themes relevant to the study. The themes, together with the information from IFA/EDA surveys, were used to address the research questions. The following themes emerged from analyzing the interview data:

Theme 1: Student Enrollment Trends and Overcrowded Schools

Theme 2: Dilapidated Facilities

Theme 3: Lack of State Funding and Low Property Tax Base in Property Poor Districts

Theme 4: Impact of the IFA Program in Hidalgo County School Districts

Theme 1: Student Enrollment Trends and Overcrowded Conditions

The majority of Hidalgo County school districts are located in property poor areas.¹⁹² The demographics in these schools districts consist mainly of Hispanic students that are economically disadvantaged. Hidalgo County school districts have experienced and continue to experience massive growth in student enrollment. The superintendents that worked in the early 1970's and 1980's experienced this phenomenon in many of the school districts that they served.

Dr. Miguel De Los Santos served La Joya ISD 1979 through 1987. Dr. Miguel De Los Santos recalls that in 1979, when he went to La Joya, there were approximately 2,800 students and in 1987, when he left La Joya ISD, there were approximately 8,700 students. During his seven-year tenure, La Joya ISD student population grew about 800 to 1000 students a year.¹⁹³

¹⁹² Educational Service Center Region One. "Region One ESC Profile."

¹⁹³ Miguel De Los Santos, interview by Mike Sandroussi, Edinburg TX, October 14, 2011.

Two other individuals that also served La Joya ISD were Dr. Roberto Zamora and Dr. Filomena Leo. Dr. Zamora served La Joya ISD as a superintendent of schools in 1987 through 1992 and then again in 1997 through 2003. In 1992 he left La Joya ISD to work at the Texas Education Agency (TEA) and then became the Educational Service Center Director in Region 1. He returned to La Joya ISD in 1997 because he felt that he had not finished what he had started. He stated,

...we were a low wealth and fast growing district. There were other low wealth districts in the region, but fast growth, I don't think we had anybody growing as fast and then the existing tax rates at the time did not help us build facilities. In 1987 when I first got to the La Joya district I had 8,650 students and by the time I left in 1992, we had grown to 10,975. When I went back to La Joya in 1997 the district's student enrollment was already at 14,832 and when I left again in 2003 we were up to 18,907. We had large pupil teacher ratios in La Joya ISD.¹⁹⁴

La Joya ISD was a fast growing district in Hidalgo County at that time period and it continued to grow. Dr. Filomena Leo served the La Joya ISD school district from 2003 through 2006. She stated,

...in 2003, when I began in La Joya ISD we were slightly over 20,000. We were growing at a rate of approximately 1,500 new students in the district every year the three years I was there. So when I left in 2006 I believe enrollment was at about 26,000 students. In 2004 the high school had about 2600 students and it was built for 2000 students. There was not enough room and we did not have the space needed to meet the instructional needs of students. As a superintendent of schools my top priority was to ensure that the proper facilities were in place for a student population that was increasing at a rate of 1,500 students per year. With this growth came a sense of urgency to produce facilities that would meet the needs of my growing student population.¹⁹⁵

Rapid growth of student enrollment was the case in many Hidalgo County school districts. Many of the classrooms during this time held thirty to forty students. Overcrowded conditions existed and the rapid increase of student enrollment complicated the need for facilities. An alternative to teach all of these children was to assign them to classrooms which

¹⁹⁴ Roberto Zamora, interview by Mike Sandroussi, La Joya TX, October 14, 2011.

¹⁹⁵ Filomena Leo, interview by Mike Sandroussi, La Joya TX, October 14, 2011.

held anywhere from 30-40 students. La Joya ISD and many other school districts experienced these growing pains. Dr. De Los Santos stated,

...you know when I first got there, it was right before House Bill 72, so there were no limits at the elementary school, so we probably had 30-35 students per classroom and then House Bill 72 came in 1984. When House Bill 72 came in, all of a sudden, we had to go to a 22 to 1 student teacher ratio from kindergarten through the fourth grade. That caused a major problem for us because we didn't have the space or facilities to accommodate the students. There was a time when we had classes going on the stages, cafeterias and just any space that we could find to meet the guidelines of the state. That was also something that pressured us in La Joya and probably a lot of school districts to build elementary schools because of the requirements of the state and teacher ratios at the lower grade levels.¹⁹⁶

As La Joya ISD was experiencing a variety of issues associated with a rapid increase in student enrollment, so were other school districts in Hidalgo County. Pharr San Juan Alamo ISD was one of these districts. Mr. Ernesto Alvarado who served as superintendent of the PSJA ISD from 1989 through 1994 stated,

...back in 1988-1995 there wasn't much building construction occurring. Student population was growing and you had almost 13,000 students in the district's facilities. You were short of facilities, you didn't have enough room for the kids, and you had average class sizes of up to 40 students in class. House Bill 72 came in with all of the requirements; you got to the point where you had to meet your mandates so you couldn't put 40 in a classroom. Before HB 72 was implemented we had thirty to thirty-four students in a class. In other words we were just babysitting students.¹⁹⁷

Mission ISD, Donna ISD, and Weslaco ISD were other districts that experienced overcrowded conditions. Ralph Cantu who served as superintendent in Mission ISD from 1988 through 1995, described the overcrowded conditions that existed in his district when he stated,

...we had facilities that were not air-conditioned with very large classes. It was not a good learning environment to say the least. We were placing up to 40 students in a classroom with one teacher. As time went along and HB 72 was implemented, we were forced to reduce our class sizes.¹⁹⁸

¹⁹⁶ De Los Santos.

¹⁹⁷ Ernesto Alvarado, interview by Mike Sandroussi, Edinburg TX, October 28, 2011.

¹⁹⁸ Ralph Cantu, interview by Mike Sandroussi, Edinburg TX, October 7, 2011.

Dr. Juan Garcia who served as superintendent of schools in Donna ISD from 1997 through 2004 stated, “in Donna ISD we didn’t have enough buildings to address our student enrollment which was growing by leaps and bounds.”¹⁹⁹ Dr. Richard Rivera who served the Weslaco school district from 1996 to 2011 adds,

... in Weslaco ISD we had large classrooms before I became superintendent and I remember seeing 35-40 students in classes back in the 60’s and early 70’s. We were overcrowded at Weslaco High School, the budget was tight, I cannot remember the exact number of students we had in 1979, but I know that we had at least 15 floating teachers. Floating teachers were the teachers that share classrooms throughout the day because of lack of classroom space.²⁰⁰

The RGV student enrollment growth continues as a trend in Hidalgo County school districts.

Theme 2: Dilapidated Facilities

As student enrollment in Hidalgo County school districts was growing, the lack of state facility funding and existing dilapidated facilities complicated working conditions for employees and did not produce a positive learning environment for students. Some school districts housed staff and students in facilities that had been built in the early 1900’s, 1920’s, 1930’s 1940’s and 1950’s. Dr. Alejo Salinas served La Joya ISD in 1976 through 1979, and then left to work on his doctorate. In 1981 he became superintendent of the Hidalgo ISD and served this district until 1999. Dr. Salinas tells a unique story and describes the condition of the facilities,

...in 1981 when I went to Hidalgo ISD they had a building that was built in 1910 and was still being used in the district to house staff. They had gotten unofficial figures that to repair it would cost about \$400,000. We got engineers to come in and perform an evaluation and we got the roof on the facility. The unique thing about this building was that the roof had been designed so that water would collect in the middle of the roof and instead of the water going off the building, it would come down through a pipe inside the building and fill a cistern. This cistern was a water source that they used in the district and the cistern is still there but it is covered. The cistern itself had an overflow system when it was full. The water would flow to the outside of the building. None of the people that had been there had ever caught on to the idea, that the roof was built at such an angle that when they tried to fix the roof, it would always leak, so I finally got up on

¹⁹⁹ Juan Garcia, interview by Mike Sandroussi, Donna TX, October 7, 2011.

²⁰⁰ Richard Rivera, interview by Mike Sandroussi, Weslaco TX, October 7, 2011.

top the roof myself and found the problem and I said, we need to do things differently here. We need to move the roof up so the water will flow to the outside from the top of the roof and not to the inside of the building.²⁰¹

In Hidalgo ISD building conditions were not conducive to educating students. Many of the buildings were old and built in the early and mid 1900's. Dr. Salinas explains,

...in Hidalgo ISD you had an overcrowded elementary, only one and it was not air-conditioned. One of the principals that had been there before tried to get it air-conditioned. There was ductwork hanging from the overhangs of the school and the roof was falling apart. They had done nothing about the windows which allowed a lot of dust and hot wind to come in. The curriculum department was housed in a building that the roof was about to collapse. A school built in 1910 in that district had been allowed just to fall apart. It was the same when I was in La Joya ISD, they also had many buildings built in the 1950's.²⁰²

Hidalgo ISD and La Joya ISD were not the only districts with dilapidated facilities. Mr. Monte Churchill recounts the conditions of the facilities in Mercedes, "...most of the buildings in Mercedes ISD were built anywhere from the 1920s through 1950s. Periodically other buildings were added on as the student population grew and strangely many of buildings were built back then with federal funds."²⁰³ Mr. Churchill served the Mercedes ISD from 1980 through 1997 as superintendent of schools and had a thirty-three year career in that same district. Churchill saw many things during this time period and recalls,

...the (Federal Programs) would let you build additions if they were used specifically for whatever, you said that you would be using either your migrant or Title One funds, so all of your funding was really for supplementary education that was being held in those buildings and since I had a thirty-three year history, sixteen years before I became a superintendent, I watched this federal bill through numerable readings labs, math labs, migrant classrooms, kind of interesting. We would put a little tag on the outside of the buildings said Title One or Title One Migrants you know back then, I don't know why no one would ever steal them or anything but you know they were permanent or whatever. We did apply for some money any time there was a grant, we also applied for grants through that time.²⁰⁴

²⁰¹ Alejo Salinas, interview by Mike Sandroussi, Edinburg TX, October 7, 2011.

²⁰² Ibid.

²⁰³ Monte Churchill, interview by Mike Sandroussi, Weslaco TX, October 28, 2011.

²⁰⁴ Ibid.

Many campuses looked the same because of the similar building plans that most districts followed. Fast growing districts in the RGV depended on portable buildings that were sometimes built on-site or moved into the district. In La Joya ISD Dr. De Los Santos states,

...lots of portable buildings, in fact that was probably a necessity for poor school districts because it was very difficult for districts to pass bond elections at the time, so the easiest way to meet enrollment guidelines was to build portable buildings as you grew. In fact, we have proof that in La Joya, we had a maintenance crew that their only job was to build portable buildings. A two classroom portable building cost about \$40,000. In the portable buildings, we would put in an A/C unit; I forget what they called them so we would put in some A/C units that would hold an A/C and heater. It was the most affordable building at this time and they did not have any windows so it was just a closed-in classroom. In Edinburg ISD I don't remember any schools being air-conditioned; even a couple of schools that were from the 1920's, two original schools in Edinburg Stephen F. Austin Elementary School which was the Mexican School and Sam Houston Elementary School, the Anglo school, were built at the same time; both of them had received attention and also that the kids that were attending there in the 1990's, were getting air-conditioned facilities, a little bit more modernized than what I saw at La Joya when I was there.²⁰⁵

Dr. Roberto Zamora concurred with Dr. De Los Santos when he reported,

...in La Joya ISD it even got to the point where our own people constructed one of the campus wings. Our people did the electrical work with the exception maybe of the steel work and the concrete that was done by outside contractors. We had our own carpenters, electricians, and plumbers build the facility.²⁰⁶

Dr. Zamora not only had to deal with classroom space but also had to provide offices for administrative staff members, offices that he did not have when he first arrived at La Joya ISD.

Cafeterias, gymnasiums and career and technology facilities also did not exist. This scenario was just one of many that existed in the RGV. Dr. Zamora stated,

...when I first got to La Joya ISD we did not have administrative offices and did not have a cafeteria. We did not have a gymnasium or any career and technology facilities. We had a middle school that was built like for 600 students back in 1927. We had several additions built to it in 1985 when Dr. De los Santos was here they had added facilities and some additional wings. But that facility was housing over 1600 students and again that was another portable building city.²⁰⁷

²⁰⁵ De Los Santos.

²⁰⁶ Zamora.

²⁰⁷ Ibid.

Facilities were built when facility funding was available. Besides portable buildings, a piece meal building project approach was implemented during this era. This approach consisted of constructing new facilities close to the main or existing building. A sidewalk provided a path for students and employees to get from one building to another. In most school districts, facilities were built in this fashion because it was the simplest way to provide quick instructional facilities for staff and students. The main buildings were mostly built during the 1950's and served as the main hub for each campus. Mr. Churchill commented,

...most of the time you would see wings of buildings built separately coming off the original main administration building. Many of our schools didn't even have gyms at that time. You would see the main area in one building and then you would see walkways and then three or four rooms here and there and then another walkway, another three or four rooms and so on, students had to go inside and outside into the rooms.²⁰⁸

Mr. Ernesto Alvarado from PSJA ISD agreed with Mr. Churchill and stated, "we built a lot of additional classrooms to existing buildings. Many covered walkways were built leading to separate buildings that were extensions of the main building this is all we could afford at this time."²⁰⁹

These actions taken by the superintendents temporarily met the needs of the students. However, teachers were sitting in class with thirty or forty students and there was no air-conditioning; this made it miserable for everyone. Dr. Rivera stated,

...young people don't remember, but the schools of the 60's and the 70's were not air conditioned or many were not air conditioned and it was not conducive to a positive learning atmosphere. Many schools also had portable buildings that were not a good place for the kids to be in. We had a lot of portable buildings in Weslaco ISD in the early 70's to conduct instruction.²¹⁰

²⁰⁸ Churchill.

²⁰⁹ Alvarado.

²¹⁰ Rivera.

Mr. Alvarado described the orientation and positioning of school campuses in PSJA ISD that allowed wind to come in the buildings to keep them cool. He explains,

...it was very hot and we had a lot of fans. A lot of windows were located primarily in buildings that were built in an East and West direction. The windows were located on the South and North end of the buildings because the wind always flowed from southeast to northwest. P.S.J.A. at that time couldn't afford air-conditioning.²¹¹

The type of building construction he described was the same type of building prototype that was built under Mr. Suter's supervision in Mission ISD. Dr. Andres Martinez was superintendent of Donna ISD in 2000 through 2001 and Monte Alto ISD in 2003 through 2008. He remembers when he was a teacher and the conditions that existed in the classrooms. He stated,

...in 1971 I was a teacher in Donna. It's hard to imagine, but even if you think back what it's like in October, you've got all the gnats and all we had were fans with the windows opened. I remember I was at Guzman Elementary, back then it used to be East Donna Primary, we had to open the windows. These big old windows that had weights, counter weights to open. It was tough teaching in those types of conditions.²¹²

Mr. Churchill also stated,

...we would have classes of thirty-five in class and there would be one fan at the back of the room because they were holy and hard to find. Two outlets, one at the front of the room and one in the back of the room and usually the one fan located at the very back of the room you know, it usually was just blowing straight air in one direction, people would almost kill to be in the line of the air.²¹³

Mr. Cantu confirmed that the classroom environment in the schools during this time period was not good. He stated, "we had poor facilities that were not air-conditioned with large student numbers. It was not a good learning environment to say the least."²¹⁴ When air-conditioning started being installed they were basically window units, the same type that were being placed in homes. Dr. Salinas stated, "the air-conditioners were pretty much like the type that you would use in a home or residence. We took the closets from the old heating units that

²¹¹ Alvarado.

²¹² Andres Martinez, interview by Mike Sandroussi, Donna TX, October 7, 2011.

²¹³ Churchill.

²¹⁴ Cantu.

we had in the classrooms and modified them so that they could place air-conditioning and heating window units in there.”²¹⁵

Many of the superintendents became emotional when they described the facilities in their districts. There was a consensus among them that the school district facilities in the RGV were not as good as other districts located up north in property rich school districts. Dr. Zamora from La Joya ISD stated,

...we had large pupil teacher ratios and what was really difficult for me was to see the quality of the facilities that our students were attending were nowhere close to the quality of facilities that other districts had. I saw our students go elsewhere and then come back and ask why can't we have what they have, whether it was in the regular classroom, in the lab setting, in the performing arts facilities, in the athletic facilities, or whatever it was, it was something that was hard and I still get emotional about this.²¹⁶

Mr. Alvarado from PSJA ISD recalled,

...it was very hard to explain to our students that went elsewhere and competed in other school districts why they did not have what other schools had. We didn't have a track; we had a grass track until the later years. We went to the Woodlands at one time and looked at their rubber track and we liked the Woodlands' track, but we could not afford it and couldn't do it at the time because money was tight.²¹⁷

Dr. Zamora recalled similar situations as those shared by Mr. Alvarado. Dr. Zamora said,

...we had bad experiences in athletics where teams played basketball. I remember the families say we're going out there to play in that barn again! The La Joya gymnasium was very small and was used both as the cafeteria and the gym. We would put up the tables and everything that the kids needed beginning at 10:30 am and maybe like to 1:30 pm for serving the lunches. After lunch we would pull out the bleachers and move the cafeteria equipment to have a basketball game. We had games where even the score board was not working and we would keep the score on a chalkboard. I remember at some of our games board members kept scores on the chalkboard.²¹⁸

The continued pressure of providing equitable facilities for students in Hidalgo County school districts was a problem that superintendents dealt with on a daily basis.

