

CENTER *for* PUBLIC POLICY PRIORITIES

Investing in Our Future

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We believe in a Texas

that offers everyone the chance
to compete and succeed in life.

We envision a Texas

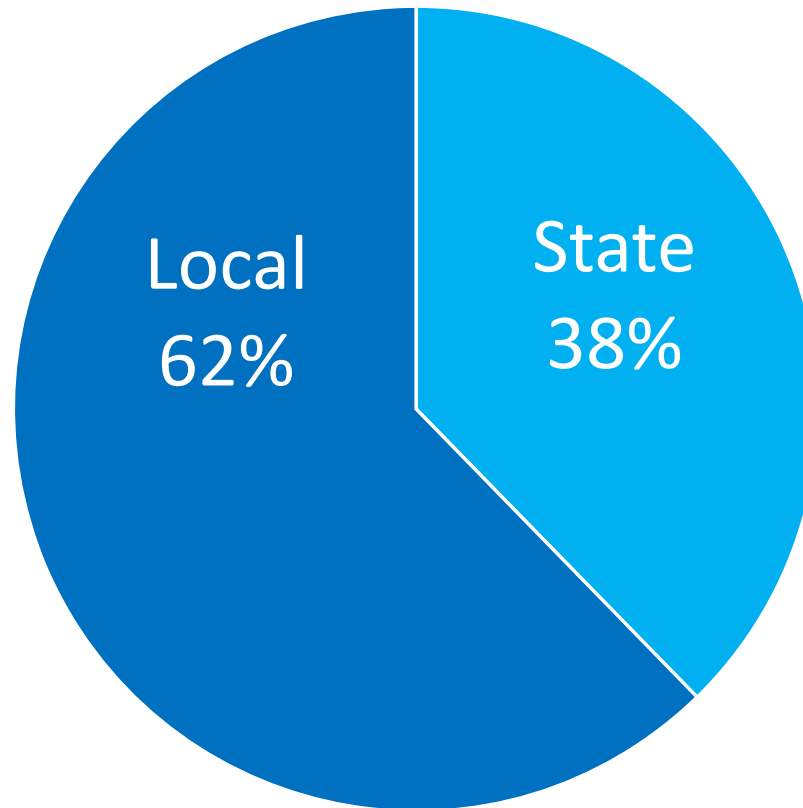
where everyone is healthy, well-educated,
and financially secure.

Center for Public Policy Priorities

@CPPP_TX

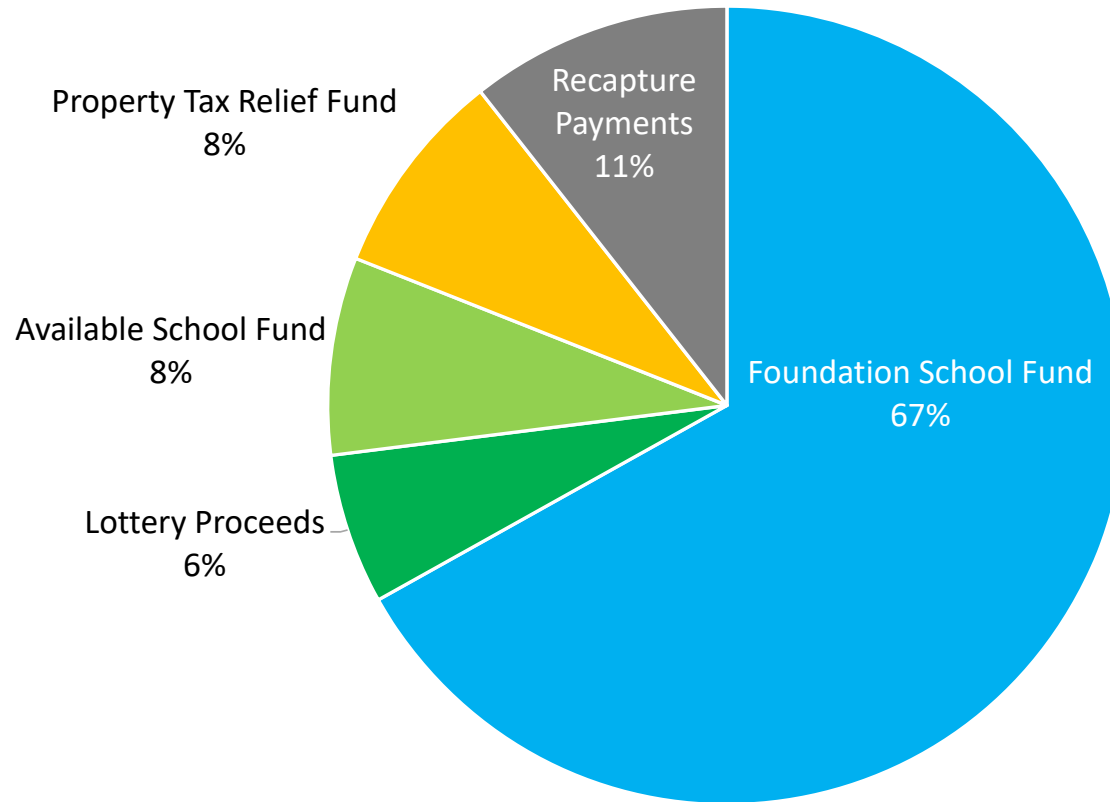
Sources of Funding: State and Local Share

