

# Scott Harrell, Superintendent Sudan ISD

## Finance Commission Presentation

Hello, my name is Scott Harrell and I am the Superintendent of Sudan ISD which is a small rural public school in West Texas with an enrollment of approximately 470 students.

I want to start by thanking you for the invitation and opportunity to briefly speak to you today, and also want to thank you for your willingness to serve the State of Texas and the millions of public school kiddos that this great state educates. Many people are efficient at pointing out problems, but I want to thank you for not only realizing those problems but having fortitude to run for office and help to find solutions to these issues.

I have been asked to talk about unnecessary burdens placed on districts, from the viewpoint of a small district, as well as to try to come up with some solutions. The 3 main areas selected for me to present are Investment Officer Training, the Transportation Allocation, and The Virtual School Network.

### **Investment Officer Training**

The Public Funds Investment Act mandates that a school Superintendent receive 10 hours of Investment Officer Training in his/her first 12 months on the job, and then 8 hours every 2 years after that. The majority of the training deals with the dangers of schools investing money into the stock market, either directly or by utilizing large investment pools, with the possibility of losing some or all of those investment funds.

**Problem-** This 8 hour training takes a school administrator out of the building for a day and costs the district \$200-\$300. For schools my size with small fund balances, the only tools we use to house our tax collections and fund balance is by use of Money Markets and/or Certificate of Deposits. Both of these investments are on guaranteed percentage returns and carry no dangers of investing directly into the stock market, or into large investment pools like larger districts that have 100's of millions of dollars to invest. This mandatory training is burdensome and a misuse of time for a district in my situation.

**Possible Solution-** I would propose the possibility of a law, or revision to The Public Funds Investment Act, that would allow a district similar to Sudan ISD to sign a letter of assurance, that would be verified through an annual audit to verify the use of only Money Markets and/or Certificate of Deposits investments. Included in that adjustment to the law would be the option for a school that wanted to invest in something other than Money Markets and/or Certificate of Deposits the mandate of Investment Officer Training before allowed to deposit funds into riskier investments.

## **Transportation Allotment**

Although we are a small district by student enrollment size, we are one of the larger districts in the state by square mileage. Sudan ISD is 583.7 square miles and stretches into 3 counties. Our bus routes travel a total of 510 miles every day. That is 86,000 miles per year. We have one route that travels 151 miles every day! At that rate, that one bus puts 150,000 miles in under 6 years, which is the point we retire them from routes.

**Problem-** With using 1980's Transportation Reimbursement Funding Formulas, we received a total of **\$58,632** this year.

### **Sudan ISD Actual Expenses:**

#### **1.) Fuel Costs**

- 2017-18 Fuel Expenditure: \$67,000 on a \$2.80 per gallon diesel average
  - In July of 1980 a gallon of diesel was \$1.11

#### **2.) Bus Purchase**

- 2017 Sudan ISD purchased a "yellow-dog" 48 passenger bus for \$94,263
  - In 1985 Sudan ISD purchased this same type of bus for \$26,338
  - In 1995 Sudan ISD purchased this same type of bus for \$41,295
- New School Bus Seat Belt Law- It costs an approximate additional \$15,000 to add seat belts to a bus. Part of that new law states that a school board can adopt a resolution that states that the school board has chosen not to outfit the purchase of any new busses with seat belts. But you realize as well as I do the implications on that resolution in getting community support due to the student safety factor.

**Possible Solution-** What is allotted to schools my size by student enrollment and square mileage doesn't even cover the cost of diesel that we put into our route fleet. Let alone the purchase of new busses and/or the general maintenance costs associated with keeping a safe vehicle on the roadway. I would respectfully ask that these reimbursements rates/formulas be studied and updated/adjusted to current costs of running a transportation fleet.

## **Virtual School Network**

One of the original purposes of the Virtual School Network was to give students in smaller size rural schools the same opportunities as their counterparts in larger school districts. This can be a great program, but the reality for a school my size is that in order to participate, funds must be in place to hire a facilitator for these classes and be able to purchase the hardware involved (computers and specialized course specific equipment.) In 2011, the Technology and Textbook allotments were combined and Districts were allowed to purchase supplies and materials that local districts felt beneficial to educate the students within their own districts with no specifications on percentages of how much money must be used on textbooks vs supplemental materials or computer hardware or software. This allotment combination became known as the Instructional Materials Allotment (IMA).

***Problem-*** This methodology was, and still is a great notion, except the fact that the Technology funding portion was, for all intents and purposes, dropped when those two allotments were combined and those monies have not been restored to IMA funding. As previously stated, we are allowed to use our IMA funds to pay for hardware, software, or specialized equipment, but we would simply be robbing Peter to pay Paul per say, AND it does not allow the flexibility to use this money to hire a facilitator.

***Possible Solution-*** Would the possibility of a grant program, that could be utilized for computer hardware/software and/or specialized equipment to further the availability of this program for schools my size, as well as the flexibility in those grant funds to hire facilitators, be added as a separate program to the IMA? I realize this means the allocation of more funding to support this solution, but it could help to bring those larger school opportunities into the smaller school classrooms and help this program to flourish more and allow graduates to enter colleges with more experiences and knowledge.

Again, thank you for the opportunity to speak to you today, and may God bless this great State of Texas.