²¹⁵ Salinas.

²¹⁶ Zamora.

²¹⁷ Alvarado.

²¹⁸ Zamora.

Theme 3: Lack of State Funding and Low Property Tax Base

The lack of state funding plus a low property district tax base together with low property values created the facility conditions in Hidalgo County school districts in the early 1960's through 1997. Superintendents had to find money from within their existing budgets to address facility and campus needs. The state of Texas had a limited facilities funding program during this time period. There was a federal economic program that was accessed by Mr. Churchill and some other superintendents in the area. Dr. Salinas referred to it as the Economic Development Administration (EDA) grant program. Dr. Salinas stated,

...we had a very strong effort on the part of the county and the U.S. economy to inject federal monies into the development of facilities through training of individuals. A grant from the Federal Government under the Economic Development Administration (EDA), at the time of Governor Briscoe was in office, and had gotten discretionary monies from the Federal Government.²¹⁹

Mr. Churchill stated that, "in 1977 we applied and were awarded a federal Economic Development Administration (EDA) grant."²²⁰ Facility funding was limited and the community members had to pay one hundred percent of any school bond issue that was approved by the public.

If school districts were fortunate enough to pass a school bond issue during this time period, the community members were responsible for paying one hundred percent of the approved school bond issue. This was tough for many school patrons because they lived in property poor areas and their tax base could only raise enough revenue to address the maintenance and operations (M&O) in their school districts. Some of the poorest school districts in the state of Texas were located in the Rio Grande Valley. Mr. Churchill stated,

...Mercedes at that time was the fifth poorest property poor school district in the State of Texas and there weren't any others, maybe Progreso, so we were the poorest in the Rio

²¹⁹ Salinas.

²²⁰ Churchill.

Grande Valley. I laugh and say that a bond issue was almost impossible in our area because we were so poor that we had to save and accumulate over seventeen years I was superintendent enough money to build a Junior High School because this was where our students were housed in the oldest building on the campus. We had to save and without that funding we simply could not afford to be able to build. Our community was far too poor and basically major businesses just do not want to go to the polls to raise taxes.²²¹

Since the majority of the school districts in Hidalgo County were property poor schools, many of them could not pass bond issues because of the burden that community members had to assume. These conditions were evident in PSJA ISD and Mission ISD. Mr. Alvarado from PSJA ISD stated,

...we did not have enough monies to build facilities to meet the needs of the schools as they were growing in PSJA. Other school districts in Texas did have the facilities and the tax base and everything else that they needed to build facilities, but not the schools in the valley.²²²

Mr. Cantu from Mission ISD added,

...the revenue that we had in Mission ISD was very limited. I think we were ranked 15 poorest in the state with a per pupil wealth of about \$25,000 dollars, so our tax rate generated very little and it was difficult to pass bond issues. I know that a penny tax rate wasn't even enough to even hire a teacher. It was a very difficult time, we had to do everything. I remember not having any type of playground equipment, and together we the staff helped others build playground equipment with three-inch pipe, the buildings were in bad shape! We didn't have any cafeterias in the system, but we were able to get federal assistance by getting some of the trainee labor that was learning how to do brick laying and other skills and we were able to get them to be assigned to Mission and then they were the ones who built the cafeterias that we had when I was there.²²³

Dr. De Los Santos experienced similar conditions in the three school districts he served and consequently sympathized with community members in property poor school districts. He agreed with his colleagues and stated,

...it was just bond money that paid for facilities and in those times, it was either you went for bonds and you increase your tax rate and I forget what the tax rate increase was, but it was substantial, but because the district was poor and it took a lot of pennies to raise the

²²¹ Ibid.

²²² Alvarado.

²²³ Cantu.

payment of 16 million dollars of bonds, the community saw the need and we went for it. They paid for 100% of the bond!²²⁴

Dr. Rivera from Weslaco ISD recalled,

...the High School had been built with bond election money I believe in 1975- 1976, so it was a new school, but of course the bond election was not an IFA item, the high school was not built with IFA monies or EDA. It was all built by school district and community taxpayers paid 100% of the bond.²²⁵

The structure of the Texas public school finance system during this time period did not provide equitable facility funding. There was a time period that did provide some progress toward equitable funding in the RGV school districts, some of the superintendents interviewed refer to this relief as the litigation that occurred in the state of Texas. Mr. Ralph Cantu from the Mission ISD school district stated,

...the buildings needed quite a bit of work. We were better off in 1988 when I took over simply because Edgewood vs. Kirby had been litigated and we had gotten equalization funding and we were also able to pick up some federal monies. Mission Junior High was rebuilt basically during this period using federal money to build it.²²⁶

Dr. Zamora also discussed the litigation of the Edgewood cases and stated,

...you know instruction is instruction and there are lots of differences in education. When the finance system was initially established it put a lot of pressure on the low wealth school districts. The work done through Educational Service Centers, the Equity Center, the Edgewood Cases and all the school finance cases have been very beneficial to the low wealth schools. Without the restructuring of the finance system to ensure that there's more money at least the attempt was to get as much money generated per penny per student across the state and reduce the funding gap that we had at that time really made a difference. When that occurred for us, it was a blessing in terms of what happened within regular educational program.²²⁷

There were also other venues explored by RGV superintendents to secure monies for their school districts. For example, lobbying legislators was a common practice used by school superintendents to try and secure monies for the RGV. Mr. Alvarado recalled,

²²⁴ De Los Santos.

²²⁵ Rivera

²²⁶ Cantu.

²²⁷ Zamora.

...Mr. Augusto Guerra was the superintendent at PSJA ISD that was part of a group that was lobbying the state legislators for additional facilities monies. He also belonged to those committees and groups that were lobbying the Texas Education Agency and the “Politicos” in Austin. I think they made an impact because they listened to them.²²⁸

Mr. Monte Churchill from Mercedes ISD also explained that he and several other superintendents worked together with the Mexican American School Board Association (MASBA) to secure money for the RGV. He stated,

...Mercedes along with several other property poor school districts got involved with the Equity Center to lobby for facilities and for better funding for poor school districts. We saw the Mexican American School Board Association (MASBA) start up at that time and we saw the federal case Rodriguez versus San Antonio ISD. Later on people like Martin Pena, James Smith superintendent in Harlingen ISD, Kenneth White superintendent in Mission ISD, Rodney Kathy, Raul Bestirs in Brownsville, Tony Rico superintendent in Weslaco ISD, Daniel Hernandez superintendent in Edcouch-Elsa ISD and Mercedes ISD got together because we were all very poor and decided to lobby our legislators for better facilities. We started making waves and actually got the MASBA to actually file some lawsuits in our behalf and other school districts joined in.²²⁹

Theme 4: Impact of the IFA Program in Hidalgo County School Districts

The educators and residents in the RGV had been waiting a long time for some type of funding mechanism to address their facility needs. Old school buildings, no air-conditioning, lack of state facility funding, property poor school districts, increasing student enrollment, poor tax base, and litigation all converged to place an enormous amount of pressure on the state to provide equitable facilities to school districts in the RGV. The answer to this problem was the Instructional Facilities Allotment (IFA) Program. All of the superintendents interviewed stated that without the help of the IFA program schools in the RGV would not have been able to pass school bond issues and would still be struggling to build facilities. Mr. Ralph Cantu from Mission ISD stated,

...there is no doubt in my mind that if IFA had not come in, we would still be operating in the old facilities. Overall, it brought us up to par with a lot of the other districts in the

²²⁸ Alvarado.

²²⁹ Churchill.

State of Texas and in some instances, surpassed them. Well, you know you we have to be proud of what IFA did for Mission ISD and I think that the students felt better, they had nicer facilities, the attitudes improved, and it was just a nicer environment for them to learn.²³⁰

Dr. Andres Martinez in commenting on the IFA program, stated,

...actually when I was at Monte Alto, there was no way we could build anything without help from the state and without passing the bond issue. Had it not been for the opportunity provided by IFA, we would not have built anything. We passed a bond issue for \$4 million dollars in Monte Alto ISD to build a high school. It was a very hard sell because Monte Alto is a very poor community without any commerce or industry. We were better off in Monte Alto than in Donna ISD. In Donna we were ranked in property wealth eight or twelve by the State. In Monte Alto we were ranked number forty-four. It was not that we were richer than Donna, it was because we had fewer students and our district covered forty-four square miles, so wealth per student was higher for us than in Donna where we had 14,000 students. There are no businesses in Monte Alto other than the packing plant and the rest is mostly ranch land or farm land and it's a poor community, so the people had a hard time passing the bond, even with the IFA funding. And, although we passed the bond issue, it was a very hard sell because even if you added two cents or four cents to the community's existing taxes, for them it was a lot of money. Nothing would have been built in the valley schools without IFA funding. If it weren't for IFA, we would probably still be living in the dark ages in terms of facilities!²³¹

Dr. Leo explained the importance of the IFA program and stated,

...in very simple terms, the fact that we were able to open new schools to create learning spaces for the masses that were coming to us and to do so, at the lowest possible cost to our taxpayers, I think that was the greatest benefit of the IFA program. Maslow's hierarchy of needs states that the very basic need is shelter and to build facilities that would allow children, school aged children to feel comfortable, to feel secure that we didn't have to tolerate excessively large enrollments in classes because we had the space and that the spaces were appealing and comfortable to the students and staff affected the learning environment which in the long run impact student achievement, so one after another, it's like a domino effect. One factor impacts the other, impacts the next, but ultimately what schools are about and what we are about as educators is to provide maximum conditions for learning. IFA facilitated that in a very powerful way for our school district. If it were not present we would not have been able to build all those schools.²³²

²³⁰ Cantu.

²³¹ Martinez.

²³² Leo.

Dr. Zamora added, “the IFA program allowed us to secure money by passing many school bond issues that the community approved because they did not have to pay the entire portion of the bond. The state’s effort in paying most of the bonds promoted the passing of these school bond issues.”²³³

Dr. Garcia recalled his days in Donna ISD and stated,

...in 1997 when I came in to Donna ISD, they were just starting talks about the Instructional Facilities Allotment (IFA) program. That’s when we started to look at that program because at that time we would qualify in repaying a bond about ten cents on the dollar as far as the local effort. The Texas Education Agency (TEA) state effort would pay 90 cents on the dollar. We were ranked number eleven or eleventh poorest in the state as far as property wealth and had the state pay ninety cents on the dollar, so it was a good deal for our community members.²³⁴

Dr. Miguel De Los Santos was involved in facility planning and building for many years.

He explained the concept of IFA funding and stated,

...I see a chart for facilities allotment and in that particular respect, school districts that were very poor, would not generate a whole lot of money with pennies or taxes. They were able to pass bonds because they didn’t need a lot of monies because they stepped up to their plate with the commitment to pay a certain percentage of the bonds depending on how poor the school district was. The poorer the district, the more the state contributes towards the payments of the bonds so it would allow for the bond to pass. What you saw in 1997 in the State of Texas was clear and poorer school districts were going out for bond issues because superintendents and school boards were seeing that they could borrow substantial amounts of money for a very minimal tax rate level; usually a rate that was around 70 cents per \$100 a value for a maximum amount that the state allowed at the district.²³⁵

Dr. Rivera commented that without IFA funding the taxpayers would have said no to the bond issues that were passed in Weslaco ISD. Weslaco had a very conservative community and in the past they always had trouble raising the tax rate.²³⁶

Mr. Churchill, discussed the IFA program and stated,

²³³ Zamora.

²³⁴ Garcia.

²³⁵ De Los Santos.

²³⁶ Rivera.

IFA has been a Godsend! Mercedes ISD and surrounding districts infused probably \$300 to \$500 million dollars in facility funds very quickly when the program was implemented in the Rio Grande Valley. Communities had to vote for school bond issues and in most cases the state backed them and paid anywhere from eighty percent on the dollar to districts like Mercedes ISD. I believe it was like the state paid 87% of those funds for construction. In Mercedes alone from 1997 when we first got IFA I retired in June and my successors secured \$60 million dollars in IFA funding. We were able to do it because our citizens would only pay less than ten cents on the dollar and it made it feasible. Same thing was true with Progreso ISD and Edcouch ISD.²³⁷

Dr. De Los Santos was quick to point out that the money that was infused in the RGV to build new facilities also stimulated the general economy. This is a very important observation because money that flowed into all of these school districts affected many individuals and entities. He stated,

...IFA and the EDA from 97 and 98 were not only good for the school districts but they were very good for the overall economy because when you have \$20 -\$30 million dollars of state money coming down, really what those state monies were doing was they were leveraging billions of dollars of school debt, so if you had \$7 - \$8 hundred million dollars of construction going on in any one time in the area, you know, there was a lot of construction, a lot of workers were working and the economy was assisted considerably so hopefully it will be something that's the rising force in securing future monies.²³⁸

The IFA program helped initiate the development of the Existing Debt Allotment (EDA) Program in the RGV. Dr. De Los Santos reported that this program has also been beneficial to school districts in the RGV and explained,

...in 1999 districts had four bonds like the ones I talk about, although in La Joya, bonds should have passed in 1981 and the one that I helped pass in Edinburg in 1980, I'm sorry 1991. When IFA was approved some of the districts that had passed a bond previous to 1997 and said hey what about us? I mean we passed a bond prior to 1997 and these other guys were getting help and we took the whole brunt of the cost and nobody helped us, so the Legislature went back in 1999 and passed the Existing Debt Allotment (EDA) program and that's when those bonds, the one that I was instrumental in getting through in La Joya and the one in Edinburg, in getting support from the state at approximately the same amount of state effort and at the same level of IFA funding that our school bonds would have been to support from 1997 forward. The State of Texas had reached out to help school districts with the financing of the facilities with EDA. In my opinion this is

²³⁷ Churchill.

²³⁸ De Los Santos.

one of the best things that happened in Texas Public School Finance as far as I'm concerned!²³⁹

Mr. Churchill summarized a very important point in reference to the impact that the IFA program had in the RGV when he stated,

...the state is going back to provide for equal access to an education and that includes facilities, but you can have the greatest teacher in the world, but if that teacher has no place or infrastructure to teach, those kids will not get the best education. I remember someone asking me do you need state help to build facilities. I told them without state help our school district couldn't even build an air-conditioned outhouse. We don't have the facilities or the funds to build those facilities because we're poor.²⁴⁰

The 82nd Legislative Session did not appropriate any IFA facility funding. The superintendents that were interviewed conveyed concern about this lack of legislative action because in their districts they continue to experience student growth at a fast pace. Dr. Rivera stated,

...I'm very disappointed that the IFA program is no longer available and I know that there are many districts throughout the state, especially in Region One in the Valley where they are experiencing student growth, will not be able to build facilities, it's going to be difficult for superintendents now and in the future to continue building schools without state help!²⁴¹

Texas State Senator Interview

The researcher interviewed Texas State Senator Eddie Lucio, Jr. Senator Lucio was asked several open-ended questions and the interview was audio-taped, video-taped, transcribed and analyzed by the researcher. (See Appendix J) The senator was interviewed in order to confirm that the IFA and EDA programs in the state facilitated the passing of many school bond issues in Hidalgo County schools. This legislation provided needed facility funding to property poor school districts. Senator Lucio confirmed during the interview that the state's effort in paying the bonds temporarily neutralized the adequacy and equity facility issues in the RGV. The state

²³⁹ Ibid.

²⁴⁰ Churchill.

²⁴¹ Rivera.

effort outweighed the local effort in most school districts in Hidalgo County, this in turn, encouraged community member to vote for the bond issues presented by school districts.