Funding our Schools is a Shared Responsibility



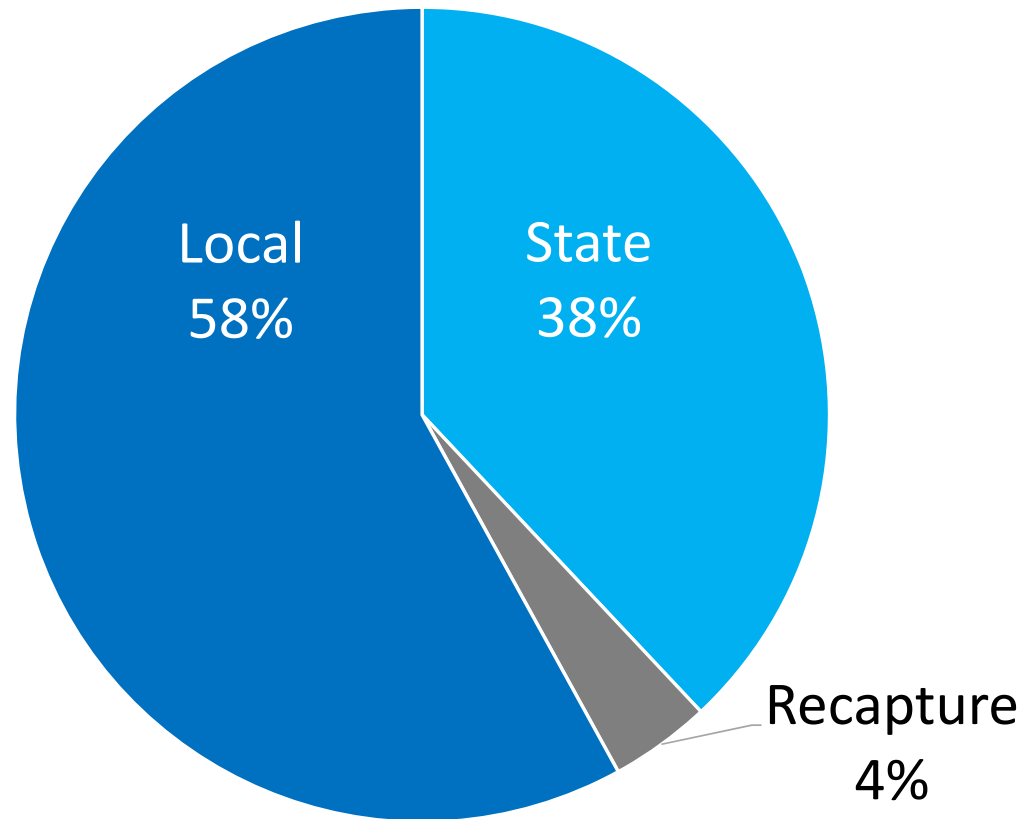
Sources of Funding: The State Share

State Funding Comes from Five Sources



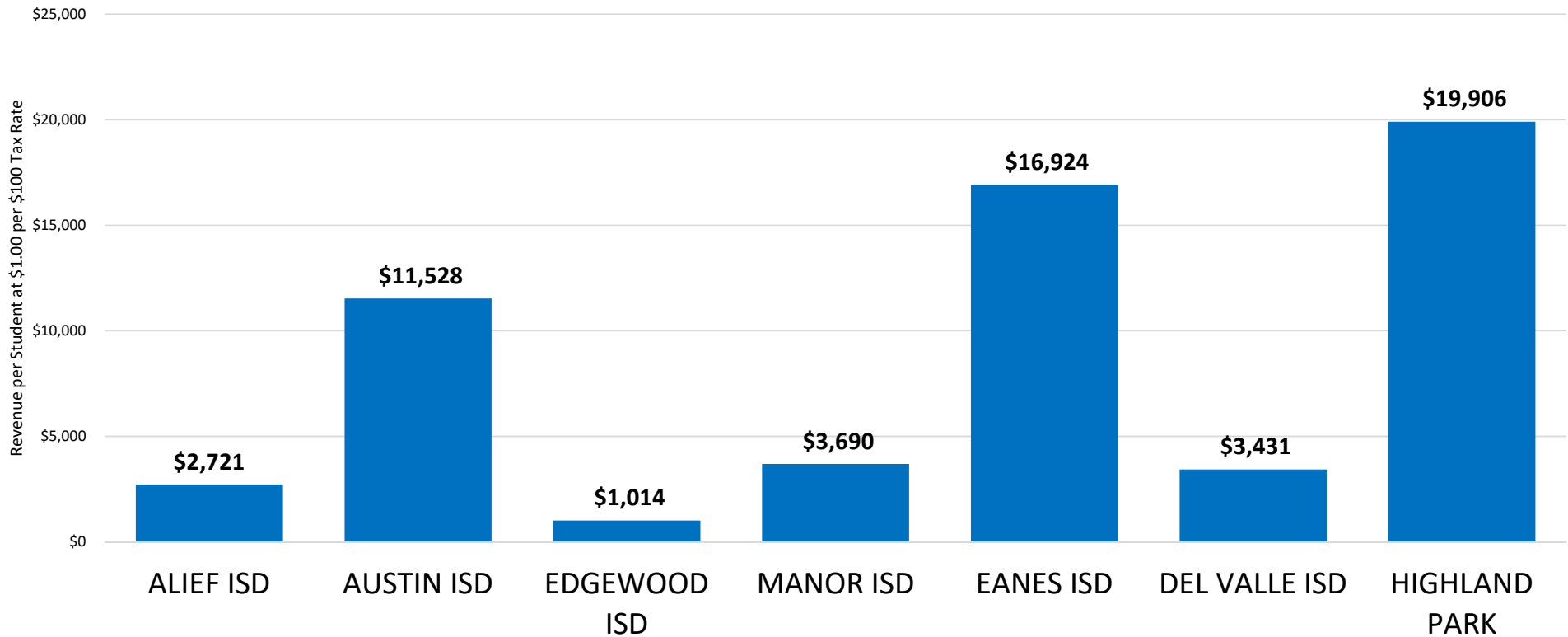
Sources of Funding: State and Local Share

