



# School Finance

*The Texas School Alliance comprises 37 of Texas' largest school districts, serving 40 percent of the state's total pupil enrollment (or nearly 2.2 million children). 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 86th Texas Legislature.*

The system of public school finance needs reform. TSA proposes three primary principles that guide our recommendations pertaining to quality finance reform.

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\* Members of TSA Board of Directors

**1. Local funding should supplement, not supplant State funding.**

- TSA supports the creation of a mechanism that would establish a minimum level of state support, which would increase (not decrease) as local property values increase.
- TSA supports changes to school finance formulas that update, increase funding, and index yield levels to the Basic Allotment. Existing elements that enable districts to plan ahead and support financial predictability, such as the use of prior year property values to calculate wealth per student, should remain. The current system's property value lag helps school districts, especially those that begin their fiscal year on July 1, budget efficiently and effectively each year.
- Current funding elements that enhance local funding like the Austin Yield should remain.
- Local school districts should be entitled to the same capacity that other taxing entities have in setting their tax rates.

**2. The current funding levels are inadequate and should be increased.**

- TSA supports increasing the Basic Allotment. Overall the system is so underfunded that school districts regularly make cuts to valuable programming. When the Basic Allotment increases and other levels of funding are maintained, all school districts benefit.
- TSA supports property tax relief when it encourages investment into public education, ensures funding adequacy and bolsters equity in the school finance system.



### 3. The Legislature should update funding elements to direct funding towards district needs.

- TSA supports fully funding full day Pre-K if districts choose to implement full day programs.
- TSA supports updating the Cost of Education Index (CEI). This multiplier was intended to help account for how school district costs vary throughout Texas, but it is outdated. TSA would welcome the opportunity to provide input into the development and adoption of a new or updated element.
- TSA supports the adoption of new weights or adjustments of current weights to reflect the cost differences in programs that address individual student needs.
- TSA supports amendments to the school finance system that remove requirements and restrictions on the use of appropriated funds. Additional spending flexibility would allow school districts to allocate funds towards teacher salaries or other uses the district deems necessary to meet the needs and goals of its students.
- TSA supports amendments to the school finance system that require the State to provide adequate funding for school districts' costs associated with complying with laws enacted by the Legislature.