Senator Eddie Lucio Jr. first served in the Texas House of Representative in 1986 through 1991. He then became a Texas State Senator in 1991 and has now held that position for twenty years. Senator Lucio represents five counties, Cameron, Hidalgo, Willacy, Kenedy and Kleberg. The Senator explained,

...the issue of funding for school facilities has been important to me throughout my service as Senator for Senate District 27. Specifically, I have authored several bills to address the need for the State to recognize the necessity to provide facility assistance to school districts. Most recently I authored SB 90, relating to the financing of school district facilities and tax relief for facilities debt.²⁴²

During his tenure Senator Lucio sponsored the following school district facility bills:

- (a) SB 1424/ SJR 53: relating to state assistance for public school facilities. This bill was authored to address the specific needs of school facility improvements in high-growth and property poor school districts.
- (b) SB 1286: relating to the public education facilities assistance fund. This bill was an attempt to establish a public education facilities fund that would be funded with revenue that would offset the need for the legislature to appropriate funds in the appropriations bill for school facilities.
- (c) SB 1508: would have established a facilities assistance fund that would have been structured similarly to the permanent school fund and administered the commissioner of education.
- (d) SB 797: relating to the financing of instructional facilities and the payment of existing debt of school districts.
- (e) S.B. 797: would assure sufficient funding for the IFA by specifying a minimum appropriation and by including the IFA in the Foundation School Program to require that any shortfall be covered in the next year's "settle-up" process.
- (f) S.B. 797: would also make the Existing Debt Allotment (EDA) roll-forward provision both automatic and permanent and would transfer the preceding biennium's IFA projects to the EDA, thereby converting the IFA appropriation into the equivalent of a revolving fund. The EDA roll-forward provision passed as part of a school finance bill in 2009.
- (g) SB 570: relating to the financing of school district facilities and tax relief for facilities debt.
- (h) SB 570: was filed to address the need for school facility funding reform and improvements.

²⁴² Eddie Lucio, Jr., interview by Mike Sandroussi, Kingsville TX, December 14, 2011.

- (i) SB 2190: would have required an interim study on facilities needs for public schools.²⁴³

Senator Lucio did not identify the bills that passed. When asked to describe the conditions in the Rio Grande Valley before the implementation of the IFA program, Senator Lucio responded,

...before the passage of IFA, the conditions of school facilities in the Rio Grande Valley were awful. It was very difficult for poorer school districts to raise enough I&S taxes to pay for the construction of facilities by their local property taxes alone. It was more difficult to pass a bond election to fund facility construction, but people of the RGV were willing to do so. Even with raising taxes to fund facilities, it was basically impossible to build facilities comparable to the quality of property rich school districts. While it may be technically possible for school districts in the Rio Grande Valley to build facilities without IFA or EDA funding, it is exceptionally difficult, if not nearly impossible to do so in reality. The facility issue highlights the problem of taxpayer equity in our state; districts in the Valley can raise their taxes significantly with a minimal return, while property wealthy districts experience greater return per penny of tax effort.²⁴⁴

Senator Lucio endeavored to secure facility funding for the RGV school districts but explained that many times legislators from other areas of Texas did not care about school facility funding. Many times they had other issues on their minds like water legislation, not facility funding. Senator Lucio was frustrated when he spoke about these types of issues in the legislative sessions because he was out numbered when it came to voting for or against an item. He explained,

...the session before IFA was passed, the state made a one-time appropriation to pay for facilities construction, which was known as the School Facilities Assistance Program. The following legislative session passed as the Instructional Facilities Allotment. Before the one-time appropriation, RGV school districts were forced to raise property taxes to pay for facilities. The revenue generated from this tax effort funded only a limited amount of construction because of the lower property wealth of the districts.²⁴⁵

Senator Lucio was asked to describe the major purpose of the IFA program. He stated,

...according to sources at the Center for Public Policy Priorities (Scott McCowan) and the South Texas Association of Superintendents (Martin Pena) the main reason that the state passed the IFA program was because of the School Finance lawsuits, beginning with Edgewood, in which it was argued that the school finance system in the state was

²⁴³ Lucio.

²⁴⁴ Ibid.

²⁴⁵ Ibid.

inequitable. In a 2004 study done by the Texas Public Policy Foundation, "Building for The Future," they also concluded that the main reason for state assistance for school facility funding was in reaction to the equity issue in the state's school finance system, in response to pressure for more school facilities spending and to an opinion expressed by the Texas Supreme Court that some kind of equalization of facilities funding would have to be instituted, the Facilities Grant program was created to assist school districts in financing facilities in 1995. It was replaced in law in 1997 with the Instructional Facilities Allotment.²⁴⁶

The IFA and EDA programs were very beneficial to property poor school districts.

Senator Lucio further explained the mechanics of the IFA and EDA programs,

...EDA funding, which can be used for the construction of any type of facility including bus barns, athletic facilities, etc., is unlike the *IFA* program which is reserved for the construction of *INSTRUCTIONAL FACILITIES*. These two programs also differ in that, with EDA a school district is required to make the first bond payment. Moreover, all school districts that do not meet the state's minimum funding guarantee are eligible for EDA assistance without a weight or favor towards the poorest school districts. Because all districts with I&S tax rates that fell below the state guarantee were eligible for EDA, the program received more state-wide support. However, when EDA passed the legislature, the state ended the re-capture (Robin-Hood) on I&S taxes from property rich districts, which some may see as a contributing factor to the inequities in the school facilities construction. EDA is considered by some to be a Tax Reduction program because the ISDs have to sell the bonds and make at least the first year's payment before they can use the program.²⁴⁷

When asked who spearheaded the passage of the IFA bill, Senator Lucio responded,

...the IFA bill, HB 4 from the 75th Legislative Session, was authored by Representative Craddick and Representative Junell, co-authored by Kamel. In the Senate, the bill was sponsored by Armbrister and Bivins. The EDA bill, SB 4 from the 76th Legislative Session, was authored by Senator Bivins, and co-authored by Senators Nelson, Ogden, Ratliff, Shapleigh, Sibley and West. The House sponsor for the bill was Representative Sadler.²⁴⁸

Senator Lucio commented on his role in the development of the IFA program. He explained that he represented some of the poorest counties and school districts in the State. Senator Lucio stressed that he had seen the need for new school buildings for students in Senate District 27. When asked how difficult it was to pass the IFA legislation Senator Lucio stated,

²⁴⁶ Ibid.

²⁴⁷ Ibid.

²⁴⁸ Ibid.

...there was not a lot of opposition, but no one wanted to talk about the issue of the need for state assistance for facilities funding for the school districts that really couldn't afford to support the demand of their student population. Because IFA was designed to benefit the poorest school districts first, the reach of the program and assistance it was able to provide was limited and thus, so was the support for the program.²⁴⁹

The majority of the legislators across the state of Texas voted to approve the IFA program. Senator Lucio reported being very proud as he described this item because legislators across the state realized the need to help property poor school districts to provide quality facilities to educate students. He stated,

...while I certainly remember my vote in support for that particular bill, the archives show that HB4 passed the 75th Senate with a vote of 23 to 8. The conference committee report was adopted by the Senate with a vote of 29 to 1. Other legislators that helped pass the IFA legislation were The South Texas delegation, in particular Senator Zaffirini, could really push for the legislation needed to help some of the poorest school districts in the state. Initially, she and I were the only two legislators who could make much of a difference because we were appointed to sit on the Senate Finance Committee. Other members were supportive, but not in the position to push for the issue like Senator Zaffirini and I were.²⁵⁰

An important aspect of this program was to encourage school leaders and community members to place bond issues on the ballot. The researcher asked the Senator Lucio if the IFA program influenced school districts in Hidalgo County to pass school bond issues, he stated,

...originally, when IFA passed and the legislature agreed to a \$35/ penny guaranteed yield, around 90% of school districts were eligible for IFA assistance. Today, less than half of the school districts are eligible for IFA funding assistance because they are already meeting the \$35/penny state guaranteed level. No one has considered seriously enough how construction costs have risen over the years to raise the guaranteed yield to pay for the schools current and future facility's needs. When IFA was first passed, most of the funding went to the Rio Grande Valley school districts, because that is where the need was the highest. One former superintendent even estimated that it was normal for a school district in the Rio Grande Valley to use state assistance (state effort) for 85% of its facilities funding. Because the need was high in the poorest school districts, IFA was unable to meet the needs of all the school districts that qualified for assistance. It was only able to reach the poorest of the poor school districts. Maybe even as little as the bottom 20% of school districts eligible for IFA assistance could be funded. The total amount of funds that can be used in the IFA program was limited by the legislature's

²⁴⁹ Ibid.

²⁵⁰ Ibid.

appropriation to the program, and as a result, the demand for the program is always greater than the amount of available funds. The IFA was structured so that the state would provide a guaranteed level of per penny funding, with the poorest of the school districts being the first recipients. Regrettably, today, fewer districts are eligible for IFA funding than when the program was first created. This reality is a result of the fact that the state's guaranteed field has not kept pace with the rise in property values or the increasing cost of construction.²⁵¹

The state assistance given to property poor school districts neutralized the state equity issue when providing funding to build new facilities. Senator Lucio concluded the interview with the following thoughts,

...I think it is incumbent on us at the state level that state government has a major responsibility to fund public education in our schools. We have an incredible obligation to make sure there's equity and the funds are distributed throughout the state for every child regardless of where that child lives. Every child should be able to have the necessary funds for an education that will allow that child to grow and be competitive in the world and in a global market. I was saddened this last legislative session, like I've never been before in the last twenty-five years to see the major cuts that took place. We cut over \$5 billion dollars in public education funds, we cut one and half billion in higher education. We cut \$7 billion or so dollars in Health and Human Services; now, Health and Human Services is directly related to public education. Many of our school children obviously depend or are recipients of Medicaid services and also I felt that leaving \$8 billion dollars on the table in the rainy day fund in a savings account did no justice, you know, to public education; funding that was needed in our state. As a result, we lost teachers and we cut back on many programs. We continue to cut personnel and continue to consolidate services that become minimal or become you know quite frankly inequitable to the citizens we serve. So, I'm hoping that we can go back to Austin this next session to fix this structural deficit that we have and that continues to put us in a shortfall of major proportions and that we find solutions in our own state because quite frankly, we're not going to be receiving federal aid as we have or the last years in terms of federal stimulus money that helped us balance the budget and helped us put money in public education and we're going to find ourselves in a tighter situation in my opinion than we are right now unless we come up with new innovative ways of raising money.²⁵²

In addressing the needs of RGV students Senator Lucio continued,

...we need to make sure there is a good wholesome healthy environment in our classrooms; we need to support our teachers and at the same time, we need to make sure that our children aren't hungry and that our children are healthy so that they can learn and become whatever they want to become and so that they can have a good future. The

²⁵¹ Ibid.

²⁵² Ibid.

bottom line is that we're passing through and we want to make sure we do the right thing for them!²⁵³

Hidalgo County School District IFA/EDA Survey Results

Funding Received by Hidalgo County School Districts

Table 5.2. Hidalgo County School District IFA/EDA Funding 1997-2007

Hidalgo County School Districts											
IFA & EDA Money Received 1997-2007											
School Districts	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Sharyland				\$5,593,407			\$20,923,295	\$6,744,999	\$7,474,994	\$40,000,000	
La Villa	0	0	0	0	0	0	0	0	0	0	0
Hidalgo	0	0	0	0	0	0	0	0	0	0	0
Edcouch Elsa	0	0	0	0	0	0	0	0	0	0	0
Monte Alto				\$1,300,000	\$1,540,000						\$2,540,000
Progreso	\$6,000,000					\$7,200,000			\$4,425,000	\$7,960,000	
Valley View	\$4,000,000				\$10,000,000			\$12,100,000		\$16,500,000	\$10,700,000
Edinburg			\$60,000,000								
Weslaco				\$20,000,000				\$24,000,000			\$25,000,000
Mercedes		\$15,000,000		\$15,500,000	\$17,200,000			\$8,500,000		\$9,000,000	\$7,000,000
Donna	\$27,000,000			\$29,000,000		\$17,000,000		\$16,000,000			
McAllen		\$20,000,000	\$22,000,000						\$97,800,000		
Mission		\$34,000,000		\$38,000,000						\$57,000,000	\$59,000,000
PSJA	\$49,700,000			\$58,000,000				\$29,000,000			\$70,000,000
La Joya		\$43,000,000		\$47,200,000				\$81,340,000		\$88,565,000	
Yearly Total	\$86,700,000	\$112,000,000	\$82,000,000	\$214,593,407	\$28,740,000	\$24,200,000	\$20,923,295	\$177,684,999	\$109,699,994	\$219,025,000	\$174,240,000
* Sharyland ISD only received EDA Funding											
*La Villa ISD, Hidalgo ISD & Edcouch-Elsa ISD did not submit a survey											

Table 5.2

An IFA/EDA survey was sent to all 15 school districts in Hidalgo County. The survey address only IFA/EDA facility funding. Twelve school districts responded to the survey. Edcouch-Elsa ISD, Hidalgo ISD and La Villa ISD did not respond to the survey. Table 5.2 reflects the data that was collected from the school district surveys. The total amount of IFA/EDA monies received by Hidalgo County school districts from 1997 through 2007 is reflected on this chart. Data for La Villa ISD, Hidalgo ISD and Edcouch-Elsa ISD is not included because these districts did not participate in the IFA/EDA survey.

The money that flowed into the school districts varied throughout the ten-year period. In 2003 only Sharyland ISD received \$20,923,295 of facility funding in Hidalgo County school districts. In 2006 Sharyland ISD, Progreso ISD, Valley View ISD, Mercedes ISD, Mission ISD,

²⁵³ Ibid.

and La Joya ISD received IFA/EDA funding totaling \$219,025,000. In a ten-year period Mercedes ISD received six funding awards totaling \$72,200,000. Edinburg ISD received one IFA funding award in 1999, but the district in 1998 issued Public Facilities Corporation Lease Revenue Bond in the amount of \$56,945,000. The majority of the Hidalgo County school districts receive four funding awards totaling millions of dollars.

Total IFA/EDA Funding Received in Hidalgo County School Districts

Table 5.3. Total IFA/EDA Funding 1997-2007

<u>Total Amount of Funding Received</u>	
<u>1997-2007</u>	
<u>School Districts</u>	<u>Amount of EDA & IFA</u>
Monte Alto	5,380,000
Progreso	28,860,000
Valley View	53,200,000
Edinburg	60,000,000
Weslaco	69,000,000
Mercedes	72,200,000
Sharyland	80,736,695
Donna	89,000,000
McAllen	139,800,000
Mission	188,000,000
PSJA	241,700,000
La Joya	260,105,000
<i>Total IFA & EDA</i>	1,287,981,695
Table 5.3	

Table 5.3 illustrates the total amount of money received by Hidalgo County school districts. The total IFA/EDA money received in a ten-year period by twelve Hidalgo County school districts was \$1,287,981,695. Sharyland ISD received only EDA money totaling \$80,736,695. The data for La Villa ISD, Hidalgo ISD and Edcouch-Elsa ISD was not available. Excluding Sharyland ISD, the IFA/EDA combined totals are ranked from the smallest to the

largest amounts of monies that the school districts received. Monte Alto ISD received \$5,380,000, the least amount of all twelve Hidalgo County school districts and La Joya ISD received the most money totaling \$260,105,000.

Hidalgo County School Bond Elections

Table 5.4. Hidalgo County School District Bond Elections 1997-2007

<u>Hidalgo County School District Bond Elections 1997-2007</u>				
	<u>School Bond</u>	<u>School Bond</u>	<u>School Bond</u>	<u>Schools Districts</u>
<u>Year</u>	<u>Elections Attempted</u>	<u>Elections Passed</u>	<u>Elections Failed</u>	<u>Elections Failed</u>
1997	4	4	0	
1998	4	4	0	
1999	2	2	0	
2000	9	8	1	Donna
2001	3	3	0	
2002	2	2	0	
2003	2	1	1	McAllen
2004	9	7	2	Donna & Edinburg
2005	4	3	1	Edinburg
2006	6	6	0	
2007	6	6	0	
<i>Totals</i>	<i>51</i>	<i>46</i>	<i>5</i>	
Percent Pass or Failed		90% Passed	10% Failed	
Table 5.4				

Hidalgo County school bond elections that passed or failed were also reported on the IFA/EDA survey. School bond elections are required in order to access IFA funding. Community members decide whether school bond elections pass or fail. Table 5.4 reveals the total number of school bond elections attempted, passed and failed. McAllen ISD had a school bond election that failed in 2003. Edinburg ISD had two school bond elections that failed one in 2004 and the other in 2005. Donna ISD experienced a unique situation. In February 2000 their

bond election failed but then passed in June 2000. The same thing happened again to Donna ISD in 2004.