Recapture is a Small Part of the School Finance Pie



Recapture: Levels Funding Between Districts

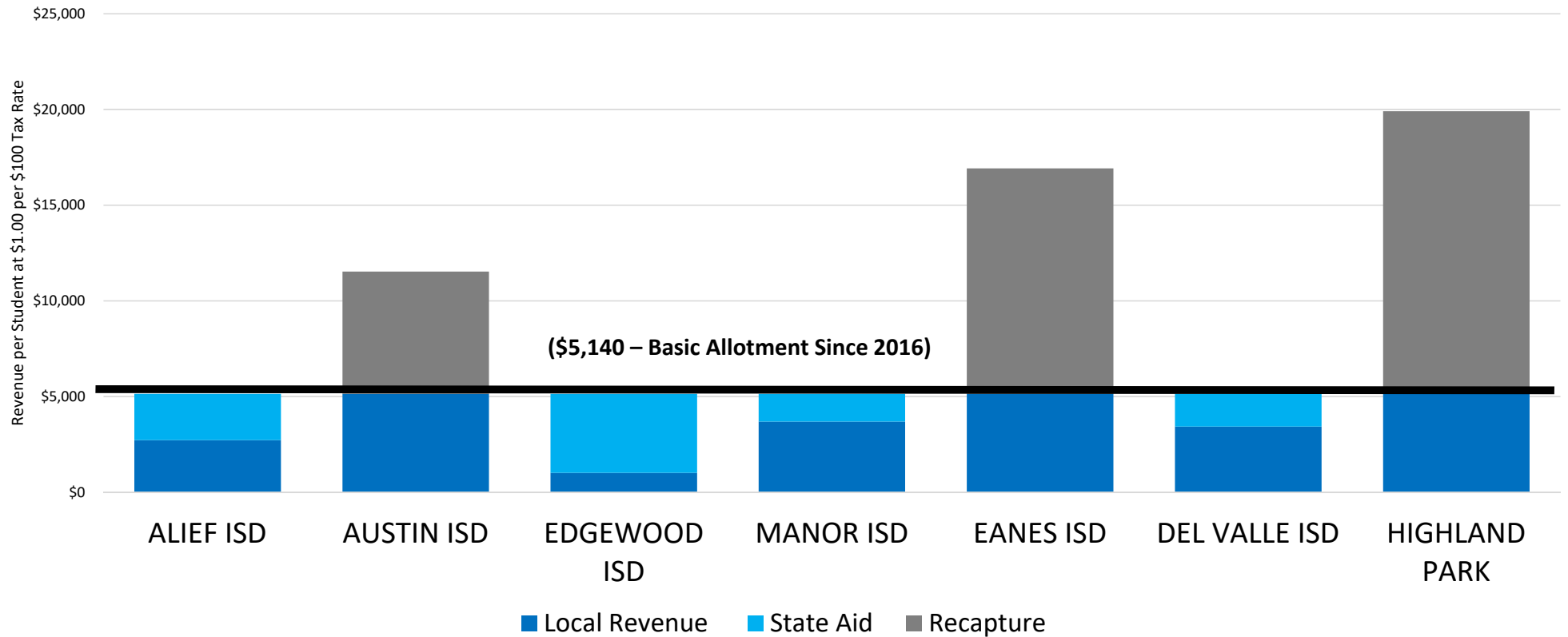
Districts Differ in Their Ability to Support Public Education



Source: Texas Education Agency – Summary of Finance 2018-19; Student counts based on Weighted Average Daily Attendance

