

A LEARNING EXPERIENCE

A Board Member's View of One District's TRE Troubles

by Sarah Winkler

School board members are very familiar with bond and trustee elections. After serving 12-plus years on the Alief ISD Board, I consider myself to be an election veteran. When it became apparent that my district would need to hold a tax ratification election (TRE) to generate adequate funds to meet the needs of our students, I thought the process would be similar to our previous bond referendums. I couldn't have been more wrong.

Fortunately, our election was successful despite organized opposition. My goal is to help trustees prepare for this process by describing the challenges, successes, and pitfalls Alief ISD encountered in November 2008.

Gearing Up

Our district has always formed committees to evaluate capital projects prior to holding bond elections, and we used this same process for our TRE. The committee reviewed correspondence, videos, and presentations that explained the need for a maintenance and operations (M&O) tax increase and provided valuable feedback. Administrators, trustees, and committee members gave presentations at school open houses and community meetings.

The district printed brochures, included TRE information in community and employee newsletters and on our Web site, and informed the media. The information highlighted student successes and gains in academic achievement scores, emphasizing that this tax increase would fund pay raises needed to attract and retain highly qualified teachers. We also acknowledged our challenges and outlined the proactive programs put in place to address these issues. As the campaign evolved, it was apparent that outlining successes and challenges helped bolster our credibility with the public.

Explaining the Situation

Explaining House Bill 1 was difficult. Like many of the districts holding TREs, Alief ISD's calculated target revenue is low. To explain our financial situation, we created charts comparing area districts' target revenue to ours, lists of uncontrolled costs, and graphs showing historical and projected tax rates.

Despite our explanations, residents still struggled to understand why Alief ISD's calculated target revenue is so low. This is not surprising since funding per pupil varies widely from district to district seemingly for no reason. Fortunately, many taxpayers cared about equity and wanted our students to have the same resources available in neighboring districts.

Our public wanted to be reassured that their taxes were being spent efficiently and effectively. Our constituents responded to graphs showing area districts' expenditures per pupil. Alief ISD spends a large percentage of its expenditures on instruction and a very small percentage on central administration.

The information provided outlined the consequences of an unsuccessful election. Staff salaries would be frozen and programs eliminated. Specific reductions were not listed since our staff was already anxious about possible cuts. Without the tax increase, the district would not have had sufficient funds available to meet the fall payroll for the 2010-11 school year.

Opposition Arises

Unfortunately, we quickly discovered that this information also elicited negative responses and helped foster opposition to the election. Residents questioned why the district committed to salary increases and adopted a budget when taxpayer approval was needed to support this spending. Most constituents were unaware that a large percentage of the budget is deter-

mined in the spring when the board approves raises and staffing.

Some residents also questioned the timing of the election. Explaining that the Legislature mandated specific deadlines and dates for TREs and budget and tax rate adoption did not help. The election date also was controversial because, by law, a district cannot set a tax rate until certified property values are received from the county appraisal district. Alief (and other area districts) did not receive values in time to put our referendum on the November 4 ballot. Our TRE election was held on November 20. Many residents believed that the district intentionally avoided the general election, generating animosity and distrust that damaged our credibility and gave ammunition to the opposition.

Did 'Yes' Mean 'No'?

As the district communicated with the public, we realized constituents were not convinced a tax increase was our only option for raising the needed funds. Our stadium and administration building were being renovated at the time the TRE was called. Many residents believed the renovation money could be used for operating expenses. Suspicion continued despite efforts to inform them that these construction projects were approved by voters in the last bond election, and bond money could not be used for M&O expenses.

Explaining the school funding system was our biggest challenge. As property values rise, homeowners' tax bills go up. It is very difficult to explain that property value increases are of no benefit to the district since the state reduces our funding dollar for dollar.

Even the ballot language was problematic. Voters were confused about the meaning of a rollback election. Did a "yes" vote ratify the proposed tax increase, or

did it roll the rate back to \$1.04?

Ironically, Alief ISD's election occurred during the "perfect storm." Hurricane Ike hit the Houston/Galveston area in September, causing widespread damage. In addition, Houston Community College passed an annexation referendum, significantly increasing property tax rates for Alief ISD homeowners. Meanwhile, the economy was in crisis. Many residents who have always supported our district, including taxpayers 65 and older not affected by the increase, stated they were against it due to personal financial issues, the general economic decline, or hurricane damages not covered by FEMA or insurance.

Despite facing all these challenges and organized opposition, the tax rate increase was approved, with 1,391 voting in favor and 1,204 opposed.

Communicate and Advocate

After reflecting on our referendum, I believe that rollback elections are problematic because school districts are asking the public to vote to increase their own taxes. It is difficult, especially for those without children in public schools, to feel vested in our general budget.

This election was definitely a learning experience. My best advice is to communicate regularly with your stakeholders. Build strong relationships with community members by sharing information about your successes, challenges, and financial condition. A district's relationship with the community is the key to a successful election.

However, having said that, some of the problems Alief ISD faced can be addressed only by legislative changes. The education community must advocate for school funding and election law changes during the 81st Legislative Session. The current timeline for adopting budgets, setting tax rates, and holding TRE elections is challenging. Legislators can make changes that will improve transparency and ensure that community members believe their tax dollars are being used wisely.

Join TASB in advocating for change so your district can avoid some of the pitfalls we encountered.★

Sarah Winkler, an Alief ISD Board member, is 2008-09 president-elect of TASB.

TRE WORKSHOPS OFFER ASSISTANCE TO SCHOOL DISTRICTS

The Texas School Public Relations Association (TSPRA) is offering three workshops—March 24 in Arlington, March 26 in Kyle, and April 2 in Rosenberg—to assist school districts contemplating a tax ratification election (TRE). The target revenue concept of House Bill 1 is causing districts increased difficulty in keeping pace with inflationary costs. As a result, school districts are exploring the possibility of TREs as a way of increasing revenue and possibly mitigating the need for using the district's fund balance to pay routine operational costs. A successful election outcome will necessitate explaining a complex financial topic in a way that is understandable to school district constituents.

These TRE workshops, designed for school communications staff, will outline the legal and local aspects a school district should consider before calling such an election and suggest ways to convey this complicated information to the public. School finance consultant Douglas L. Karr will conduct the workshops. Karr has more than 33 years experience in public education as teacher, principal, and superintendent. He also has served as school finance specialist for Region 17 Education Service Center (ESC) and Region 18 ESC. Karr has been an adjunct faculty member in school finance at Texas Tech University, Sul Ross State University, Stephen F. Austin University, University of Texas at Tyler, and Texas A&M University-Commerce. He holds bachelor's and master's degrees from Texas Tech University and a doctorate degree from Baylor University.

The March 24 session is 9 a.m.-12:30 p.m. at the Arlington ISD Mac Bernd Professional Development Center, 1111 West Arbrook Boulevard, Arlington. The March 26 session is 8-11:30 a.m. at the Hays CISD Performing Arts Center, 979 Kohler's Crossing, Kyle. The April 2 session is 11:30 a.m.-3 p.m. at the Lamar CISD Administration Building, 3911 Avenue I, Rosenberg. Sessions are free to TSPRA members, \$25 for nonmembers.

Online registration is available at www.tspra.org/page.php/register_online. Use registration code TRE032409 for the Arlington workshop; use code TRE034609 for the Kyle workshop. For the Rosenberg workshop, use code TRE040209. Registration deadline is March 17.★