

**Texas Education News
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**Arlington ISD Leads Charge to Connect School Districts in Hurricane
Ike Relief Efforts**

The Arlington Independent School District is reaching out to the Pasadena Independent School District to provide needed support in Hurricane Ike relief efforts.

“Our thoughts are with the people and communities affected by the devastation of Hurricane Ike,” Jerry McCullough, AISD interim superintendent, said. “Pasadena ISD is a community very similar to ours, and their need for assistance is overwhelming.”

With more than 60 damaged campuses and an insurance estimate that will cause them to reach the \$5 million maximum deductible, the PISD has considerable needs. Many families in the community have lost loved ones, sustained major damage to their homes and gone without power for weeks.

“We are working diligently to get our schools back to the same high standards we had before and this assistance is greatly appreciated,” Dr. Kirk Lewis, PISD superintendent, said. “We can’t thank the Arlington community enough for reaching out to the district,

to our students and to our staff during these difficult times. Knowing that others care makes a difference.”

To aid in this relief effort, the PISD is compiling a list of needs that will help their community recover from this natural disaster. Employees returned to work today and are assessing the remaining needs for the district.

“The PISD faces a large financial and educational burden, with students missing more than two weeks of school before their return Monday,” Bowie Hogg, AISD trustee and Hurricane Relief Committee chair, said. “To help make a difference for the PISD and its many communities, the AISD will implement a plan for the entire Arlington community to get involved with this relief effort.”

In addition to the PISD partnership, the AISD is providing a web portal to encourage other school districts to help support those districts in East and Southeast Texas challenged with the enormous short- and long-term consequences of Hurricane Ike’s destruction. A Web site connecting school district communities to support these efforts has been established at **www.district2district.org**.

More than 1,000 Classrooms Awarded Texas School Ready! Certification from the State Center for Early Childhood Education

After nearly two weeks of missing their students’ smiles because of Hurricane Ike, Margaret Carmona and Irasema Barrera have their own reason to smile. Their classroom has received the Texas School Ready! certification for the 2008–2009 school year.

“We were closed for 12 days. Two trees fell on our property, one crashing through the office. I can’t tell you what it meant to find out the news that we were going to receive this Texas School Ready! certification. It rivaled the joy I felt at seeing my students for the first time since the storm,” said Carmona, pre-kindergarten teacher at SEARCH’s House of Tiny Treasurers, a nonprofit early childhood development center for homeless children in East Houston. “Our parents can now feel secure in the knowledge that their children are being given a strong educational foundation,” said Carmona.

Pre-kindergarten teachers statewide are finding out today whether their classrooms received the certification from the State Center for Early Childhood Education at The University of Texas Health Science Center at Houston. For the 2008–2009 school year, 1,123 classrooms will receive the certification.

The Texas School Ready! certification program, which is part of the state center, determines whether children are being prepared for kindergarten in their licensed childcare, Head Start or public pre-k classrooms.

Staff at pre-schools and centers apply to the state center and provide information about their programs, and Texas public school districts provide students’ early reading and social development skills when they begin kindergarten.

“This program is the only one of its kind in the nation. It wouldn’t be possible without help from the school districts,” said Susan Landry, Ph.D., the state center’s director and the Michael Matthew Knight Professor of Pediatrics at The University of Texas Medical School at Houston.

Barrera, who teaches with Carmona, says the certification gives her a sense of fulfillment. "It is validation that what we are teaching our students is working. They are going on to do well in kindergarten and that touches my heart. We want to make a difference," said Barrera.

Each year, pre-schools, Head Start and childcare centers can voluntarily apply to the state center for this certification. Likewise, every center that received it this year will have to reapply for the next school year.

For the 2008-2009 school year, 1,508 classrooms applied for the certification. According to Landry, the next big challenge for the program is continued growth.

"A loss of funding from the Texas Workforce Commission of \$12 million is making it more difficult for us to expand the Texas School Ready! program," said Landry.

"But even with the loss of funding, because of support from the Texas Education Agency, we were able to grow the program by more than 42 percent. Last year, 467 classrooms received the certification."