Tables 5.2, 5.3 and 5.4 represent the information that was reported on the IFA/EDA survey received from each responding Hidalgo County school district. The business managers and finance directors who completed the survey ensured that each yearly funding cycle amounts reflected the correct EDA and IFA money that the districts received. These individuals reported the data based on their district records from the Texas Education Agency (TEA). The researcher verified the data with each district official who completed the IFA/EDA survey.

IFA/EDA Funds: Percent of Local Effort versus State Effort

Table 5.5 presents the separate EDA and IFA money that each school district received.

Table 5.5. Total IFA/EDA Funding 1997-2007

<u>Hidalgo County School Districts Total EDA/IFA Money 1997-2007</u>					
<u>School District</u>	<u>EDA</u>	<u>IFA</u>	<u>EDA + IFA</u>	<u>% Local Effort</u>	<u>% State Effort</u>
Monte Alto	\$5,380,000	0	\$5,380,000	20	80
Progreso	\$3,275,000	\$25,585,000	\$28,860,000	18	82
Valley View	0	\$53,200,000	\$53,200,000	11	89
Edinburg	0	\$60,000,000	\$60,000,000	53	47
Weslaco	0	\$69,000,000	\$69,000,000	20	80
Mercedes	0	\$72,200,000	\$72,200,000	20	80
Sharyland	\$80,736,695	0	\$80,736,695	71	29
Donna	0	\$89,000,000	\$89,000,000	20	80
McAllen	0	\$139,800,000	\$139,800,000	26	74
Mission	0	\$188,000,000	\$188,000,000	17	83
PSJA	\$35,000,000	\$206,700,000	\$241,700,000	35	65
La Joya	0	\$260,105,000	\$260,105,000	22	78
Total	\$124,391,695	\$1,163,590,000	\$1,287,981,695		

Table 5.5

This table shows the percent of local and state effort that was implemented in order for school districts to adopt a debt service tax rate to repay the bonds. The state effort is the portion the

state guarantees in covering the debt. The amounts are listed (EDA+IFA column) from the least to the most funding received.

As can be seen in the table, Monte Alto ISD received \$5,380,000 of EDA funding; their local effort was 20% percent and state effort was 80% percent. This means that Monte Alto ISD was responsible for paying 20% (\$1,076,000) of the \$5,380,000 bonded indebtedness, and the state covered the remaining 80% (\$4,304,000) of that debt. The last school district listed on Table 5.5 is La Joya ISD because it received the largest amount of IFA funding, i.e., \$260,000,000. The La Joya ISD local effort was 22% (\$57,223,100) percent, and the state effort was 78% (\$202,881,900) percent. The percent of local effort for Sharyland ISD was 71%, and Edinburg ISD was 53%. Excluding Sharyland ISD and Edinburg ISD, the average percent of local effort in Hidalgo County school districts was 20%, and the state's effort was 80% for the majority of the school districts that received IFA funding. The total amount of money that was received by Hidalgo County school districts was \$1,287,981,695. In reference to the total amount of IFA/EDA funding, the local versus state effort the majority of the school districts' local effort was 20%(\$257,596,339) of the overall cost, and the state's effort was 80% (\$1,030,385,356).

The total amount of EDA monies that school districts in Hidalgo County received in a ten-year period was \$124,391,695, and the total amount of IFA monies was \$1,163,590,000. EDA represents approximately 10% percent of the total funding that Hidalgo County school districts received in a ten-year period. IFA made up 90% percent of the total funding that was received.

Table 5.6 displays the percentage of local effort and state effort for the amount that was awarded to each district. The state effort percentage column is ranked from the smallest amount beginning at 29% to the largest amount of state effort ending at 89%.

An example of percentage of effort shows Sharyland ISD received 29% of state effort in repaying their debt. Sharyland ISD was responsible for 71% of their bonded indebtedness. Weslaco ISD paid almost half of the funding they received. Edinburg CISD received 89% of state aid versus the district's portion of 11%. Edinburg CISD received the most state aid in comparison to the other twelve school districts.

Table 5.6. Percent of Local Effort versus State Effort

<u>Hidalgo County School District Percent of Local Effort versus State Effort</u>					
<u>School District & State Debt</u>					
<u>School Districts</u>	<u>EDA/IFA Funds</u>	<u>Local Effort</u>	<u>State Effort</u>	<u>Local Effort</u>	<u>State Effort</u>
		<u>Percent %</u>	<u>Percent %</u>	<u>District</u>	<u>TEA</u>
Sharyland ISD	\$80,736,695	71	29	\$57,323,053	\$23,413,642
Edinburg ISD	\$60,000,000	53	47	\$31,800,000	\$28,200,000
PSJA ISD	\$241,700,000	35	65	\$84,595,000	\$157,105,000
McAllen ISD	\$139,800,000	26	74	\$36,348,000	\$103,452,000
La Joya ISD	\$260,105,000	22	78	\$57,223,100	\$202,881,900
Monte Alto ISD	\$5,380,000	20	80	\$1,076,000	\$4,304,000
Weslaco ISD	\$69,000,000	20	80	\$13,800,000	\$55,200,000
Mercedes ISD	\$72,200,000	20	80	\$14,440,000	\$57,760,000
Donna ISD	\$89,000,000	20	80	\$17,800,000	\$71,200,000
Progreso ISD	\$28,860,000	18	82	\$5,194,800	\$23,665,200
Mission ISD	\$188,000,000	17	83	\$31,960,000	\$156,040,000
ValleyView ISD	\$53,200,000	11	89	\$5,852,000	\$47,348,000
<i>(Districts are Ranked by State Effort from Smallest to Greatest)</i>				\$357,411,953	\$930,569,742
<i>Total Local & State Money</i>				\$1,287,981,695	
On average the <i>State</i> generated \$2.60 for every <i>Local</i> \$1.00 for Hidalgo County Schools.					
Table 5.6					

The total *local* effort for all school districts was \$357,411,953 and the total *state* effort for all districts during this time period was \$930,569,742, together these amounts totaled to \$1,287,981,695 funding that was allotted to Hidalgo County school districts. Consequently on average the state generated \$2.60 for every local \$1.00 in Hidalgo County school districts, almost a 3:1 ratio in funding. This funding ratio was calculated by dividing the state effort by the local effort.

The *average* local effort for all the districts in Hidalgo County was 28% as compared to the average state effort of 72%. Sharyland ISD has a higher local effort than all of the other school districts in Hidalgo County. If Sharyland ISD is removed from the list, then the average local effort would change to 24% compared to 74% of the state effort. This is an important factor in the implementation of the IFA funding mechanism because it helped property poor districts alleviate their financial tax burden for community members when they passed their school bond issues because of the state's effort.

Table 5.7. Total School Facilities Built 1997-2007

Hidalgo County School Districts Total Facilities Built 1997-2007					
School Districts	EDA/IFA Funds	Elem	MS	HS	Total
Monte Alto ISD	\$5,380,000	2	1	0	3
Progreso ISD	\$28,860,000	3	0	1	4
Edinburg ISD	\$53,200,000	3	0	1	4
Weslaco ISD	\$60,000,000	3	4	0	7
Valley View ISD	\$69,000,000	3	0	0	3
Mercedes ISD	\$72,200,000	3	1	1	5
Sharyland ISD	\$80,736,695	4	2	0	6
Donna ISD	\$89,000,000	9	1	0	10
McAllen ISD	\$139,800,000	5	3	0	8
Mission ISD	\$188,000,000	4	2	2	8
PSJA ISD	\$241,700,000	9	3	3	15
La Joya ISD	\$260,105,000	12	5	4	21
Totals	\$1,287,981,695	60	22	12	94
Table 5.7					

New Facilities Built in Hidalgo County School Districts

Table 5.7 reflects the total number of campuses built in Hidalgo County schools. Elementary schools were built more often than secondary schools. Ninety-four new campuses in all twelve school districts were built with IFA/EDA funding received in the ten-year period studied. There were 60 elementary campuses, 22 middle schools and 12 high schools built throughout Hidalgo County in a ten-year period. La Joya ISD and PSJA ISD built the most campuses as compared to the rest of the school districts in Hidalgo County. Donna ISD, McAllen ISD, Mission ISD and Weslaco ISD built about 8 new campuses. Out of the ninety-four new campuses constructed in Hidalgo County school districts, 64% were elementary as compared to 23% middle school and 13% high schools. The infusion of IFA/EDA funds totaling \$1,287,981,695 facilitated the construction of many new school district campuses.

Renovations & Additions to Existing Facilities

Besides new campuses, there were many renovations and additions to existing facilities during the same ten-year period between 1997 and 2007. Table 5.8 shows the renovations and additions that occurred in Hidalgo County school districts from 1997 through 2007. The majority of renovations occurred at elementary campuses followed by high school and middle school campuses. Additional classrooms usually were constructed at the middle school and high school campuses. Libraries, technology centers together with the addition of science facilities were added to existing facilities. There were district-wide roof repairs and HVAC systems in PSJA ISD, Valley View ISD and Weslaco ISD. McAllen ISD and PSJA ISD purchased land for their school districts. McAllen ISD, Mission ISD and Valley View ISD added new central kitchens in their districts. Other items built during this period included maintenance and transportation facilities, athletic and technology complexes. Renovations and additions began in

1997 and continued through 2007. La Joya ISD received \$260,105,000 and built 21 new campuses added classrooms to their high school fine arts center. PSJA received \$241,700,000 and built 15 new campuses and renovated several campuses, added several classrooms to different campuses, repaired roofs on 3 campuses, renovated high school and middle school campuses and bought land to build additional campuses.

Table 5.8. Facility Renovations and Additions 1997-2007

Hidalgo County School District Addition & Renovation of School District Facilities		
School District	Additions & Renovations	Year
Donna ISD	Renovation of (1) Middle School Campus & (3) Elementary Campuses	1997
	Renovation of (1) High School Campus (1) 9th Grade Campus & (4) Elementary Campuses	2000
Edinburg ISD	Renovated and Added Classrooms to (10) Campuses in the District	1999
La Joya ISD	Addition of Classrooms in the High School Fine Arts Center	1999
McAllen ISD	Renovation of (2) High School Campuses (2) Middle Schools Campuses & (4) Elementary Campuses	1998
	Renovation of (3) High School Campuses (3) Middle Schools Campuses & (13) Elementary Campuses	1999
	Renovation of (2) High School Campuses (2) Middle Schools Campuses (6) Elementary Campuses	2005
	Purchased Land to Build Additional Campuses	2005
	Added New Central Kitchen, Maintenance & Transportation Building	2005
Mercedes ISD	Renovation of (1) Elementary Campus	2000
	Renovation of (1) Elementary Campus	2001
	Renovation of (1) Elementary Campus	2004
	Renovation of (2) Elementary Campuses	2006
	Renovation of (2) Elementary Campuses	2007
Mission ISD	Addition of Classrooms at the High School, Middle School & Elementary Campuses	1998
	Renovation of (6) Elementary Campuses & (1) Middle School Campus	1998
	Addition of Classrooms at the High School & Middle School Campuses	2000
	Addition of District Central Kitchen	2000
	Renovation & Addition of High School Classrooms & Addition of (2) High School Fine Arts Centers	2006
Monte Alto ISD	Renovation of (1) Middle School Campus	2006
Progreso ISD	Addition of Classrooms at the Middle School Campus & Addition of High School Library	2002
	Addition of (1) Elementary Mini-Gym & New High School Baseball Lights & New Football Stadium	2003
	Addition of High School Fine Arts Center	2005
PSJA ISD	Renovation of Middle School & High School Campuses	1997
	Addition of Classrooms at (4) Elementary Campuses & (1) Middle School Campus	2000
	(3) Campuses (Roof Repairs)	2000
	Addition of Classrooms at (10) Elementary Campuses & (1) Middle School Campus	2004
	Bought Land to Build Additional Campuses	2006
Valley View ISD	Renovation of High School & Middle School & Elementary Campuses	2007
	Renovation of District Central Kitchen	1997
	Addition of High School Fine Arts Center & High School Library & High School Gym	2001
	Addition of Classrooms at the High School Campus	2001
	Addition of Classrooms at the Middle School & High School Campus	2004
	Addition of High School Science Annex	2006
	Renovation of District-Wide HVAC System & Roof Repairs	2007
Weslaco ISD	Addition of Career & Technology Education Complex	2000
	Addition of Classrooms at (5) Elementary Campuses	2000
	Addition of High School Auditorium & Renovation of District-Wide HVAC System	2007

Table 5.8

Summary of Research Findings

Chapter 5 contains important figures, data and statistics that were compiled by analyzing the data obtained from four sources. The architect interviews, superintendent interviews, senator interview and the IFA/EDA school district survey provided the researcher information to address the research questions. The architect interviews illustrate the factors that were taken into account when constructing school building facilities in the Rio Grande Valley in the early 1950's. The availability of school facility funding limited the types of buildings that were constructed. The positioning of school buildings, soil, foundation design, sun's path and wind direction were variables considered before the campuses were constructed. This architectural research was applied when designing and building schools in the RGV.

The superintendent interviews provided a historical perspective of facility conditions in Hidalgo County school districts. The following emerging themes were reported: Theme 1: Student Enrollment Trends and Overcrowded Schools, Theme 2: Dilapidated Facilities, Theme 3: Lack of State Funding and Low Property Tax Base in Property Poor Districts and Theme 4: Impact of the IFA Program in Hidalgo County School Districts. The themes provided descriptive information of facility conditions that existed in the RGV before and after the implementation of the IFA program in Hidalgo County school districts.

The interview with Senator Eddie Lucio, Jr. offered a historical perspective of what led to the implementation of the IFA program and identified the legislators who were crucial in developing this legislation. The senator provided IFA program knowledge and how it was developed. His interview presented data that may possibly be used at the next legislative session to reactivate a dormant facilities program in the state of Texas.

The IFA/EDA survey provided the researcher statistics that exposed the events that occurred when the IFA program was implemented in Hidalgo County. Statistical data outlying total IFA/EDA funding, school bond elections (pass or fail), local versus state average, new campuses built, facility renovations and additions reflect the IFA/EDA funding was received in Hidalgo County school districts in a ten-year period from 1997-2007.

Statistical data is very important in this study. The following tables represent the sources that produced the descriptive data utilized:

Figure 5.1	Single Load Building: Marcel School, Mission, Texas (Picture donated by Manuel Hinojosa)
Table 5.1	Hidalgo County School District Superintendent Interviews
Table 5.2	Hidalgo County School District IFA/EDA Funding 1997-2007
Table 5.3	Total IFA/EDA Funding 1997-2007
Table 5.4	Hidalgo County School District Bond Elections 1997-2007
Table 5.5	Total EDA/IFA Funding 1997-2007
Table 5.6	Percent of Local Effort versus State Effort
Table 5.7	Total Facilities Built 1997-2007
Table 5.8	Facility Renovations and Additions 1997-2007

Together, this information allowed the researcher to compile, record, and illustrate school facilities in Hidalgo County school districts before and after the implementation of the Instructional Facilities Allotment (IFA) program. Edcouch-Elsa ISD, Hidalgo ISD and La Villa ISD did not participate in the IFA survey and, therefore, their data was not included in the IFA/EDA research analysis.

CHAPTER VI

FINDINGS, REFLECTIONS AND RECOMMENDATIONS

The Texas education system is an enormous enterprise serving four million students, employing more than 600,000 professionals, support personnel and encompassing more than 8,300 schools. Most educators agree that more funding for transportation, instruction and facilities are much needed improvements and they have argued for such changes for many years.²⁵⁴ The problem that exists is property poor school districts do not have the capacity to generate the revenue to address equitable debt service payments that will yield much needed facilities for a fast growing student enrollment in the Rio Grande Valley (RGV). Thus, the need to provide equitable school district facilities is a dual responsibility that should be shared by the local districts and the state.

The Texas public school finance system has evolved in a period of almost two centuries. Equity has been the center of attention in the state focused on disparities in educational resources. School litigation has set the tone in molding the state's public school finance system, *Rodriguez v. San Antonio*, *Edgewood I*, *Edgewood II*, *Edgewood III*, and *Edgewood IV* magnified the inequalities between rich and poor school districts. Those inequalities were experience in Hidalgo County school districts by school superintendents Dr. Alejo Salinas, Dr. Miguel De Los Santos, Mr. Monte Churchill, Dr. Roberto Zamora, Mr. Ralph Cantu and Mr.

