

How Texas School Districts Can Combat the Financial Crisis Impacting Learning Environments

Energy Master Planning Increases Performance, Opportunities and Comfort

Texas school districts face unprecedented financial and operational obstacles that make maintaining, let alone upgrading, their learning environments more challenging than ever before.



At stake is lower student achievement scores which have been linked directly to the condition of school buildings in many studies. Environmental conditions impacted by aging facilities include acoustics and noise, indoor air quality (IAQ), lighting, temperature control and classroom size and space. Building maintenance or neglect has also been shown to impact student attendance and achievement.

Energy master planning, a strategic approach to managing energy usage in school districts, has been demonstrated to improve efficiency and incorporate renewable energy sources capable of reducing costs that can then be applied toward necessary facilities improvements and upgrades at Texas schools.

A Financial Quandary

Texas public school funding derives from three important sources – local school district property taxes, state funding, and federal funding. Of these three, the primary funding comes from local property taxes collected by school districts, followed by state funding.



Complicating funding distribution are different property tax rates earmarked for maintenance and operations (M&O) and interest and sinking (I&S). The latter refers to payments on debt that school districts incur when financing facilities and other capital expenditures.

Texas state-level funding is established through the Foundation School Program (FSP) and administered by the Texas Education Agency (TEA). Following FSP program guidelines, all school districts receive “substantially equal access to similar revenue per student at similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences” according to Texas Education Code.

Despite the tax structure and FSP program, Texas school districts struggle to obtain the funding necessary to actually implement meaningful changes to their facilities. For example, while the Texas per-student basic allotment remains at 2019 levels, the cost of supplies, building maintenance, equipment, energy – as well as inflation – have all increased. Aging facilities – the average age of Texas school campuses is 40 years old – means building funds must often be earmarked for repairs rather than upgrades.

Many Texas school districts were found to be “severely underfunded,” where the district's funding gap exceeded 40 percent of its requirements, according to the Kinder Institute at Rice University, using data from the Texas Education Agency and the National School Finance Indicators database.

Texas school districts are further challenged by their inability to increase funding through traditional bonds and tax payer rate increases, coupled with state legislature refusals to make existing state funding available to school districts.

Local Texas communities are skeptical of increasing their taxes to fund district improvements. For example, a recent funding proposal by one North Texas school district that would have covered infrastructure improvements, including new schools and facilities, increased teacher salaries and remodeling for the district's football stadium, was rejected by area residents concerned with tax implications.





Poor facilities conditions, frozen basic allotment, lack of state funding and reduced local taxpayer appetite for school tax increases has created a perfect storm for deferred facilities maintenance as well as upgrades.

Deferred Maintenance Dilemma

The most common types of Texas school infrastructure maintenance and upgrades include outdated HVAC systems, roofing, building envelope and lighting as well as general aging facilities in need of repair and replacement.

The longer that maintenance and upgrade for these critical infrastructure items is deferred, the more acutely degraded their performance becomes while the cost for construction and parts rises with inflation.

The effects of delaying upgrades and repairs include the disruption of education – as students and staff need to move to different parts of a building, increases in M&O as aging facilities begin to break down more frequently, and safety concerns for the school community.

Studies by the EPA show that average daily attendance rates and test scores increase, while annual dropout rates decrease for school buildings without major maintenance backlogs and improved conditions.

The Impact of Rising Annual Energy Costs

Energy volatility and a changing environment has increased the costs associated with energy usage for Texas schools, especially related to air conditioning. In fact, the average price for electricity alone in Texas has increased 26 percent over the last several years.

Factors leading to this significant increase include increasing demand, record-breaking summer temperatures, grid-halting winter storms, aging energy infrastructure, and increasing transmission charges.



Energy Master Planning: Leveraging Energy Savings for Improvements

Energy master planning is a solution to bridging funding gaps that offers a comprehensive and detailed assessment of your school district energy requirements and usage that provides actionable insights and investment-grade recommendations for optimizing energy performance, reducing operating costs, and achieving sustainability goals.

This involves a thorough analysis of building energy systems and requires detailed data collection, engineering analysis, and financial evaluation. The findings provide a high level of confidence in the projected energy savings and financial returns associated with proposed energy savings measures.

The end result is a comprehensive energy master plan document that summarizes the findings of the detailed assessments and stakeholder engagements, documents the environmental impact of any proposed improvements, and provides a detailed roadmap for implementing energy savings measures and long-term energy and operational efficiency strategies.



Key Takeaways

- Texas school districts are grappling with financial challenges that impair their ability to maintain and improve educational facilities, directly impacting student achievement.
- The primary source of funding for these districts is local property taxes, but rising costs and inflation have outpaced the available funding, leaving schools underfunded for necessary upgrades.
- Deferred maintenance on critical infrastructure such as HVAC systems and roofing in Texas schools exacerbates operational costs and negatively affects learning environments.
- Energia advocates for energy master planning, a strategic solution for Texas school districts, enabling them to optimize energy usage, incorporate renewable source, and redirect savings towards vital facility improvements.



How Does Your School District Begin?

As traditional funding options become insurmountable hurdles to improving the learning environment within your Texas school district, an Energy Master Plan offers a potential pathway through energy management strategies. This approach leverages energy savings to accomplish your facilities improvement goals. We encourage you to speak with an Energia business development team member who can explore tailored energy solutions for your district.

Addressing your energy management requirements today can be a significant step towards financial stability and enhanced learning environments tomorrow and into the future.



Contact us Today at **631-360-0006** or [**info@EnergiaSaves.com**](mailto:info@EnergiaSaves.com).



About Energia



Energia is a technical owner's representative firm that advises and advocates for school districts by explaining, and managing complex energy-savings initiatives, energy retrofits, and energy performance contract programs. Energia has become the nation's leader in managing school district energy-savings projects.



Since 1998, Energia has successfully completed over 140 energy projects nationwide, delivering more than \$1 billion in energy-saving improvements. These savings have been reinvested to enhance facilities and support the goals of the organizations we serve.



Sources

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