For information, to apply, or to find out which classrooms are accredited with Texas School Ready! Certification, log onto <http://www.TexasSchoolReady.org>

Intel Honors Delay Middle School in Lewisville, Texas at Schools of Distinction Awards

Intel sponsors the 2008 Intel Schools of Distinction Awards to honor schools for implementing innovative math and science programs and serving as models for other schools. The Intel Foundation and sponsoring companies will distribute to this year's winning schools a total of more than \$1 million in cash, products and services.

"Intel Schools of Distinction are places where students, teachers and the entire school community live and breathe educational excellence," said Intel Chairman Craig Barrett. "Coupling that focus with 21st century skills - communication, collaboration, and critical thinking - fosters the innovation we need far more of in the U.S."

Delay Middle School in Lewisville, Texas and Sabino High School in Tucson, Ariz. joined Sojourner Elementary in winning 2008 Schools of Distinction awards for mathematics excellence in their respective levels. Awards for science excellence at the elementary, middle school and high school levels, respectively, went to Laguna Elementary School in Scottsdale, Ariz., Key Peninsula Middle School in Lakebay, Wash. and Townsend Harris High School in Flushing, N.Y.

Each of the six winning schools, which were honored today at a gala in Washington, D.C., receive a \$10,000 cash grant from the Intel Foundation and an award package that includes curriculum materials, professional development resources, hardware and

software valued at more than \$160,000.

Security Risk Audits for Two South TX Districts

LearnSafe® Initiative professional services team has received orders for, completed and delivered risk audits for Ben Bolt – Palito Blanco ISD and Goliad ISD in compliance with the safety and security audit components of Texas State Senate Bill 11.

The Texas Legislature established Senate Bill 11 (TEC 37.108), which is an executive mandate that required all schools in the state of Texas to conduct comprehensive school safety audits before the last day of August, 2008. The mandate required school districts to do the following using current budgets:

- Implement a security audit as required by Subsection (b) of the legislation.
- Conduct a comprehensive security audit of the district's facilities. To the extent possible, a district shall follow security audit procedures developed by the Texas School Safety Center or a comparable public or private entity. This must be accomplished by August 31, 2008, and is required every three years thereafter.

A school district must report the results of the security audit conducted under Subsection (b) to the district's board of trustees and electronically to the Texas School Safety Center to identify safety and security practices, policies and needs on each school campus within a district.

Llano Independent School District Integrates Network Composer

Llano Independent School District in Llano, Texas, has integrated the Cymphonix Network Composer DC30X to provide superior content filtering, bandwidth prioritization and track individual user Internet activities within its district.

Prior to purchasing the Cymphonix device, Llano ISD IT administrators were faced with two major problems: anonymous proxies and lack of visibility into network traffic. IT administrators knew that students were able to bypass content filters using the latest anonymous proxies. No matter how hard administrators tried to keep the blacklist current, the new proxies released daily proved to be too much to keep up with. The second issue, lack of visibility, was due to the inability to properly identify which traffic was being generated by which users. Llano ISD needed a way to easily identify Internet abusers and take action.

“We needed a level of punitive measures that we could impose on students we considered regular Internet abusers. While we didn’t want to completely eliminate the student’s ability to access the Web for fear of directly affecting school related projects, we are able to control which sites, and at what speeds, the offender could access material,” commented Llano ISD Technology Director Jim Beasley. “It’s great because I can quickly identify students who require disciplinary action by their user name instead of IP addresses, which obviously vary from one computer to the next. When you’re dealing with hundreds of public access points, how can you beat that?”

Once installed, the Cymphonix Network Composer solved both major problems. Network Composer maintains a blacklist of anonymous proxies automatically. The device also dynamically scans content for anonymous proxy activity and can be set to control it without administrator intervention. This made it easy for administrators to prevent students from bypassing filters.

Network Composer also immediately revealed which individual users on the Llano Independent School District's network were using an abnormally high percentage of bandwidth. Once these users were identified, IT administrators had the ability to set up specific bandwidth controls and Website prioritization schemes, ultimately improving the performance of the district's bandwidth. Administrators are now able to quickly and easily control students' access privileges with the use of group configurations, allowing faculty and staff to employ disciplinary action without hindering the educational process.