²⁵⁴ Catherine Clark, "The Price of Success: TASB Study Measures Cost of Improvements in School Funding." *Texas Lone Star*, October 2010, 14.

Ernesto Alvarado. These school superintendents served school districts during the *Edgewood I*, *Edgewood II*, and *Edgewood III* litigation. Dr. Richard Rivera, Dr. Juan Garcia, Dr. Andres Martinez and Dr. Filomena Leo were superintendents during *Edgewood IV*. During their tenures these Hidalgo County superintendents dealt with rapid student enrollment, overcrowded schools, dilapidated facilities and lack of appropriate state funding in order to implement an equitable educational program. Their stories reflected the disparities in school funding that existed in Hidalgo County schools, especially in the area of facility funding. Four themes emerged from the Hidalgo County superintendent interviews, student enrollment trends and overcrowded conditions, dilapidated facilities, lack of state funding and low property tax base and impact of the IFA program in Hidalgo County School Districts.

Rapid student enrollment growth was experienced in many Hidalgo County school districts. La Joya ISD alone grew over 7,900 students from 1979 through 1987. Dr. Miguel De Los Santos, stated that this district grew between 800 to 1000 students per year.²⁵⁵ Dr. Roberto Zamora also stated that there were many low wealth districts in the valley but La Joya ISD was growing faster than all of the other districts. In 1997 La Joya ISD student enrollment was 14,832 students and in 2003 the student enrollment was 18,907, a difference of 4,075.²⁵⁶ La Joya ISD together with other districts in Hidalgo County experienced an increase of student enrollment.

In addition to rapid student enrollment, overcrowded conditions existed in many classrooms during this time period. Mr. Ralph Cantu stated that in Mission ISD they were placing up to forty students in classrooms with one teacher.²⁵⁷ Mr. Ernesto Alvarado remembered that in PSJA ISD they were short of facilities and they did not have enough room

²⁵⁵ De Los Santos.

²⁵⁶ Zamora.

²⁵⁷ Cantu.

for the students, therefore average class sizes were forty students with one teacher.²⁵⁸ The state did not have facility funding available during this time period. If school districts secured funding to build campuses, it was not enough to meet the school districts' student enrollment needs.

Overcrowded conditions together with a fast growing student enrollment and lack of facility funding created many problems. The school districts in Hidalgo County struggled to generate enough revenue to address the maintenance and operations of the district. Facility funding was a district's expense, and local community members more often than not did not support an increase in their tax rate to build schools. The result of this condition led to dilapidated facilities through Hidalgo County schools. Many school districts during this time period were housed in buildings that had been built in the early 1900's through the 1950's. Dr. Alejo Salinas confirms that when he went to Hidalgo ISD the district was still housing staff in a building that was built in 1910.²⁵⁹ Lack of instructional facilities, no air-conditioning, leaking roofs, small classrooms plus forty students in a classroom did not provide a healthy learning environment for students. Mr. Churchill stated that Mercedes ISD had over thirty students in class and there was only one fan in the back of the classroom. Students would almost kill to be in the line of the air.²⁶⁰ Humid and hot temperatures together with gnats in the RGV made learning conditions unbearable. Mr. Ernesto Alvarado stated that in PSJA ISD it was very hot and they had lots of fans.²⁶¹ Dr. Andres Martinez remembers that even in October the gnats were present and fans were constantly running in the classrooms.²⁶² Extra-curricular activities at the different school districts amplified educational concerns in Hidalgo County. When students left the RGV to compete, the students saw the difference in facilities. Dr. Roberto

²⁵⁸ Alvarado.

²⁵⁹ Salinas.

²⁶⁰ Churchill.

²⁶¹ Alvarado.

²⁶² Martinez.

Zamora stated that when his students left La Joya ISD to compete, the students would come back and asked him “why can’t we have what they have?” Dr. Zamora remembered that this occurred in the area of academic and athletic competition anytime the students visited other schools.²⁶³

Mr. Alvarado from PSJA ISD remembers that his students went to a track meet in the Woodlands and ran on a rubber track. His students did not do well at the track meet because PSJA had a grass track and they could not afford a track because money was tight.²⁶⁴ Disparities in educational resources between property rich and property poor school districts created these conditions in Hidalgo County schools.

If it were not for Texas school district litigation, *Rodriguez v. San Antonio, Edgewood I, Edgewood II, Edgewood III, and Edgewood IV*, the state finance system would not have addressed the funding gap between property poor and property rich schools. The focus of lawmakers has been to close the gap between property poor and property rich school districts. There have been some successes in attempting to do this.

Many forms of legislation evolved during this time period including the “Robin Hood” plan. Robin Hood was designed to recapture a limited amount of money from rich school districts and distribute this wealth to poor school districts.²⁶⁵ This wealth equalization process was designed to recapture finances from districts defined as high property wealth and then the finances are shared with low-wealth school districts.²⁶⁶ This program is still in effect in school districts across the state.

Another piece of historic legislation would change the operations of many school districts in the state. Commonly known as House Bill 72, this legislation grew out of recommendations

²⁶³ Zamora.

²⁶⁴ Alvarado.

²⁶⁵ Casey, 20.

²⁶⁶ Texas Education Agency. “Manual for Districts Subject to Wealth Equalization (Chapter 41) 2005-2006.”

by the special Select Committee on Public Education headed by Mr. Perot.²⁶⁷ Most of the committee's recommendations were incorporated into the reform bill. The legislation provided a pay raise for teachers, revised the state's funding system to funnel more money to property-poor school districts and improved equity among districts across the state. There were many important components in this legislation, but one of the major provisions in this bill implemented class size caps in the early grades and initiated mandatory pre-kindergarten programs for economically disadvantaged or limited English proficient four-year-olds.

The impact of HB 72 on public school finance placed a strain on property poor school districts in implementing the class size restrictions. The inability to raise taxes to build new facilities in poor school districts complicated the need for quality and equitable facilities. Discrepancies among property poor and property rich school districts worsened when unfunded mandates from the state were also ordered. RGV schools and especially Hidalgo County school districts could not provide facilities fast enough to meet the needs of the districts. Mr. Monte Churchill stated “the state is going back to provide for equal access to an education and that includes facilities, but you can have the greatest teacher in the world, but if that teacher has no place or infrastructure to teach, those kids will not get the best education.”²⁶⁸

In terms of facility funding, Senate Bill 7 was established as a direct outcome of the equity litigation and legislative controversy with regards to school funding issues. This bill provided the resources, known as the Texas Education Agency Instructional Facility Allotment Program, needed for school districts to construct school buildings.²⁶⁹ For many years, Hidalgo County schools did not have equitable facilities. The Instructional Facilities (IFA) Program was implemented in Hidalgo County schools in 1997 through 2007 and provided *state of the art*

²⁶⁷ Casey, 12.

²⁶⁸ Churchill.

²⁶⁹ Texas Education Agency. “Texas Instructional Facilities Allotment Program.” 1.

facilities for school districts that temporarily addressed facility needs in the RGV. Presently children in the RGV have an opportunity to attend safe facilities. Dr. Andres Martinez stated “if it weren’t for IFA, we would still probably be living in the dark ages in terms of facilities!”²⁷⁰

The following research questions guided this study:

1. How did the Instructional Facilities Allotment (IFA) Program in Texas influence Hidalgo County School Districts to conduct Facility Bond Elections between 1997 and 2007?
2. Did the Instructional Facilities Allotment (IFA) Program in Texas neutralize the state’s adequacy and equity issues when building new school facilities in Hidalgo County School Districts between 1997 and 2007? (Local Effort versus State Effort)

The purpose of this study was to provide evidence of IFA facility construction in the Rio Grande Valley through documentation chronicling Hidalgo County school districts from 1997 through 2007 that secured IFA monies to build new facilities. This study examined the history of the Texas Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) program funding sources in the Rio Grande Valley school districts by describing school bond issues, school district construction and renovations, school district finances, levying of local taxes, and the balance of local effort versus state effort in the implementation of the IFA and EDA programs. As part of the IFA components, the study reflects student enrollment, district appraisal values and per student values from 1995 through 2010. These three areas included many changes before and after IFA funding was implemented in Hidalgo County school districts.

This study contains data derived from a review of literature, Texas Education Agency documents, Hidalgo County school district IFA/EDA surveys, interviews with three RGV school

²⁷⁰ Martinez.

district architects one of whom started building schools in the early 1950's, interviews with ten Hidalgo County school district superintendents leading before IFA and those seated during and after the implementation of IFA, and an interview with a current Texas State Senator who was instrumental in facilitating the approval of the IFA legislation.

Data collection took place in February 2007, March 2007 and between the months of August 2011 and January 2012. All three architects were interviewed in 2007 in part of architectural research project in a doctoral class. The IFA/EDA survey was sent to Hidalgo County school districts in August 2011 and the final survey was received in January 2012. Ten Hidalgo County school district superintendents were interviewed in October 2011 and Texas State Senator Eddie Lucio, Jr. was interviewed in December 2011. The TEA Student Enrollment, District Appraisal Values and Value per Student data was compiled from October 2011 through January 2012.

Three RGV architects were interviewed in order to provide documentation of how schools were built in the RGV. Design and positioning of these buildings provided much needed ventilation before the advent of air-conditioning. Ten Hidalgo County school district superintendents were interviewed to collect qualitative data. They were all given the same open-ended questions. Superintendent perspectives were captured in the interviews and the following themes emerged: (a) Student Enrollment Trends and Overcrowded Schools, (b) Dilapidated Facilities, (c) Lack of State Funding and Low or No Tax Base in Property Poor Districts, and (d) Impact of the IFA Program in Hidalgo County School Districts. The superintendent interviews were audio-taped, video-taped, transcribed and analyzed by the researcher. Senator Eddie Lucio, Jr. was interviewed and asked several open-ended questions. His interview was also audio-taped, video-taped, transcribed and analyzed by the researcher. The Hidalgo County School

District IFA/EDA survey data was compiled to reflect statistical information pertaining to state monies awarded, bond issues passed, local effort versus state effort, facilities built plus building renovations and additions. The Texas Education Agency data reflects the following three categories: (a) student enrollment trends, (b) school district appraisal values and (c) per pupil values. These are important components in IFA calculations and school district revenues.

The IFA/EDA survey was sent to fifteen school districts in Hidalgo County via email and over half were hand delivered to Hidalgo County superintendents. Twelve out of fifteen school districts responded to the survey. Edcouch-Elsa ISD, Hidalgo ISD and La Villa ISD did not respond to the survey. Phone calls, follow up emails, on-site visits to these districts did not produce any results in securing a survey. A public information request was submitted to the Texas Education Agency (TEA) requesting the IFA/EDA data for those three school districts. However, the data received by the researcher from TEA was erroneous therefore the IFA/EDA data was not included in the facilities summary document. Student enrollment, per pupil value and appraisal values were included for all fifteen school districts in Hidalgo County because their information was acquired from the Texas Education Agency Academic Excellence Indicator System (AEIS) website.²⁷¹

Significance of Findings

This research focused on how the Instructional Facilities Allotment (IFA) Program addressed facility needs in the Hidalgo County School Districts. The following items address this research:

Research Question #1: How did the Instructional Facilities Allotment (IFA) Program in Texas influence *Hidalgo* County School Districts to conduct Facility Bond Elections between 1997 and 2007?

²⁷¹ Texas Education Agency. "Academic Excellence Indicator System."

Based on the research data, the IFA program did influence Hidalgo County school districts to conduct facility bond elections between 1997 and 2007. The IFA program encouraged fifty-one school bond elections to be placed on school district ballots throughout twelve school districts in Hidalgo County included in the study. Forty-six of the bond elections, or 90% of the school bond elections passed. The bond election results reflect the IFA program funneled \$1,287,981,695 to twelve Hidalgo County school districts in a ten-year period from 1997 through 2007. This significant amount of money consisted of 90% IFA and 10% EDA. Information from the survey and from the responses of the superintendents interviewed, the majority of property poor school districts located in Hidalgo County were influenced to place facility bond issues on the ballot because the state covered up to 80% of their debt when successfully passing a school bond election. These monies allowed the construction of 94 new campuses in Hidalgo County. i.e., 60 elementary schools, 22 middle schools and 12 high schools. In addition to new facilities, additions and renovations occurred throughout the majority of the schools districts as well.

Research Question #2: Did the Instructional Facilities Allotment (IFA) Program in Texas neutralize the state's adequacy and equity issues when building new school facilities in Hidalgo County School Districts between 1997 and 2007? (Local Effort versus State Effort)

Based on the research data, the local effort versus the state effort neutralized the state's adequacy and equity issues when building new school facilities in Hidalgo County School Districts between 1997 and 2007. The total amount of EDA/IFA funding received was \$1,287,981,695. Of this amount the *average* local effort was 28% and the *average* state effort was 72%. When calculating the overall grant award, the *local* effort was \$357,411,953 and *state's* effort was \$930,569,742. This basically means that on average the state generated \$2.60 for every local \$1.00 in Hidalgo County school districts; this is, almost a 3:1 ratio in available

funding for school districts in this county. In perspective the majority of property poor school districts located in Hidalgo County were rewarded for passing bond issues because the IFA program assisted them with their debt service payments amounting to almost a 3:1 ratio. This ratio helped neutralize the state's ability to provide funding to property poor school districts to build equitable facilities, the majority of Hidalgo County school districts that were experiencing student enrollment growth were housing their students in buildings that were in horrible shape. The majority of the districts received 80% or more of state effort that helped implement the IFA program to address the majority of their facility needs.

Reflections of the Researcher

Hidalgo County school districts greatly benefitted from the Instructional Facilities Allotment (IFA) Program. This program was designed to help property poor school districts improve facility conditions for students. The litigation that occurred in Texas throughout the years occurred because of the need to provide an equitable education in the area of instruction and facilities. Without this litigation poor school districts would still be experiencing educational disparities in the area of delivery of instruction and safe facilities. Great strides have been made in addressing these two issues, but a once in a life time infusion of monies during a ten-year period gave life to a poverty-stricken area that was considered underprivileged regarding school facilities. The IFA program not only allowed school districts to build *state of the art* facilities, but it introduced new money into the economy that stimulated financial growth in the area of jobs, businesses and homes for residents in Hidalgo County. The flow of monies into Hidalgo County school districts generated jobs, businesses and stimulated the general economy. Districts' appraisal values increased; the infusion of money through the IFA program may account for some of this, others asserted that the property was under appraised and thus, the

reappraisal resulted in significant increases. Most likely, both of these issue and others influenced these changes. The increased appraisal values helped generate additional tax dollars based on the tax levy that school districts were implementing. An indirect effect of these additional dollars was an increase in revenue in the area of Maintenance and Operation (M&O) which helped pay for the cost of operating the new buildings and assisted in facility debt service payments.

The IFA formula components utilized weighted average daily attendance (WADA) and property wealth per student. In Hidalgo County there was a tremendous increase in student enrollment, district appraisal values and value per student in a fifteen-year period. Student enrollment figures together with district appraisal values are used when calculating the value per student. The value per student issue has produced a controversy in the area of school equity. The equity theme has generated much controversy and will continue to do so in the future because the property value disparities in the area in which a student lives makes a difference in the quality of education that he or she receives. Also the rapid growth in student enrollment reflected the general increases in population in Hidalgo County. Although most of these districts are located in property poor areas they reflect billions of dollars in appraisal values. Hidalgo County appraisal values grew by 228%, a \$17,932,597,222 increase in a fifteen-year period.

As the state continues to address equity issues in the overall funding system, facility funding should be a top priority. Currently there is a limitation of facility funding studies in the RGV and the state of Texas. Since this information does not exist, a baseline for facilities funding must be established immediately in order to collect data regarding facility information and needs based on the number of students in property poor school districts. Bonded indebtedness is usually the method of school facility funding. Property poor school districts do

not have the capacity, based on their *ad valorem tax*, to generate revenue to address equitable facilities as compared to property rich school districts. The value of their existing properties and facilities would provide information for research to determine baseline facility equity as compared to rich school districts. Currently school districts utilize their taxing capacity to incur bonded indebtedness to provide school facilities for their students. The taxing capacity is usually capped due to a district's appraisal values and student weighted average daily attendance (WADA). This existing condition throughout property poor school districts provides an uneven playing field.

Possible solutions for facility funding might include a state property tax, a state income tax and continuation of the IFA program or similar systems that generate facility funding. Creating a source or sources for equal wealth for all districts to access would provide much need funding for property poor school districts. A facility needs assessment must be initiated to determine a baseline to address schools with the greatest facility needs. Also a facilities funding formula that accounts for all classifications of district value per pupil would need to be implemented. Adjustment to the formula based on the special needs of students could also be addressed in order to address assistive technology, life skills rooms, behavior units, and any other structure to educate special education students.