Recapture: Levels Funding Between Districts

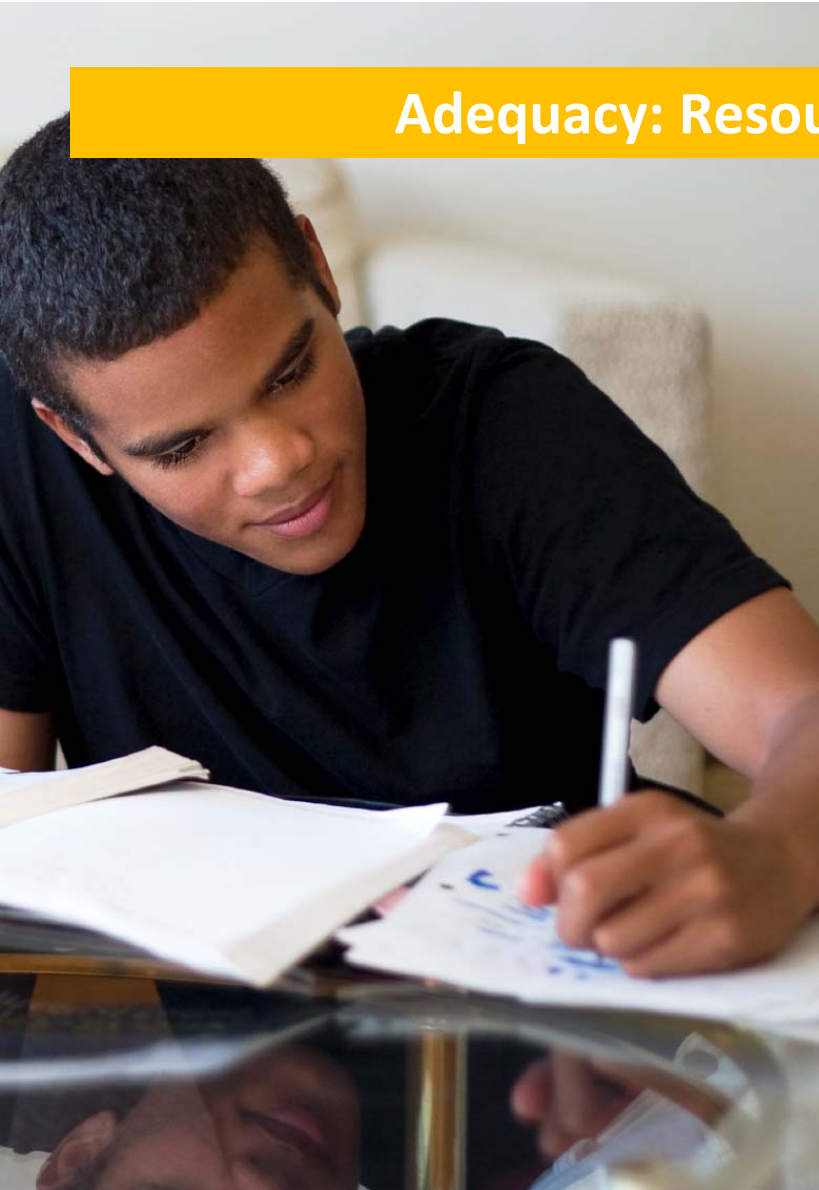
Equity: Similar Revenue for Similar Tax Effort



Source: Texas Education Agency – Summary of Finance 2018-19; Student