Mesquite ISD

Located about 35 miles east of downtown Dallas, MISD encompasses 55 square miles in Dallas County. A maturing, middle-class area, the city of Mesquite (estimated 2007 population of nearly 132,000) and the city of Balch Springs benefit economically from the three interstate highways that traverse the district. The city of Mesquite's economic base includes retail, manufacturing, warehousing, and distribution enterprises, along with a number of business parks in various stages of planning, construction, and leasing. With current TAV of \$7.1 billion, TAV growth has averaged 5% annually in the last five fiscal years. Roughly 60% of the district's tax base is residential. Residential development has been strongest in the southern portion of the district, and district officials presently report fairly flat levels of new home construction. Preliminary information regarding fiscal 2009 TAV indicates minimal tax base growth of approximately 1% over the prior year that was attributable primarily to retail and commercial development.

Enrollment, currently around 37,000 students, has grown manageably at an annual average of nearly 2% over the past five fiscal years and district officials expect that trend to continue. Although taxable value growth has typically outpaced enrollment gains, the district has historically received over half of its operating revenues from state support, as it is considered property poor for the purposes of state funding.

The district maintained its reserve levels in fiscal 2007 comparable to the prior year with a \$45 million unreserved general fund balance or close to 19% of spending, which comfortably exceeded the district's operating reserve policy of approximately two months of expenditures. Liquidity remained substantial with fiscal 2007 general fund cash and investments totaling \$36 million. District officials anticipate closing fiscal 2008 with the addition of \$2-\$3 million to general fund balance. The fiscal 2009 budget was reportedly adopted with very conservative revenue estimates that included a drawdown of \$500,000-\$800,000 from general fund reserves, although Fitch expects closer to breakeven operations given prior years' performance relative to budget. In addition, the budget anticipates 4% across the board salary increases that should enable the district to maintain its competitive position in the area for starting teachers. District officials indicate MISD may approach voters for an additional, discretionary operating tax levy in November 2009 or 2010.

This issuance will be used to refund certain outstanding obligations and generate an interest savings for the district. The district has approximately \$130 million in remaining authorization from a successful 2007 election that is expected to fund the district's capital improvements for the next four to five years. The majority of the authorization will be used for renovation/expansion of existing facilities and a new elementary school. The next new money issuance is anticipated at \$50 million in 2009. District debt levels are moderate, and are expected to remain so considering that approximately half of the district's debt service is supported by the state due to the district's low property wealth. Amortization is above average with 60% of principal retired in ten years.

Socorro ISD

Socorro ISD is located east of the City of El Paso in an arid ranching area that includes a portion of the Fort Bliss military installation and the Briggs Army Airfield. The district includes the City of Socorro, Horizon City, a portion of the City of El Paso, and unincorporated areas of El Paso County. Taxable assessed value (TAV) has grown by a strong average of more than 15% annually since fiscal 2005. Growth slowed in fiscal 2009, registering an 8% increase to approximately \$6.4 billion. The district's top ten taxpayers comprise a moderate 5% of total values. Due to the ample amount of affordable land, about one-half of the homes built in the El Paso area are built on the east side within and near the district.

To mitigate the financial and capital needs of its high-growth environment, the district operates year-round. Troop additions to neighboring Ft. Bliss are expected to add to the district's enrollment base, possibly pushing enrollment gains beyond the 1,500 annual increase recently projected by an outside demographer. Fiscal 2008 enrollment of 39,196 was up less than 1% from the prior year, well below the 5% average annual increase recorded over the previous four fiscal years. District officials cite the housing slowdown as the major factor behind the slower enrollment growth, but they expect a combination of additional troops and the construction of more affordable homes to stimulate student population gains going forward.

The district recently completed a \$189 million authorization approved by voters in January 2004 for six new schools plus a new administration building, academic center, and a multi-purpose facility. Due to significant state financial support, the fiscal 2009 debt service tax rate of \$0.2226 per \$100 of TAV is well below the original projections of nearly \$0.40 over the five-year period following the 2004 voter approval. The district presently receives state support equaling roughly 2/3 of its annual debt service costs. Because of the state assistance, district direct debt levels are manageable; payout is slightly below average at about 40% in ten years (on a non-accreted basis). District officials anticipate returning to voters in November 2009 with another bond authorization request.