Another possible solution to consider for approaching greater equity in school finance generally and facility needs specifically is consolidation of school districts or school district facilities. State and local officials must work together to study the possibilities for consolidating districts. In looking at consolidation, districts should be encouraged to begin looking at sharing sports complexes and extra-curricular facilities, for example the use of a sports complex or stadium. These types of facilities are very expensive to build, maintain and use, sharing such

facilities could be a way to improve the quality of the facilities for the districts without any one district having to bear the complete costs.

Rising construction costs have not been addressed in this research study. As school districts pass school bond issues, they do so on the premise that a facility will cost a set price. However, it is often the case that by the time the bonds are sold and construction is initiated, construction costs rise. Research is needed to determine fair construction cost indexes to fully determine the level and quality of what is being built so that community members get what they voted for. Many times school districts have to cut items in their building projects because their construction budgets were reduced due to higher construction costs. The Texas Education Agency IFA program rules exacerbated these issues because of the timelines for both the allocation and expenditure of the funds which often resulted in possible overcharge on costs because of the competition between districts for a limited number of available contractors. Because of these and other factors, the rules and regulation for future programs should consider the impact that any regulations and timelines might have on construction cost increases.

Being that the basis for litigation in Texas is based on property wealth, it was interesting to see if the Value per Student could be analyzed using a quantitative method. If this study were a *quantitative* study, the *ex post facto* data collected from the Texas Education Agency website on the school districts located in Hidalgo County could also be examined from a quantitative viewpoint using both descriptive and inferential statistical processes. An example of this would be to analyze the Value per Student data. One could hypothesize that the infusion of IFA funds into Hidalgo County districts over a 15-year period could be correlated to a change in the Appraised Valuation per Student factor, a key calculation utilized in litigating school district equity during the original *Edgewood* cases. Since the actual IFA infusion of money into school

districts would not be included in a calculation of Total Appraised Valuation *minus* the Exemptions, such a hypothesis would speak to the indirect effect of the IFA implementation and infusion on the development of other taxable values, such as residential or business construction. Subsequent increases in those areas could then change the potential taxing capacity of local school districts, and therefore, increase the yield of a district's local effort in generating Maintenance and Operations (M&O) funds and Interest and Sinking (I&S) funds from property tax revenues.

Therefore, given such an assertion:

H₁ There is a difference in appraised Value per Student in school districts in Hidalgo County that received IFA money over the 10-year period.

Stated as a null hypothesis to be tested by inferential statistical methods:

H₀ There is no difference in appraised Value per Student in school districts in Hidalgo County that received IFA money over the 10-year period.

A t-Test for Paired Samples (Means), also described as a t-Test for a matched sample, was applied to the data. Effectively, the appraised Value per Student for Hidalgo County school districts *before* the infusion of IFA money constituted the first measure, and the Appraised Valuation per Student for the same Hidalgo County school districts *after* the infusion of IFA funding constituted the second measure. The samples for the two measures are identical because they are the same school districts, with measures occurring at two different points in time: One before the “treatment,” i.e., infusion of IFA money, and the second occurring after the “treatment,” i.e., the infusion of IFA money.

The comparison of means indicates that the *mean* for the first measure (before) is \$50,434.07 among the districts, and the *mean* for the second measure (after) is \$108,222.07, each including the same 14 observations. The test statistic was calculated using a 95% confidence

level ($\alpha = 0.05$). The Pearson Product r correlation is 0.913352111($df = 13$), indicating statistical significance at the 95% level. Further, the t-Test (two-tail) calculation is t Statistic = -7.078679221, where $p = .0000041546$, where t critical is 2.160368656. This calculation indicates that there is statistical significance at the 99% confidence level or .01 level—a much more stringent standard. Therefore, the null hypothesis is rejected, and the hypothesis is supported. This approach could be tested for district appraisal values and student enrollment trends. The data used to test the null hypothesis is illustrated on the following process capability graph (Figure 6.1):

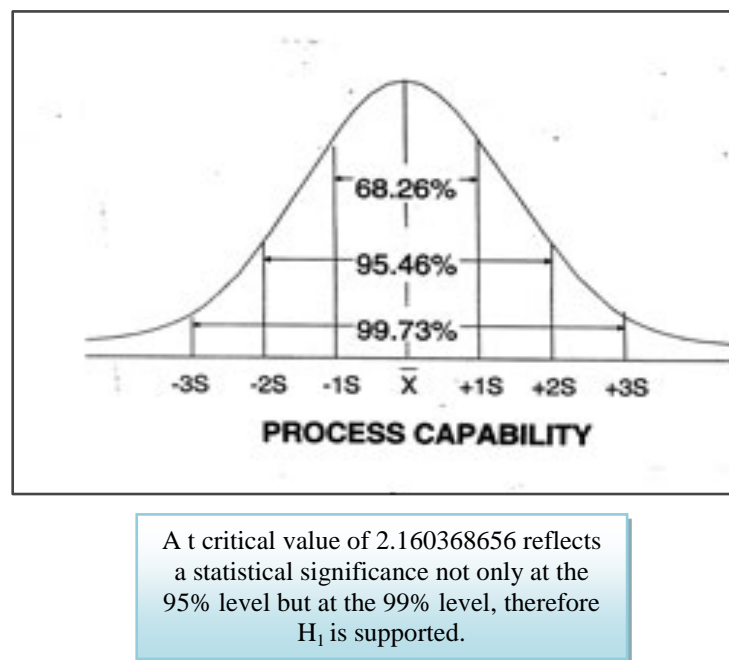


Figure 6.1. Statistical Significance

Implications of the Research

The importance of the study will be based on the use of the data to consider future facility funding in the state of Texas. Legislators and school district officials will have access to a document that describes what happened in Hidalgo County school districts before and after the IFA program was implemented. Descriptive statistics illustrating the total IFA/EDA monies

secured by school districts, facilities built and renovated by IFA/EDA funds, school bond issues that passed and failed, local effort versus state effort, student enrollment trends, district appraisal values and district per pupil values are included in this study to produce a document that describes the impact of the IFA funding in Hidalgo County schools. A fifteen-year comparison of student enrollment trends, district appraisal values and per pupil values in Hidalgo County is reflected in comparison to the total student population in the Educational Service Center Region I area. The data analysis portion of this research should lead to additional studies that would further explore the total impact of IFA funding on schools and communities located in the RGV and other parts of the state of Texas. This research helps demonstrate the impact of the IFA monies that were injected into Hidalgo County school districts on the school district communities and how this money leveraged the creation of jobs and provided an economic boost in the RGV.

This study contributes to the body of knowledge for Borderland Studies and provides a descriptive research study that can be utilized to influence changes to the public school finance system in the state of Texas. The study helps define the meaning of a facility funding program that provided billions of dollars to property poor school districts located in Hidalgo County. The heart of the IFA program focuses on assisting property poor school districts in passing school bond issues to provide equitable facilities for students. This study reflects the effect of this program in Hidalgo County school districts.

Litigation in Texas was based on the premises of an equitable funding theory for school districts across the state. The IFA program has neutralized the equitable facility funding issue in the RGV, especially in Hidalgo County. State lawmakers should consider mirroring the current Texas Public School Finance System with the IFA program components in order to provide an

equitable public finance system in Texas. This research study carefully documents and reports the implementation of a school facility program that positively affected school facility construction in the lower Rio Grande Valley school districts. The study also captured the history of education in Hidalgo County school districts in the state of Texas and the evolution of the school district facilities program through many years of school litigation.

The 2011 Legislative session initiated many cuts in the area of education and did not make any allocations to address the continued need for facilities in the state of Texas and especially in the Rio Grande Valley. This document should serve as a reference point for all legislators and educators to examine the implementation of the Texas Education Agency Instructional Facility Allotment (IFA) Program in Hidalgo County and the effect this program had on property poor school districts. The IFA program was successfully implemented in Hidalgo County school districts between 1997 and 2007 and it did influence school districts to conduct facility bond elections and neutralized the state's adequacy and equity issues when building new school facilities. (Local Effort versus State Effort)

Finally, Texas should continue to address equity issues with regard to facility funding by providing for a statewide facilities study. This study would establish a baseline in order to consider a funding formula that would utilize current facility conditions, student growth rates, special needs students, value per pupil, district appraisal values, equalization of funding revenues, local and state tax structures and special funding tiers for facilities. Future funding from the state of Texas should focus on possible consolidation of schools and establish statewide construction cost index. Discussions and actions in future legislative sessions regarding overall school funding equity will continue, but lawmakers must focus on facilities funding or litigation is sure to follow. In order to provide an effective Texas public school system for the state's

children, the development of equitable funding in all aspects of the educational program is critical.

Recommendations for Future Studies

Although this study discovered supporting evidence that the IFA program successfully helped property poor school districts build and renovate new school facilities, the need to revamp the current Texas Public School Finance System remains imperative. Since the legislature meets biannually, formulas should be developed to meet the facility needs of students from year to year in order to equalize revenue for facilities funding. The same concepts used to develop the IFA program should be considered when deriving formulas to allocate school funding to all school districts in Texas so that equity is shared among all, not just a few! The following recommendations are proposed for further studies:

1. In the event that future legislative sessions pass additional IFA monies, replicate the study to include all of the school districts that receive IFA funding in the state of Texas.
2. Replicate the study to include all Rio Grande Valley school districts located in the Educational Service Center (ESC) Region One area.
3. Replicate the study to determine if student achievement was affected by the implementation of the IFA program in property poor school districts located throughout the state of Texas.
4. Conduct a quantitative research study comparing student enrollment trends, weighted average daily attendance, district appraisal values and value per student before and after the implementation of the IFA program.
5. Conduct a qualitative study of the career paths of school district superintendents as it pertains to facility construction in property poor school districts.

6. Conduct a qualitative study investigating school board attitudes and perceptions in reference to the implementation of the IFA program.
7. Conduct a qualitative study that compares community member perceptions in reference to facility bond issues focusing on positive and negative variables that persuade constituents to vote for or against a bond issue.
8. Conduct a qualitative study to examine school district politics versus city politics in successfully passing a school bond issue.
9. Conduct a study to determine the impact IFA funding in the Hidalgo County general economy during this time period.
10. Conduct a quantitative study to examine tax revenues in property poor school districts and property rich school districts to determine if local effort versus state effort makes an impact in assisting school districts to build new facilities.

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Churchill, Monte, interview by Mike Sandroussi, Weslaco TX, October 28, 2011.

De Los Santos, Miguel, interview by Mike Sandroussi, Edinburg TX, October 14, 2011.

Garcia, Juan, interview by Mike Sandroussi, Edinburg TX, October 7, 2011.

Hinojosa, Manuel, interview by Mike Sandroussi, McAllen TX, February 23, 2007.

Leo, Filomena, interview by Mike Sandroussi, La Joya TX, October 14, 2011.

Lucio, Eddie Jr., interview by Mike Sandroussi, Kingsville TX, December 14, 2011.

Martinez, Andres, interview by Mike Sandroussi, Donna TX, October 7, 2011.

Ochoa, Eli, interview by Mike Sandroussi, McAllen TX, February 23, 2007.

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Suter, Warren, interview by Mike Sandroussi, Mission TX, March 23, 2007.

Zamora, Roberto, interview by Mike Sandroussi, La Joya TX, October 14, 2011.

APPENDICES

APPENDIX A

UNIVERSITY OF TEXAS PAN AMERICAN IRB APPROVAL

Dear Michael,

I have completed the initial review of your protocol "[A History of the Texas Education Agency Instructional Facilities Allotment \(IFA\) Program in Hidalgo County School Districts located in the Rio Grande Valley from 1997 to 2007](#)". The protocol has been assigned an IRB number (IRB #2011-069-08). Please be sure to include this reference number in the subject line of any future correspondence regarding this protocol.

I have given your protocol careful consideration. In defining an activity in human subjects research, the following regulatory definitions apply:

Human subject means a living individual **about whom** an investigator (whether professional or student) conducting research obtains

- (1) Data through intervention or interaction with the individual, or
- (2) Identifiable private information.

(d) *Research* means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge.

It appears that the questions you're asking are related to historical facts rather than attitudes, beliefs, opinions, etc. and thus are not "about whom". Even if you do ask participants a few questions about their opinions (and therefore your activities do meet the definition of "human subjects"), I'm not sure that the activities would meet the regulatory definition of "research". The personal recollections of your 10 subjects are closer to an "oral history" approach documenting instructional facilities allotment during a period of time.

Given this, I am making a formal determination that your activities do not require IRB review and approval. You may still wish to use some form of consent process, but please remove any reference to the IRB or IRB approval.

Best of luck with your study,

Dr. Grant Benham

Grant Benham, Ph.D.
UTPA IRB Chair
Associate Professor, Department of Psychology and Anthropology

SBSC 354
University of Texas-Pan American
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Tel: (956) 665-7342
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E-mail: gbenham@utpa.edu
<http://rsp.utpa.edu/editprofile.php?pid=3315&onlyview=1>

APPENDIX B

THE UNIVERSITY OF TEXAS PAN AMERICAN INTERVIEW INFORMED CONSENT FORM

A History of the Texas Education Agency Instructional Facilities Allotment (IFA) Program in Hidalgo County School Districts located in the Texas Rio Grande Valley from 1997 to 2007

Investigator: Mike Sandroussi, Master of Education

Background: I am conducting a research study as partial fulfillment of a Doctoral degree that I am seeking from the University of Texas-Pan American. The purpose of this study is to document facility construction in the Rio Grande Valley of Texas, specifically in Hidalgo County school districts and to determine the amount of Texas Education Agency Instructional Facilities Allotment (IFA) monies and Existing Debt Allotment (EDA) monies that were utilized to build or renovate school district facilities. The study will examine school bond issues, new school construction, school finances, levying of local taxes, and local effort versus state effort funding mechanisms. My dissertation committee chair is Anita Pankake, Ed. D.

Procedure: You will be interviewed and asked to respond to questions about Rio Grande Valley (RGV) school building facilities located in Hidalgo County. The questions will pertain to your knowledge about Hidalgo County school building construction pre 1997 and post 1997. You will be asked to relate your professional career and life experiences in school building construction and the processes that you followed in building school facilities in Hidalgo County school districts. The interviews will be scheduled at a time and place that is convenient to you. The interviews will be audio taped and videotaped and may exceed an hour in length. Multiple sessions may be required due to your work schedule and work related interruptions. If you wish to stop the interview you may stop at any time. If you wish to continue until the interview is over, the interview will continue. I may take written notes as we conduct the interview. After I finish the interview, I will transcribe the audio tape and get the transcription back to you to review the accuracy of what was recorded. This will be done via email and or certified mail. You may at that time make changes, additions or deletions to what was transcribed. What you say may be quoted in the finished study. Please let me know ahead of time if this will pose any problems.

Risks or Possible Discomforts Associated with the Study: No risks to the participants in this study are anticipated. The only discomfort may be the length of the interview.

Benefits of Participation: If a case is to be made for keeping the Texas Education Agency Instructional Facilities Allotment (IFA) Program funding among the budget items for education, information from this study can facilitate the development of important documents that can be used by legislators and lawmakers to present at the next legislative session. Even though facilities funding is only one component of the overall state finance mechanism, it assumes a fundamental place in the state's effort to provide an equitable education for all students. The benefit that the public in general could obtain is an understanding of how previous bond issues were funded by state and local monies and how these monies were utilized in building school facilities in their community for their students.

Voluntary Participation: Your participation in this study is voluntary; you may discontinue your participation at any time without penalty. If for any reason you decide that you would like to discontinue your participation, simply tell the researcher that you wish to stop.

Anonymity and/or Confidentiality: There will be no need for anonymity and/or confidentiality because you will give only information you wish to be published.

Who to Contact for Research Related Questions: For questions about the research itself, or to report any adverse effects during or following participation, contact the researcher, Mike Sandroussi at (361) 533-0000 or by email at cmsand5@aol.com. You may also contact my committee chair, Anita Pankake, Ed.D., at 956 665-7417.

Who to Contact Regarding Your Rights as a Participant: This research has been reviewed and approved by the Institutional Review Board for Human Subjects Protection (IRB). If you have any questions about your rights as a participant, or if you feel that your rights as a participant were not adequately met by the researcher, please contact the IRB at 956.381.3002 or irb@utpa.edu. You are also invited to provide anonymous feedback to the IRB by visiting www.utpa.edu/IRBfeedback.

