

SUBJECT: Allowing school districts to develop local consolidation agreements

COMMITTEE: Public Education — favorable, as amended

VOTE: 7 ayes — Grusendorf, Oliveira, Branch, Dawson, Dutton, Eissler, Griggs

0 nays

2 absent — Hochberg, Madden

SENATE VOTE: On final passage, April 14 — 29-0

WITNESSES: For — Bill Grusendorf, Texas Association of Rural Schools

Against — None

BACKGROUND: Education Code, ch. 13, subch. D provides for the consolidation of school districts. Consolidation is initiated by a resolution adopted by the school boards of both affected districts, or by voter petition in both districts requesting an election on the issue. If voters in both districts approve consolidation of two districts, the larger school district's board of trustees serves as the board of trustees of the consolidated district until the next regular trustee election, at which time the consolidated district must elect a new board. If the larger school district is more than five times larger than the other consolidating district, the trustees of the larger district serve out their terms, and only vacancies as they occur are filled from the consolidated district.

Education Code, ch. 41, subch. B, provides for school districts to consolidate by agreement as a way of sharing wealth for school finance purposes. Section 41.033 allows the agreement among consolidating districts to include a governance plan designed to preserve community-based and site-based decision making within the consolidated district, including the delegation of specific powers of the governing board. The governance plan may provide for a transitional board of trustees during the first year after consolidation, but beginning with the next year, the board of trustees must be elected from within the boundaries of the consolidated district from single-member

districts drawn in accordance with state law.

**DIGEST:**

SB 1240, as amended, would allow the school boards of consolidating districts to draft a local consolidation agreement to be submitted to registered voters in each affected district. The agreement would have to set out the composition and method of election of the consolidated board of trustees. The identical agreement would have to be submitted to voters in both districts.

A local consolidation agreement could provide the following:

- an effective date within one year of the consolidation election;
- a schedule for electing the board of the consolidated district;
- that the consolidated district educate particular grades within the boundaries of a district being consolidated;
- that the consolidated district maintain a specific campus in operation;
- that consolidation depend on a majority vote within the district to be consolidated; and
- other provisions necessary in state or federal law.

SB 1240, as amended, would require that consolidation be initiated either by a resolution of the district to be consolidated or by a voter petition by residents in each district to be consolidated. Each district would not have to use the same method to initiate consolidation. The ballot would have to reflect whether a local consolidation agreement was submitted.

A local consolidation agreement would have to be available to the public for at least 25 days prior to the election, and each district would have to hold an initial public hearing and another hearing after each amendment to allow public comment.

If the consolidating district elected trustees from single-member districts, the consolidated district would have to adopt a plan for electing its board from single-member districts.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS  
SAY:**

SB 1240, as amended, would lift perceived barriers to consolidation in rural areas where multiple small school districts exist in a single county. By enhancing protections for those districts being consolidated, the bill would encourage districts to combine resources to educate students more efficiently. When five small school districts each have only 30 students per high school, it is impossible for any one of those schools to offer advanced placement math or science courses, or even some of the extracurricular activities available in larger districts. If schools were able to enter into local consolidation agreements under which they all felt protected, they would be encouraged to combine resources and thus create greater economies of scale. They could offer more classes and extracurricular activities to students and save money in the process.

Many small school districts have hesitated to undertake consolidation because of the built-in advantages under current law for larger districts. The school boards of larger districts tend to take over as soon as a consolidation is completed, redrawing boundary lines, closing elementary and middle schools in smaller towns, and setting tax rates without getting buy-in from the smaller affected community. This bill would allow communities to develop consolidation agreements in an open public process, thus ensuring that the local residents and taxpayers could guide the consolidated school board in making decisions that affected all the children in their shared community.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The committee amendment would specify that each district was not required to use the same method to initiate consolidation.