The district's financial performance has been solid despite the high enrollment growth environment. The district's unreserved general fund balance has increased annually since fiscal 1998, allowing it to exceed its two-month or 16% unreserved general fund balance policy from fiscal 2003 to fiscal 2006. Although fiscal 2007 ended with net income of \$995,000, the unreserved general fund balance of \$40.2 million was slightly below the 16% threshold due to growth in operating expenses. District officials expect break-even results or a modest loss for fiscal 2008, due to enrollment coming in well below budget projections.

The district's fiscal 2009 budget includes no significant staffing changes, a modest salary increase for teachers, and an operations and maintenance (O&M) tax rate of roughly \$0.96 per \$100 of TAV, up two cents from fiscal 2008 and comfortably below the current state O&M tax rate limit of \$1.04. This O&M tax rate, the result of taxing margin below the \$1.50 state cap prior to the state-initiated tax rate compression, provides the district with a measurable amount of financial flexibility. Fitch believes this flexibility will be a key factor if enrollment climbs significantly due to Fort Bliss troop deployments.

Coppell ISD

Located about 18 miles northwest of downtown Dallas, Coppell Independent School District, serves the city of Coppell and small portions of Dallas and Irving in northwest Dallas County. The district's most significant growth occurred in the 1990s, and until recently, it was considered to be relatively built out at about 10,000 students. Recently a large 350-acre tract of land around North Lake that lies within the district's property boundaries in the city of Dallas was rezoned to residential use. The district estimates a potential 30% increase in student population upon eventual full build-out. The proposed development is not imminent as basic city services have not yet been secured from neighboring local governments. Given its lakeside location, proximity to downtown Dallas, and the scarcity of developable land in the area, this property will likely be developed with high-end luxury residences, which will add to the district's already wealthy tax base.

The district's TAV has grown steadily. Fiscal 2008's TAV grew by a rapid 12.4% although fiscal 2009's preliminary TAV points to a more modest level of growth. Although the district's tax base has matured, the prospects for continued TAV growth in the near term are strong given ongoing commercial development along major thoroughfares that traverse it. Excluding the North Lake area, the community is relatively built out, with about 50% of the area developed as residential, but continued commercial growth is projected. Local wealth levels remain above state and national averages. TAV per capita is high at over \$160,000, indicative of higher value residential and commercial development.

The current offering will be used as interim financing for the acquisition of 122 acres for future schools in the North Lake area which is projected to add 10,000 single family homes. The maintenance tax notes will supplement \$9 million in bond proceeds from the 2007 authorization to fund the total \$24 million purchase price. The district plans to seek an additional bond authorization in May 2009 to refund the current offering with unlimited tax bonds. In addition, repair and renovation needs will be added to the bond referendum with the total amount not to exceed \$50 million.

Including the current offering, the district's overall debt ratios are moderate and the principal amortization rate is average with 55% retired in ten years. Last August 2007, the district issued the final installment of its \$50 million authorization that was approved by a high 81% of district voters. This issuance is not expected to have an impact on the current debt service tax rate.

Near- to mid-term capital needs will be limited to repair and renovation needs, given the maturity of the district's residential areas. Uncertainty remains regarding the timing of the servicing needs for the currently undeveloped North Lake area. However, a rise in

TAV and population growth upon development is expected to offset the impact to the district's debt ratios.

Financial performance and reserve levels are strong. Fiscal 2007 ended with a better-than-projected \$6.6 million general fund operating surplus, increasing its unreserved fund balance to \$24.4 million or almost 24% of spending, comparable to fiscal 2005 levels. Unaudited fiscal 2008 results point to a \$2.5 million surplus and the proposed fiscal 2009 budget conservatively projects a \$4.7 million draw down, although the district typically achieves better results. Notably, the district's fiscal years' 2008 and 2009 wealth transfer payments have leveled off after growing steadily, due to the new state funding formula, substantially reducing general fund pressure.