counts based on Weighted Average Daily Attendance

Adequacy: Resources to Meet the Standards in Place

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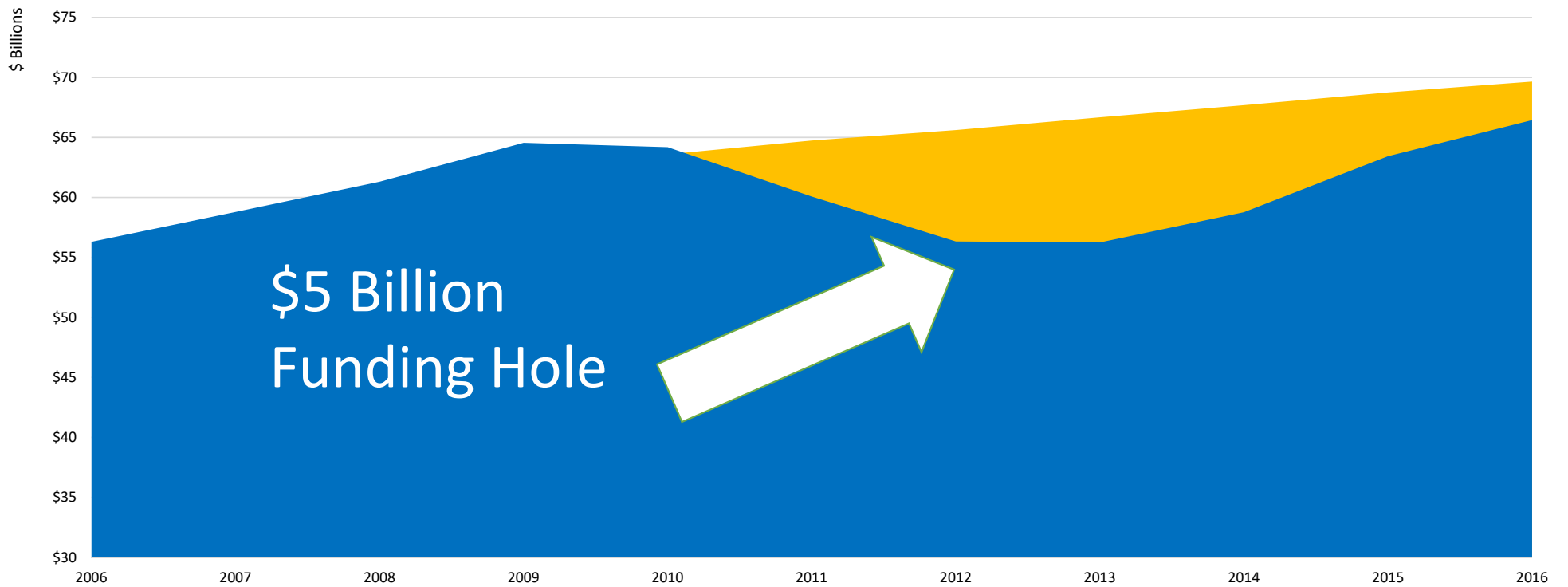


