

- SUBJECT:** Abolishing the Dallas County School District
- COMMITTEE:** Public Education — favorable, without amendment
- VOTE:** 8 ayes — Huberty, Bernal, Bohac, Gooden, K. King, Koop, Meyer, VanDeaver
- 2 nays — Allen, Deshotel
- 1 absent — Dutton
- SENATE VOTE:** On final passage, May 4 — 30-1 (Garcia)
- WITNESSES:** For — Michael Hinojosa and Scott Layne, Dallas ISD; (*Registered, but did not testify*: Adam Cahn, Cahnman's Musings)
- Against — J P Burd, Paul King, and Leatha Mullins, Dallas County Schools; (*Registered, but did not testify*: Ted Melina Raab and Dwight Harris, Texas AFT (American Federation of Teachers); Portia Bosse, Texas State Teachers Association)
- On — Amanda Cochran-McCall, Office of the Attorney General; Von Byer and Leonardo Lopez, Texas Education Agency; (*Registered, but did not testify*: Kara Belew and Eric Marin, Texas Education Agency)
- BACKGROUND:** Dallas County Schools is a county school district that provides transportation and other services to school districts and governmental entities in Dallas County and throughout the state.
- DIGEST:** SB 1122 would abolish the Dallas County School District on November 15, 2017, unless its continuation was approved by a majority of Dallas County voters at the November 2017 uniform election.
- Dissolution committee.** If voters did not continue the district, the bill would require the formation of a dissolution committee to be responsible for all financial decisions of the district, including asset distribution and

payment of debt obligations. The committee would be appointed by the Comptroller of Public Accounts and would include:

- one financial advisor and one certified public accountant;
- the superintendent of the participating component school district with the largest number of students;
- one auditor who held a license or other professional credential; and
- one bond counsel who held a license or other professional credential.

The dissolution committee would determine the manner in which all assets, liabilities, contracts, and services of the abolished county school district would be divided, transferred, or discontinued. The committee would be subject to Texas open meeting and public information requirements. Committee members could not receive compensation but would be entitled to reimbursement for expenses.

Transportation services. The dissolution committee would be required to continue providing transportation services to participating school districts for the 2017-18 school year and would maintain current operations and personnel needed for those services. At the end of the 2017-18 school year all buses, vehicles, and bus service centers would be transferred to participating component school districts in proportionate share to their membership in the county as of September 1, 2018, at no cost to the districts.

Other assets. On September 1, 2017, the participating school district with the largest number of students would have the right of first refusal to buy, at fair market value, the Dallas County School District administrative building. After discharge of the Dallas County School District's liabilities, the dissolution committee would distribute remaining assets to the component school districts in proportionate shares equal to the proportion that the membership in each district bore to total membership in the county as of September 1, 2017.

Property taxes. An ad valorem tax assessed by the Dallas County School

District would continue to be assessed by Dallas County to pay the principal and interest on any bonds that were issued by the district before the bill's effective date. Dallas County would collect and use any delinquent taxes as provided by rule of the Commissioner of Education.

Other provisions. The dissolution committee could employ one person for the 2017-18 school year to assist in abolishment of the county school district. The Texas Education Agency and the Dallas County School District's chief financial officer and financial advisor would provide assistance to the committee.

The committee would be required to encourage component school districts to continue sharing services and give preference to private sector contractors to continue those services.

The bill would take effect September 1, 2017.

SUPPORTERS
SAY:

SB 1122 would allow Dallas County voters to abolish a troubled education agency known as Dallas County Schools (DCS). Voters deserve the opportunity to decide the fate of an agency that has been accused of financial mismanagement and running a bus service that puts students at risk.

The agency is funded by a 1-cent property tax and provides transportation and other services to participating school districts. Some of its district customers are dissatisfied with the reliability of the bus service and have either abandoned DCS as a service provider, publicly complained about the service, or supported legislation to abolish the agency. Television news reports have exposed a pattern of DCS buses running red lights, drivers being issued hundreds of traffic citations, and a dramatic increase in crashes.

Recent media reports also have focused on real estate transactions that have obligated taxpayers to make long-term lease payments on land that DCS once owned. The agency also is running a deficit.

OPPONENTS
SAY:

SB 1122 would be a drastic solution to an agency that could thrive under new leadership and continue providing bus services to participating school districts in Dallas County. Voters have the opportunity to improve DCS through elections to the board of trustees.

Abolishing DCS could result in increased costs to districts for the purchase of buses and other services provided by the agency. The district employs more than 2,400 bus drivers, monitors, crossing guards, student resource officers, psychologists, and technology experts who help make a quality education possible for students across Dallas County, and it should be allowed to continue those services without interference from the Legislature.