

Nicholas Brown, Superintendent  
Blum Independent School District  
310 S. Ave F.  
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### **Testimony in Support of Senate Bill 504**

With school budgets under increasing pressure, districts are looking for ways to save on fixed costs such as utility costs. SB 504 would allow public school districts and open-enrollment charter schools to enjoy the same 20% reduction in electric utility's base rate that four-year state universities, upper-level institutions, Texas State Technical College and colleges now enjoy. We believe that public school districts and open-enrollment charter schools are public institutions and governmental entities that serve the same educational goals that are served by universities and colleges and as such, should enjoy the same relief from utility charges that are currently enjoyed by those institutions of higher education. Even more to the point, public school districts cannot charge tuition to help defray or pass on the cost of utilities.

In our district, electric service cost \$108,203 in 2008-2009, \$115,354 in 2009-2010 and we have budgeted \$120,000 for our current year, 2010-2011. While these costs represent only about 3% of our annual budget, you can see that a 20% discount in these rates would nearly equal a beginning teacher's salary or the salaries of two instructional aides. While we have instituted conservation measures, replaced older, inefficient equipment, bid out our electricity service, and have joined an aggregation pool to help save costs, we are a growing school district that has added a new classroom building and portables and are having trouble controlling electricity costs.

While the government has seen fit to discount other utilities such as telephone and internet access, electric utility discounts have not been extended to public school districts or open-enrollment charter schools. This does not seem fair to us and for that reason, we would like to ask for your support of Senate Bill 504.

Thank You for your attention.

Written Testimony  
Senate Committee on Business & Commerce  
March 22, 2011  
Senate Bill 504

Dear Members of the Committee,

My name is Dennis Womack. I am the assistant superintendent for operations for the Lovejoy Independent School District. Thank you for allowing me this opportunity to provide testimony in support of Senate Bill 504, relating to discounted utility rates for school districts. I am providing this testimony on behalf of Lovejoy ISD and the Texas Association of Mid-Size Schools.

Lovejoy ISD is a 3A school district located north of Dallas in Collin County. The district's current enrollment is just over 3,400 students and has five campuses; three elementary, one middle school, and one high school. The district is growing between three to five percent per year and is planning to add a second middle school within the next two years. All five LISD schools have been built or renovated in the past few years with energy conservation and efficient measures, including energy efficient HVAC units such as geothermal, occupancy sensors in classrooms, and energy efficient lighting.

Currently, the Lovejoy ISD spends approximately \$1,000,000 per year for electrical utilities. LISD has three campuses in the regulated electricity market served by Grayson Collin Electric Cooperative and two campuses in the Oncor service area of the deregulated electricity market. A 20 percent reduction to Lovejoy's total electricity costs would mean a savings of approximately \$200,000 per year. This translates into four teaching positions per year that could be funded by these savings.

Additionally, Lovejoy ISD participates in UIL activities in District 11-3A with four other mid-sized school districts, including; Community ISD, Farmersville ISD, Princeton ISD, and Prosper ISD. A 20 percent reduction in total electricity costs for these four districts would provide approximately \$435,000 of savings per year or around nine teaching positions.

Senate Bill 504 would amend Section 36.351 of the Utility Code to provide a 20 percent discount on electric utilities for all independent school districts equivalent to what the current law has provided to institutions of higher education since 1995. However, institutions of higher education are only receiving the benefit of the 20 percent discount in the regulated electricity market. In the deregulated electricity market, the Public Utility Commission has ruled the 20 percent discount does not apply to electric services provided by a transmission and distribution utility to Retail Electric Providers that in turn sell their electric services to institutions of higher education in areas of the State that are open to electricity competition.

The Lovejoy ISD and the Texas Association of Mid-Size Schools urges the committee to support the passage of S.B. 504. Additionally, we urge the committee to update Section 36.351 of the Utility Code to provide the 20 percent discount in the deregulated electricity market.

Respectfully Submitted,



Dennis Womack  
Lovejoy Independent School District