Signature: By signing below, you indicate that you are voluntarily agreeing to participate in this study, understand that the contents of this interview will be published and allow the researcher to video and audio tape the interview. The researcher will provide you with a copy of this form for your own reference.

Participant's Signature

____/____/____
Date

APPENDIX C

INTERVIEW QUESTIONS FOR HIDALGO COUNTY SCHOOL SUPERINTENDENTS (PRE & POST 1997)

Before the interview takes place, the researcher will secure written and verbal consent to conduct the interview. Permission to publish the contents of the interview will also be obtained. When the interview is completed, a copy of the transcription will be provided to the individual in order to validate the information before it is published. (The interview will be audio and video recorded.)

1. In which Hidalgo County School District did you serve as superintendent of schools? What years were you there?
2. How many students did your district serve before 1997? (Describe the ethnicity and socioeconomic status of the students in the districts you serve.)
3. How many students did your district serve after 1997? (Describe the ethnicity and socioeconomic status of the students in the districts you serve.)
4. Did you build any school buildings during your tenure as superintendent before 1997? If yes, what did you build? Were these buildings built with IFA, EDA or other monies? Could you have built these facilities without IFA or EDA or other funding? Who were your financial advisors? If you built a new school facility before 1997, how did you secure funding to build it? (Fund balance, bond issue, tax rate, etc.) If you did not build facilities, why not?
5. Did you build any school buildings during your tenure as superintendent after 1997? If yes, what did you build? Were these buildings built with IFA, EDA or other monies? Could you have built these facilities without IFA or EDA or other funding? Who were your financial advisors? If you built a new school facility after 1997, how did you secure funding to build it? (Fund balance, bond issue, tax rate, etc.) If you did not build facilities, why not?
6. Other:

APPENDIX D

INTERVIEW QUESTIONS FOR TEXAS SENATOR

1. How many years have you been a Senator?
2. What counties do you represent?
3. What types of “public school” legislation have you addressed in order to help your school districts the Rio Grande Valley and specifically Hidalgo County? Before 1997? After 1997?
4. Before 1997, do you remember the concerns that your superintendents conveyed to you in reference to school facility needs? After 1997?
5. Before IFA how did RGV school districts build school facilities? During this time period (before 1997) did the state have facility monies that were accessible by school districts in the RGV?
6. Which legislator(s) authored the Texas Education Agency Instruction Facility Allotment (IFA) Program? Existing Debt Allotment (EDA) Program?
7. What was your role in facilitating this legislation for the RGV schools?
8. How tough was it to pass the IFA legislation?
9. Do you remember the votes for and against the IFA program?
10. Which other senators in the state were your allies in addressing facility issues in Texas? (IFA Program)
11. In your opinion could the RGV school districts built facilities without IFA or EDA funding?
12. In your opinion did IFA influence school districts to go out for bond issues to build facilities? Why?

13. How was IFA structured to help property poor school districts to build new facilities? (Local Effort versus State Effort) What was the major thrust of IFA funding? (Help build facilities, reduce property taxes, neutralize the equity issues in reference to school facilities, etc.)

14. Other:

APPENDIX E

THE UNIVERSITY OF TEXAS PAN AMERICAN IFA/EDA SURVEY INFORMED CONSENT FORM

A History of the Texas Education Agency Instructional Facilities Allotment (IFA) Program in Hidalgo County School Districts located in the Texas Rio Grande Valley from 1997 to 2007

Investigator: Mike Sandroussi, Master of Education

Background: I am conducting a research study as partial fulfillment of a Doctoral degree that I am seeking from the University of Texas-Pan American. The purpose of this study is to document facility construction in the Rio Grande Valley of Texas, specifically in Hidalgo County school districts and to determine the amount of Texas Education Agency Instructional Facilities Allotment (IFA) monies and Existing Debt Allotment (EDA) monies that were utilized to build or renovate school district facilities. The study will examine school bond issues, new school construction, school finances, levying of local taxes, and local effort versus state effort funding mechanisms. My dissertation committee chair is Anita Pankake, Ed. D.

Procedure: The researcher is requesting that you complete the attached survey.

Risks or Possible Discomforts Associated with the Study: No risks to the participants in this study are anticipated. The only discomfort may be the length in completing the survey.

Benefits of Participation: If a case is to be made for keeping the Texas Education Agency Instructional Facilities Allotment (IFA) Program funding among the budget items for education, information from this study can facilitate the development of important documents that can be used by legislators and lawmakers to present at the next legislative session. Even though facilities funding is only one component of the overall state finance mechanism, it assumes a fundamental place in the state's effort to provide an equitable education for all students. Also, your participation will better prepare you for any Texas Education Audits of the IFA Program in your district.

The benefit that the public in general could obtain is an understanding of how bond issues are funded by state and local monies and how these monies are utilized in building school facilities in their community for their students.

Voluntary Participation: Your participation in this study is voluntary.

Anonymity and/or Confidentiality: There will be no need for anonymity and/or confidentiality because you will give only information you wish to be published.

Who to Contact for Research Related Questions: For questions about the research itself, or to report any adverse effects during or following participation, contact the researcher, Mike Sandroussi at (361) 533-0000 or by email at cmsand5@aol.com. You may also contact my committee chair, Anita Pankake, Ed.D., at 956 665-7417.

Who to Contact Regarding Your Rights as a Participant: This research has been reviewed and approved by the Institutional Review Board for Human Subjects Protection (IRB). If you have any questions about your rights as a participant, or if you feel that your rights as a participant were not adequately met by the researcher, please contact the IRB at 956.381.3002 or irb@utpa.edu. You are also invited to provide anonymous feedback to the IRB by visiting www.utpa.edu/IRBfeedback.

Signature: By signing below, you indicate that you are voluntarily agreeing to participate in this study and understand that the contents of this survey will be published. The researcher will provide you with a copy of this form for your own reference.

Participant's Signature

____/____/____
Date

APPENDIX F

REGION I HIDALGO COUNTY SCHOOL DISTRICT IFA & EDA SURVEY

My name is Mike Sandroussi and I am conducting a research study as partial fulfillment of a Doctoral degree that I am seeking from the University of Texas-Pan American. The purpose of this study is to document facility construction in the Rio Grande Valley of Texas, specifically in Hidalgo County school districts, to determine the amount of Texas Education Agency Instructional Facilities Allotment (IFA) monies and Existing Debt Allotment (EDA) monies that were utilized to build or renovate school district facilities. The study will examine school bond issues, new school construction, school finances, levying of local taxes, and local effort versus state effort funding mechanisms. My dissertation committee chair is Anita Pankake, Ed. D.

You will find attached the Survey and Informed Consent Form. You or your business manager or a central office administrator who has information about this topic may complete this survey.

I will be contacting you in 10 days to schedule an appointment to pick the attached consent form and survey. (You may also complete the survey and email it back to me.) Please call me on my **cell at (361) 533-0000** or at **work at (361) 289-1636** if you have any questions about the survey or consent form. I can also be contacted via email: cmsand5@aol.com

Thank you!

Mike Sandroussi
Superintendent Cohort University of Texas at Pan American (UTPA)
Former Hidalgo County Superintendent of Schools

Region I Hidalgo County School District Instructional Facilities Allotment (IFA)
Existing Debt Allotment (EDA) Survey

District Name: _____ District County Number: _____

Please complete the following percentage of effort by the Texas Education Agency and your local district if your construction projects qualified for (IFA) or (EDA):

Instructional Facility Allotment (IFA)

Existing Debt Allotment (EDA)

TEA State Support (State Effort) (%): _____

TEA State Support (State Effort) (%): _____

Local District Share (Local Effort) (%): _____

Local District Share (Local Effort) (%): _____

Bond Elections: Please complete the following Bond Election Information:

<u>Year of Bond</u>	<u>Proposed Amount of Bond</u>	<u>Passed (Yes/No)</u>	<u>Yearly Payment</u>	<u>IFA or EDA</u>
1997	_____	_____	_____	_____
1998	_____	_____	_____	_____
1999	_____	_____	_____	_____
2000	_____	_____	_____	_____
2001	_____	_____	_____	_____
2002	_____	_____	_____	_____
2003	_____	_____	_____	_____
2004	_____	_____	_____	_____
2005	_____	_____	_____	_____
2006	_____	_____	_____	_____
2007	_____	_____	_____	_____

Facilities Built: Please list the cost and the facilities that you build:

<u>Bond Election Year</u>	<u>Facilities Built</u>	<u>IFA or EDA</u>	<u>Cost of Facilities</u>
1997	_____	_____	_____
1998	_____	_____	_____
1999	_____	_____	_____
2000	_____	_____	_____
2001	_____	_____	_____
2002	_____	_____	_____
2003	_____	_____	_____
2004	_____	_____	_____
2005	_____	_____	_____
2006	_____	_____	_____
2007	_____	_____	_____

APPENDIX G

INSTRUCTIONAL FACILITIES ALLOTMENT (IFA) PROGRAM

Texas Education Code (TEC) and Texas Administrative Code (TAC) References

TEC, Chapter 46, Subchapter A; 19 TAC §61.1032

History/Relevant Background Information

The IFA program was authorized in House Bill 4 by the 75th Legislature in the spring of 1997 and became effective September 1, 1997. The IFA program provides funding to school districts that assists with debt service payments on qualifying bonds and lease-purchase agreements. To receive IFA program assistance, a district must submit an application to the Texas Education Agency (TEA). The proposed bond or lease-purchase proceeds must be for the purchase, construction, renovation, and/or expansion of instructional facilities. There is a deadline for applications, after which the TEA State Funding Division ranks all eligible applications in order of property wealth per student, which is based on average daily attendance (ADA).

State assistance is awarded beginning with those eligible districts that have the lowest property wealth and continues until all available funds are used. If a district meets and maintains IFA conditions, Texas statute guarantees IFA state aid for the life of the debt that has been approved for funding.

See the table below for a history of IFA appropriations.

<u>Round</u>	<u>Deadline</u>	<u>Fiscal Year</u>	<u>Amount Designated for New Debt</u>
1	Sept. 1997	1997–1998	initial appropriation all new debt
2	Dec. 1997	1998–1999	initial appropriation all new debt
3	June 1999	1999–2000	\$50 million new money* (Senate Bill (SB) 4)
4	June 2000	2000–2001	\$50 million new money (SB4)
5	June 2001	2001–2002	\$50 million new money (Rider 2)
6	June 2002	2002–2003	\$50 million new money (Rider 2)
7	June 2004	2003–2004	no new money
		2004–2005	\$20 million new money (House Bill 3459)
8	June 2007	2005–2006	no new money
		2006–2007	\$50 million new money (Rider 97b)
9	June 2008	2007–2008	no new money
		2008–2009	\$87.5 million new money
10	June 2010	2009–2010	no new money
		2010–2011	\$75 million new money

*New money: Money that is appropriated for new IFA eligible bonded debt.

Description of Program

An IFA allotment represents the amount of eligible debt service that can be considered for state aid. The total allotment is comprised of state and local funds. The state share and local share are adjusted annually based on changes in ADA, property values, and the amount of eligible annual debt service.

A district is required to either levy sufficient taxes, or to designate excess maintenance and operations (M&O) or interest and sinking (I&S) tax collections from the 1999–2000 school year (or later) to cover the local share of the allotment. State aid under the IFA program provides a guaranteed yield of \$35 per penny of tax effort per unweighted ADA.

For the IFA, the “ADA” used for calculating state aid is the greater of 1) the number of students in average daily attendance in the district, as determined under TEC, §42.005, or 2) 400. Legislative Planning Estimates (LPE) data are used to calculate fall payments. District Planning Estimates (DPE) data are used to calculate settle-up payments the following fall. Payments are made once during the fall.

A limitation on assistance is determined by comparing the district's size factor with its debt service payments:

1. Size factor = ADA x \$250 (or \$100,000, whichever is greater)
2. Highest annual debt service = the highest debt service payment due within the biennium in which the application is being made
3. Limitation on assistance = lesser of size factor or highest annual debt service payment of biennium

Once the limitation on assistance is determined, the amount of assistance is calculated by determining the amount needed to guarantee a yield of \$35 per unweighted ADA per penny of tax effort.

Example: District ABC has property values of \$100,000,000; ADA of 1,000; and annual debt service payments of \$100,000.

- Taxable property value = \$100,000,000 property value ÷ \$100 assessed valuation = \$1,000,000
- Tax yield per penny = \$1,000,000 taxable property value x .01 = \$10,000
- Tax yield per penny per student = \$10,000 ÷ 1,000 ADA = \$10.00 local revenue
- State aid per penny = \$35.00 guaranteed yield – \$10.00 local revenue = \$25.00 state aid
- Percentage debt service assistance paid as state aid = $(\$25 \div \$35) \times 1 = 71.43\%$
- Amount of IFA state assistance = \$100,000 annual debt service x 71.43% state share = \$71,429
- Amount of IFA local share = \$100,000 annual debt service – \$71,429 state share = \$28,571

Contact for More Information

Lawrence Crockett, IFA Program Administrator, (512) 463-2821 or
Lawrence.Crockett@tea.state.tx.us

- **IFA applications may be retrieved on line**
at: http://www.tea.state.tx.us/index2.aspx?id=7095&menu_id=645&menu_id2=789

Accessed from TEA IFA Website: <http://www.tea.state.tx.us/index2.aspx?id=5516>

APPENDIX H

INSTRUCTIONAL FACILITIES ALLOTMENT (IFA) GUIDELINES

TEXAS EDUCATION CODE

TITLE 2. PUBLIC EDUCATION

SUBTITLE I. SCHOOL FINANCE AND FISCAL MANAGEMENT

CHAPTER 46. ASSISTANCE WITH INSTRUCTIONAL FACILITIES AND PAYMENT OF EXISTING DEBT

SUBCHAPTER A. INSTRUCTIONAL FACILITIES ALLOTMENT

Sec. 46.001. DEFINITION. In this subchapter, "instructional facility" means real property, an improvement to real property, or a necessary fixture of an improvement to real property that is used predominantly for teaching the curriculum required under Section 28.002.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.23, eff. Sept. 1, 1999.

Sec. 46.002. RULES. (a) The commissioner may adopt rules for the administration of this subchapter.

(b) The commissioner's rules may limit the amount of an allotment under this subchapter that is to be used to construct, acquire, renovate, or improve an instructional facility that may also be used for noninstructional or extracurricular activities.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.23, eff. Sept. 1, 1999.

Sec. 46.003. SCHOOL FACILITIES ALLOTMENT. (a) For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The amount of state support is determined by the formula:

$$\text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is \$35 or a greater amount for any year provided by appropriation;

"ADA" is the greater of the number of students in average daily attendance, as determined under Section 42.005, in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521.

(b) The bond tax rate under Subsection (a) may not exceed the rate that would be necessary for the current year, using state funds under Subsection (a), to make payments of principal and interest on the bonds for which the tax is pledged.

(c) To enable the district to collect local funds sufficient to pay the district's share of the debt service, a district may levy a bond tax at a rate higher than the maximum rate for which it may receive state assistance.

(d) The amount budgeted by a district for payment of eligible bonds may include:

(1) bond taxes collected in the current school year;

(2) bond taxes collected in a preceding school year in excess of the amount necessary to pay the district's share of actual debt service on bonds in that year, provided that the taxes were not used to generate other state financial assistance for the district; or

(3) maintenance and operations taxes collected in the current school year or a preceding school year in excess of the amount eligible to be used to generate other state financial assistance for the district.

(e) Bonds are eligible to be paid with state and local funds under this section if:

- (1) taxes to pay the principal of and interest on the bonds were first levied in the 1997-1998 school year or a later school year; and
- (2) the bonds do not have a weighted average maturity of less than eight years.
- (f) A district may use state funds received under this section only to pay the principal of and interest on the bonds for which the district received the funds.
- (g) The board of trustees and voters of a school district shall determine district needs concerning construction, acquisition, renovation, or improvement of instructional facilities.
- (h) To receive state assistance under this subchapter, a school district must apply to the commissioner in accordance with rules adopted by the commissioner before issuing bonds that will be paid with state assistance. Until the bonds are fully paid or the instructional facility is sold:
 - (1) a school district is entitled to continue receiving state assistance without reapplying to the commissioner; and
 - (2) the guaranteed level of state and local funds per student per cent of tax effort applicable to the bonds may not be reduced below the level provided for the year in which the bonds were issued.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.24, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1156, Sec. 6, eff. Sept. 1, 2001.