Better funded schools lead to...

- Smaller classrooms
- Greater access to science labs, computers, art & music,
- Professional development and support for teachers

Adequacy: Resources to Meet the Standards in Place

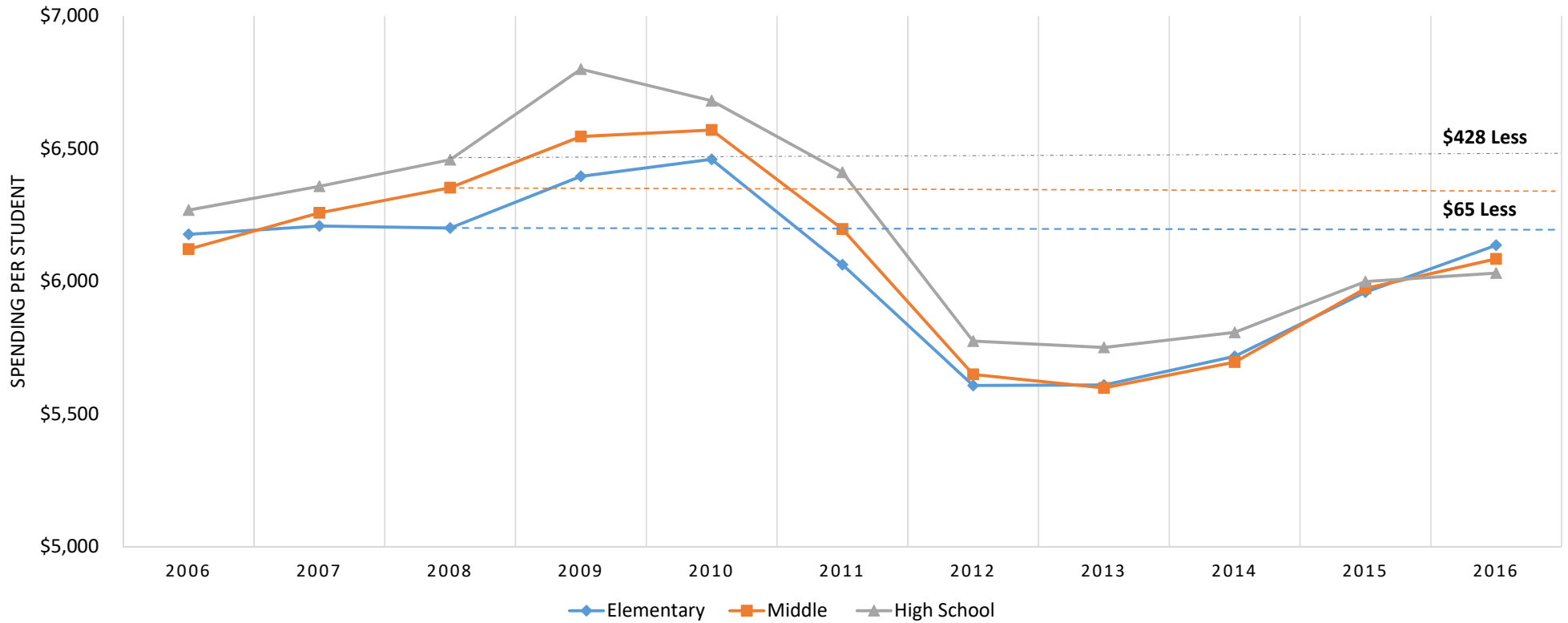
Lost Half Decade: 2011 Funding Cuts Continue to Impact Educational Spending



