

School Finance Recommendations

The Texas School Alliance comprises 37 of Texas' largest school districts, serving 40 percent of the state's total pupil enrollment. Our students represent 44 percent of the state's economically disadvantaged student population, 52 percent of its English Language Learners, and 45 percent of all at-risk students in the state. The organization works on issues that will improve educational quality for Texas students, particularly those in large and urban districts. TSA has adopted the following positions for the 85th Texas Legislature.

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* Members of TSA Board of Directors

The system of public school finance needs reform. TSA proposes four primary principles that guide the recommendations to begin the process of finance reform.

- Growth in the property tax base of school districts should be used to increase support for public education, not to reduce state support as the current formulas operate.
- The current funding levels are inadequate and should be enhanced immediately.
- The system should be simplified whenever possible.
- The Legislature should fulfill its obligations to biennially study and report the equalized funding elements that should be used for public school finance, as expressed in Texas Education Code §42.007.

To reform public school finance, the TSA recommends that the 85th state legislature take the following actions for the 2017-18/2018-19 biennium:

- Increase the basic allotment to at least \$5,455
- Increase the equalized wealth level to the applicable to the compressed tax rate to \$545,500
- Increase the Tier 2 Level 2 yield to at least the 88th percentile of property wealth per weighted student
- Implement an updated Cost of Education Index (TEC §42.102)
- Expand the number of cents of tax rate in Tier 2 to which the Austin yield applies to eight, and allow districts to reach those pennies without a tax ratification election
- Simplify the formula system by folding the funding for gifted/talented (TEC §42.156), high school (TEC §42.160), and additional state aid for staff salaries increases (TEC §42.2513) into the basic allotment (already considered in the \$5,455 basic allotment identified above)
- Repeal the 1992-1993 hold harmless provisions for Chapter 41 district (TEC §42.002(e)) and maintain the repeal of ASATR (TEC §42.2516)
- Provide for a credit against Chapter 41 recapture for the transportation allotment in the same manner as the new instructional facilities allotment

Additionally, affirmative steps should be taken to phase in the revision of other funding elements of the school finance system, including weights for special programs, the yields for the Chapter 46 allotments (Instructional Facilities Allotment, Existing Debt Allotment) in future biennia, and adjustments for reasonable annual increases in the cost of services brought about by inflationary pressures outside the control of school districts.