



Dr. Jennifer Blaine
Superintendent of Schools

November 15, 2023

The Honorable William Hickman
Member, State Board of Education, District 6
1701 N. Congress Ave.
Austin, TX 78701

Dear Mr. Hickman,

As our elected member on the State Board of Education, we thank you very much for your ongoing advocacy and support for Spring Branch Independent School District (SBISD).

At this morning's State Board of Education meeting, you noted the budget challenges faced by SBISD and asked TEA Commissioner Morath if they are seeing other similar things across the state and if there are higher level trends that districts like SBISD are facing statewide. We thank you for your good question, and we wish to share the facts regarding the statements made by Commissioner Morath.

ESSER FUNDS

Commissioner Morath accused Spring Branch ISD of making recurring investments in staff using one-time funds as a reason for our current budget challenge. This is simply not true. At every ESSER update presentation since these funds were made available by the federal government to address COVID-19 learning loss, our CFO reiterated and made it very clear these were one-time funds. Our plan for ESSER funding was made with full understanding that these were one-time funds. Knowing these were one-time funds and staff who were ESSER funded knew their roles were temporary, SBISD eliminated 123 ESSER-related positions for this fiscal year (2023-24). Overall, we eliminated \$20 million of annual ESSER costs. These reductions were made last spring, prior to the adoption of our FY2024 budget.

In a March 24, 2022 presentation to superintendents, Commissioner Morath, in fact, promoted a strategy for LEAs to supplant general fund dollars with ESSER funds to lessen the impact of the future loss of federal stimulus dollars. By definition, those expenditures have to come back to the general fund. Commissioner Morath's statement today is in direct opposition to his guidance for superintendents in March 2022.

As reported in our Board of Trustees ESSER presentation on September 11, 2023, over 66 percent of our ESSER III funds were spent on student-focused initiatives. As a result of our focused efforts, a recent Good Reason Houston report noted that SBISD largely outperformed a comparative group of Houston area districts on the Spring 2023 STAAR test for grades three and eight and Algebra 1 and English 1 End of Course (EOC) exams, based on the Region District Data First Look [report](#).

Additionally, based on our academic successes and gains, SBISD was invited to provide testimony at the recent temporary injunction hearing against Commissioner Morath to halt the issuance of the A-F performance ratings for the 2022-23 school year.

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ENROLLMENT

Commissioner Morath stated that SBISD stopped growing four years ago but did not change our staffing patterns. Neither statement is accurate. SBISD lost 1800 students during the pandemic, and our enrollment has remained roughly flat since that time. Prior to the pandemic, SBISD was never a fast growth school district. Our enrollment projections, which drive our staffing decisions, have been adjusted annually in response to our flat enrollment. For the 2021-22 fiscal year, staffing was adjusted accordingly. The tough decisions we are making in SBISD right now are not because we retained staff when our enrollment declined. Enrollment planning follows a robust annual process that begins in October and continues throughout the budget-development process.

ADDITIONAL STATE FUNDING

Commissioner Morath stated, "Inflation is a thing," noting that, "despite what has been publicly reported, \$1.5 billion/year in new money has been added to the system." This is misleading. This is not new state money. The \$7 million SBISD gained is part of the funding formula under House Bill 3 (2019). These funds are the result of SBISD being able to keep more locally generated taxpayer revenues resulting from our "Golden Pennies," that would otherwise go back to the state in the form of recapture. As a reminder, SBISD sent \$80 million to the state, or 21 percent of our locally generated revenue, for the 2022-23 school year. While helpful, these funds are not sufficient to address the 19 percent inflation noted by the Comptroller, since 2019, the last time the state provided any new revenues for school districts across the state. Just considering the increased costs for benefits, property insurance, utilities and fuel equates to a 21 percent increase in uncontrollable operating costs since 2019.

FIRST RATING

For the twenty-second consecutive year as recently announced by TEA, SBISD has earned the highest possible "A" Superior rating in the state's FIRST (Financial Integrity Rating System of Texas) financial accountability rating system. SBISD has retained this highest rating since the system was enacted more than two decades ago.

In sum, our current budget challenges are the exact result of the inflationary pressures you referenced in your letter to the Houston area delegation on April 26, 2023.

It is our hope that this letter clears up any misunderstanding that may have been stated by the Commissioner.

We remain hopeful that our legislators will properly fund public school districts across the state, including SBISD, especially given the state's largest budget surplus in history.

Again, thank you for your advocacy and your support for Spring Branch ISD.

Sincerely,



Jennifer Blaine, Ed.D.
Superintendent of Schools



Chris Earnest
President, SBISD Board of Trustees

Cc: Mike Morath, Commissioner of Education
Texas SBOE Members