Sec. 46.004. LEASE-PURCHASE AGREEMENTS. (a) A district may receive state assistance in connection with a lease-purchase agreement concerning an instructional facility. For purposes of this subchapter:

- (1) taxes levied for purposes of maintenance and operations that are necessary to pay a district's share of the payments under a lease-purchase agreement for which the district receives state assistance under this subchapter are considered to be bond taxes; and
- (2) payments under a lease-purchase agreement are considered to be payments of principal of and interest on bonds.
- (b) Section 46.003(b) applies to taxes levied to pay a district's share of the payments under a lease-purchase agreement for which the district receives state assistance under this subchapter.
- (c) A lease-purchase agreement must be for a term of at least eight years to be eligible to be paid with state and local funds under this subchapter.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.25, eff. Sept. 1, 1999.

Sec. 46.005. **LIMITATION ON GUARANTEED AMOUNT.** The guaranteed amount of state and local funds for a new project that a district may be awarded in any state fiscal biennium under Section 46.003 for a school district may not exceed the lesser of:

- (1) the amount the actual debt service payments the district makes in the biennium in which the bonds are issued; or
- (2) the greater of:
 - (A) \$100,000; or
 - (B) the product of the number of students in average daily attendance in the district multiplied by \$250.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997.

Sec. 46.006. **SHORTAGE OR EXCESS OF FUNDS APPROPRIATED FOR NEW PROJECTS.** (a) If the total amount appropriated for a year for new projects is less than the amount of money to which school districts applying for state assistance are entitled for that year, the commissioner shall rank each school district applying by wealth per student. For purposes of this section, a district's wealth per student is reduced by 10 percent for each state fiscal biennium in which the district did not receive assistance under this subchapter.

(b) A district's wealth per student is reduced for purposes of this section if a district has had substantial student enrollment growth in the preceding five-year period. The reduction is in addition to any reduction under Subsection (a) and is computed before the district's wealth per student is reduced under that subsection, if applicable. A district's wealth per student is reduced:

- (1) by five percent, if the district has an enrollment growth rate in that period that is 10 percent or more but less than 15 percent;
- (2) by 10 percent, if the district has an enrollment growth rate in that period that is 15 percent or more but less than 30 percent; or
- (3) by 15 percent, if the district has an enrollment growth rate in that period that is 30 percent or more.

(c) A district's wealth per student is reduced by 10 percent for purposes of this section if the district does not have any outstanding debt at the time the district applies for assistance under this subchapter. The reduction is in addition to any reduction under Subsection (a) or (b) and is computed before the district's wealth per student is reduced under those subsections, if applicable.

(c-2) A district's wealth per student is reduced by 25 percent for purposes of this section if the district demonstrates to the commissioner's satisfaction that the district must construct, acquire,

renovate, or improve one or more instructional facilities to serve the children of military personnel transferred to a military installation in or near the district under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687). The reduction is in addition to any reduction under Subsection (a), (b), or (c) and is computed before the district's wealth per student is reduced under those subsections, if applicable. This subsection expires September 1, 2012.

Text of subsection effective until September 01, 2012

(d) The commissioner shall adjust the rankings after making the reductions in wealth per student required by Subsections (a), (b), (c), and (c-2).

Text of subsection effective on September 01, 2012

(d) The commissioner shall adjust the rankings after making the reductions in wealth per student required by Subsections (a), (b), and (c).

(e) Beginning with the district with the lowest adjusted wealth per student that has applied for state assistance for the year, the commissioner shall award state assistance to districts that have applied for state assistance in ascending order of adjusted wealth per student. The commissioner shall award the full amount of state assistance to which a district is entitled under this subchapter, except that the commissioner may award less than the full amount to the last district for which any funds are available.

(f) Any amount appropriated for the first year of a fiscal biennium that is not awarded to a school district may be used to provide assistance in the following fiscal year.

(g) In this section, "wealth per student" means a school district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521, divided by the district's average daily attendance as determined under Section 42.005.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.26, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1309, Sec. 1, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1309, Sec. 2, eff. September 1, 2012.

Sec. 46.007. REFUNDING BONDS. A school district may use state funds received under this subchapter to pay the principal of and interest on refunding bonds that:

(1) are issued to refund bonds eligible under Section 46.003;

- (2) do not have a final maturity date later than the final maturity date of the bonds being refunded;
- (3) may not be called for redemption earlier than the earliest call date of the bonds being refunded; and
- (4) result in a present value savings, which is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. The present value savings shall be computed at the true interest cost of the refunding bonds.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.27, eff. Sept. 1, 1999.

Sec. 46.008. STANDARDS. (a) The commissioner shall establish standards for adequacy of school facilities. The standards must include requirements related to space, educational adequacy, and construction quality. All new facilities constructed after September 1, 1998, must meet the standards to be eligible to be financed with state or local tax funds.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 698, Sec. 5, eff. December 31, 2009.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1213, Sec. 10, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 698, Sec. 5, eff. December 31, 2009.

Sec. 46.0081. SECURITY CRITERIA IN DESIGN OF INSTRUCTIONAL FACILITIES. A school district that constructs a new instructional facility or conducts a major renovation of an existing instructional facility using funds allotted to the district under this subchapter shall consider, in the design of the instructional facility, security criteria developed by the Texas School Safety Center under Section 37.2051.

Added by Acts 2005, 79th Leg., Ch. 780, Sec. 7, eff. September 1, 2005.

Sec. 46.009. PAYMENT OF SCHOOL FACILITIES ALLOTMENTS. (a) For each school year, the commissioner shall determine the amount of money to which each school district is entitled under this subchapter.

- (b) If the amount appropriated for purposes of this subchapter for a year is less than the total amount determined under Subsection (a) for that year, the commissioner shall:
 - (1) transfer from the Foundation School Program to the instructional facilities program the amount by which the total amount determined under Subsection (a) exceeds the amount appropriated; and
 - (2) reduce each district's foundation school fund allocations in the manner provided by Section 42.253(h).
- (c) Warrants for payments under this subchapter shall be approved and transmitted to school district treasurers or depositories in the same manner as warrants for payments under Chapter 42.
- (d) As soon as practicable after September 1 of each year, the commissioner shall distribute to each school district the amount of state assistance under this subchapter to which the commissioner has determined the district is entitled for the school year. The district shall deposit the money in the interest and sinking fund for the bonds for which the assistance is received and shall adopt a tax rate for purposes of debt service that takes into account the balance of the interest and sinking fund.
- (e) Section 42.258 applies to payments under this subchapter.
- (f) If a school district would have received a greater amount under this subchapter for the applicable school year using the adjusted value determined under Section 42.257, the commissioner shall add the difference between the adjusted value and the amount the district received under this subchapter to subsequent distributions to the district under this subchapter.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.27, eff. Sept. 1, 1999.

Sec. 46.010. PROJECTS BY MORE THAN ONE DISTRICT. If two or more districts apply for state assistance in connection with a joint project at a single location, each district is entitled to a guaranteed facilities yield amount of state and local funds that is 20 percent higher than the amount to which the district would otherwise be entitled under Section 46.005.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997.

Sec. 46.011. SALE OF INSTRUCTIONAL FACILITY FINANCED WITH INSTRUCTIONAL FACILITIES ALLOTMENT. (a) If an instructional facility financed by bonds paid with state and local funds under this subchapter is sold before the bonds are fully paid, the school district shall send to the comptroller an amount equal to the district's net proceeds from the sale multiplied by a percentage determined by dividing the amount of state funds under this

subchapter used to pay the principal of and interest on the bonds by the total amount of principal and interest paid on the bonds with funds other than the proceeds of the sale.

(b) In this section, "net proceeds" means the difference between the total amount received from the sale less:

- (1) the amount necessary to fully pay the outstanding principal of and interest on the bonds; and
- (2) the school district's costs of the sale, as approved by the commissioner.

Added by Acts 1997, 75th Leg., ch. 592, Sec. 1.04, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 396, Sec. 1.28, eff. Sept. 1, 1999.

Sec. 46.012. **APPLICABILITY TO OPEN-ENROLLMENT CHARTER SCHOOLS.** An open-enrollment charter school is not entitled to an allotment under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 30, eff. Sept. 1, 2001.

Sec. 46.013. **MULTIPLE ALLOTMENTS PROHIBITED.** A school district is not entitled to state assistance under this subchapter based on taxes with respect to which the district receives state assistance under Subchapter F, Chapter 42.

Added by Acts 2001, 77th Leg., ch. 1156, Sec. 7, eff. Sept. 1, 2001. Renumbered from Education Code Sec. 46.012 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(22), eff. Sept. 1, 2003.

SUBCHAPTER B. ASSISTANCE WITH PAYMENT OF EXISTING DEBT

Sec. 46.031. **RULES.** The commissioner may adopt rules for the administration of this subchapter.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.29, eff. Sept. 1, 1999.

Sec. 46.032. **ALLOTMENT.** (a) Each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on eligible bonds. The amount of state support, subject only to the maximum amount under Section 46.034, is determined by the formula:

$$EDA = (EDGL \times ADA \times EDTR \times 100) - (EDTR \times (DPV/100))$$

where:

"EDA" is the amount of state funds to be allocated to the district for assistance with existing debt;

"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is \$35 or a greater amount for any year provided by appropriation;

"ADA" is the number of students in average daily attendance, as determined under Section 42.005, in the district;

"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521.

(b) The existing debt tax rate of the district under Subsection (a) may not exceed the rate that would be necessary for the current year, using state funds under Subsection (a), to make payments of principal and interest on the bonds for which the tax is pledged.

(c) The amount budgeted by a district for payment of eligible bonds may include:

(1) bond taxes collected in the current school year;

(2) bond taxes collected in a preceding school year in excess of the amount necessary to pay the district's share of actual debt service on bonds in that year, provided that the taxes were not used to generate other state financial assistance for the district; or

(3) maintenance and operations taxes collected in the current school year or a preceding school year in excess of the amount eligible to be used to generate other state financial assistance for the district.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.29, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 1156, Sec. 8, eff. Sept. 1, 2001.

Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued under Section 45.006, are eligible to be paid with state and local funds under this subchapter if:

(1) the district made payments on the bonds during the final school year of the preceding state fiscal biennium or taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year; and

(2) the district does not receive state assistance under Subchapter A for payment of the principal and interest on the bonds.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.29, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 1156, Sec. 9, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 201, Sec. 40, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 899, Sec. 12.01, eff. August 29, 2005.

Acts 2007, 80th Leg., R.S., Ch. 235, Sec. 2, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 76, eff. September 1, 2009.

Sec. 46.034. LIMITS ON ASSISTANCE. (a) The existing debt tax rate ("EDTR") under Section 46.032 may not exceed \$0.29 per \$100 of valuation, or a greater amount for any year provided by appropriation.

(b) The amount of state assistance to which a district is entitled under this subchapter may not exceed the amount to which the district would be entitled at the district's tax rate for the payment of eligible bonds for the final year of the preceding state fiscal biennium.

(b-1) Notwithstanding Subsection (b), a school district is entitled to state assistance under this subchapter based on the district's tax rate for the current school year if the district demonstrates to the commissioner's satisfaction that the district meets the criteria under Section 46.006(c-2).

(c) If the amount required to pay the principal of and interest on eligible bonds in a school year is less than the amount of payments made by the district on the bonds during the final school year of the preceding state fiscal biennium or the district's audited debt service collections for that school year, the district may not receive aid in excess of the amount that, when added to the district's local revenue for the school year, equals the amount required to pay the principal of and interest on the bonds.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.29, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 1156, Sec. 10, 12, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 201, Sec. 41, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 899, Sec. 12.02, eff. August 29, 2005.

Acts 2007, 80th Leg., R.S., Ch. 235, Sec. 3, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1309, Sec. 3, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 77, eff. September 1, 2009.

Sec. 46.035. PAYMENT OF ASSISTANCE. Section 46.009 applies to the payment of assistance under this subchapter.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.29, eff. Sept. 1, 1999.

Sec. 46.036. APPLICABILITY TO OPEN-ENROLLMENT CHARTER SCHOOLS. An open-enrollment charter school is not entitled to an allotment under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1504, Sec. 31, eff. Sept. 1, 2001.

Sec. 46.037. MULTIPLE ALLOTMENTS PROHIBITED. A school district is not entitled to state assistance under this subchapter based on taxes with respect to which the district receives state assistance under Subchapter F, Chapter 42.

Added by Acts 2001, 77th Leg., ch. 1156, Sec. 11, eff. Sept. 1, 2001. Renumbered from Education Code Sec. 46.036 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(23), eff. Sept. 1, 2003.

SUBCHAPTER C. REFINANCING

Sec. 46.061. STATE ASSISTANCE FOR REFINANCING. (a) The commissioner by rule may provide for the payment of state assistance under this chapter to refinance school district debt. A refinancing may not increase the cost to the state of providing the assistance.

(b) The commissioner may allocate state assistance provided for a refinancing to Subchapter A, Subchapter B, or both, as appropriate.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.29, eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87, Sec. 7.007, eff. September 1, 2009.

Accessed from TEA IFA Website: <http://www.tea.state.tx.us/index2.aspx?id=5516>

APPENDIX I

HIDALGO COUNTY SUPERINTENDENTS INTERVIEWS



**Interview of Dr. Alejo Salinas
October 7, 2011
10:30 a.m.
University of Texas Pan American**

**Superintendent of La Joya ISD
1976-1979
Superintendent of Hidalgo ISD
1981-1999**



Interview of Mr. Ralph Cantu
October 7, 2011
9:10 a.m.
University of Texas Pan American Doctoral Lab
Superintendent of Mission CISD
1988-1995



**Interview of Dr. Juan Garcia
October 7, 2011
2:15 p.m.
Salinas Elementary, Donna, Texas**

**Superintendent of Schools
Donna ISD
1997-2004**



Interview of Dr. Andres Martinez
October 7, 2011
2:45 p.m.
Salinas Elementary, Donna, Texas

Superintendent of Schools Donna ISD & Monte Alto ISD
Donna ISD
2000-2001
Monte Alto ISD
2003-2008



Interview of Dr. Richard Rivera
October 14, 2011
9:00 a.m.
Weslaco I.S.D. Superintendent Office, Weslaco, Texas

Superintendent of Weslaco ISD
1996-2011



Interview of Dr. Miguel De Los Santos
October 14, 2011
10:45 a.m.
Dr. De los Santos' Home

Superintendent of La Joya ISD
1979-1987
Superintendent of San Benito ISD
1989-1991
Superintendent of Edinburg ISD
1991-1995



Interview of Dr. Roberto Zamora
October 14, 2011
1:45 p.m.
La Joya Municipal Library, La Joya, Texas

Superintendent of La Joya ISD
First Term
1987-1992
Second Term
1997-2003



**Interview of Dr. Filomena Leo
October 14, 2011
2:45 p.m.
La Joya Municipal Library**

**Superintendent of La Joya ISD
2003-2006**



Interview of Mr. Monte Churchill
October 28, 2011
10:30 a.m.
STC Mid-Valley Campus

Superintendent of Mercedes ISD
1980-1997



Interview of Mr. Ernesto Alvarado

October 28, 2011

1:45 p.m.

Mr. Alvarado's Home, Edinburg, Texas

Superintendent of Pharr San Juan Alamo (PSJA) ISD

1989-1994

APPENDIX J

TEXAS STATE SENATOR INTERVIEW



**Interview of Senator Eddie Lucio Jr.
December 14, 2011
10:30 a.m.
Santa Gertrudis ISD Library**

**Texas House of Representative
1986-1991
State of Texas Senator
1991 – Present**

BIOGRAPHICAL SKETCH

Michael Sandroussi was born in Edinburg, Texas and attended school in Stephen F. Austin Elementary until 1967. He then moved to Alice, Texas and graduated from Alice High School in 1976. Immediately after high school graduation he attended Texas A&I University in Kingsville, Texas and earned a Bachelor of Science degree in Secondary Education with a major in Mathematics and a minor Health and Physical Education. Michael then worked as a mathematics teacher/coach for nine years while earning his Master of Science degree in school administration in 1989. In 2004 he was accepted into the University of Texas Pan American Superintendent Cohort in the Educational Leadership Doctoral Program and earned a Doctor of Education degree in 2012.

Michael worked 29 years in school districts as a mathematics teacher/coach, elementary principal, junior high principal, high school principal and as a school superintendent. He has since retired from the education business in June 2011 and has started a new career in industry training high school students and adults in the area of pipefitting, welding, instrumentation, electrical, etc. to prepare them for employment in industry.

He presently resides in Corpus Christi, Texas with his wife of 29 years at 3738 Castle View Circle Corpus Christi, Texas. His email address is cmsand5@aol.com.