Source: Texas Education Agency – PIEMS Financial Data

Adequacy: Resources to Meet the Standards in Place

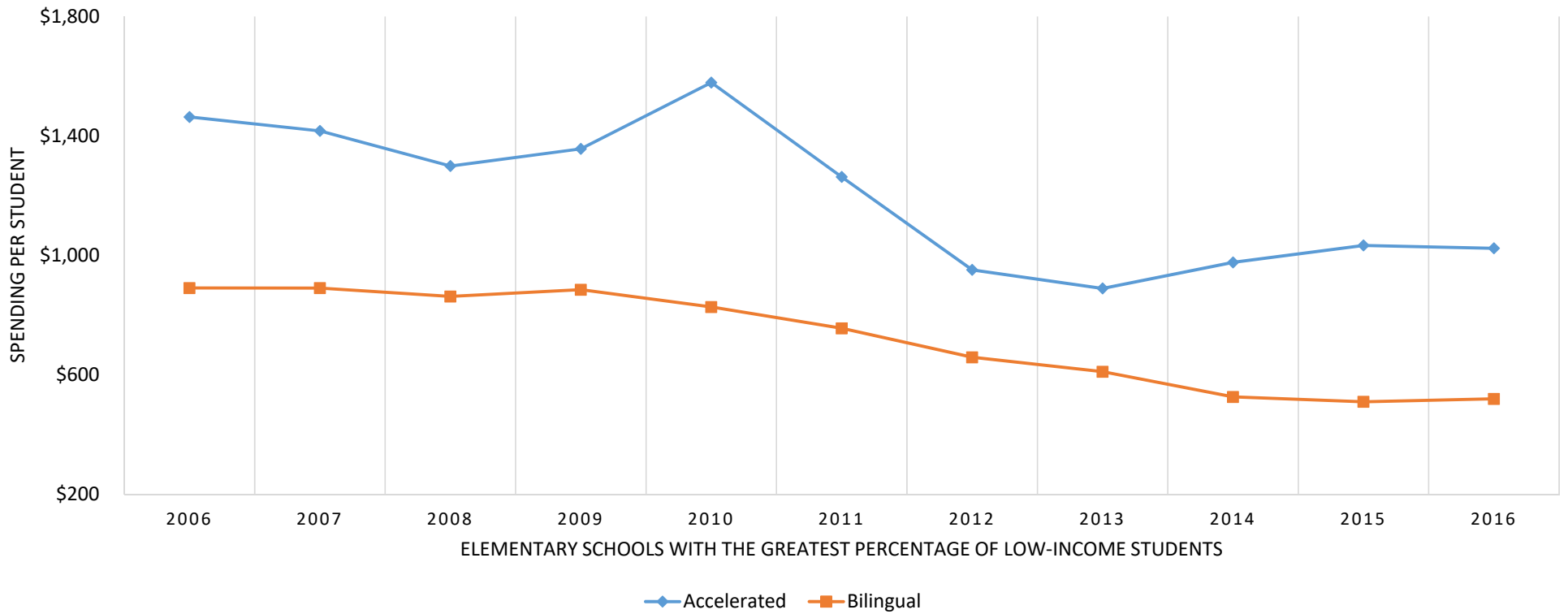
Instructional Spending Lags Behind Pre-recession Levels



Source: TEA PIEMS Financial Data, adjusted for 2016 dollars. Instructional spending includes basic education, special education, career and technical education, bilingual education, and accelerated education.

Adequacy: Resources to Meet the Standards in Place

Spending Drastically Declined for Kids Who Need the Most Support



Source: TEA PIEMS Financial Data. Elementary school campuses placed in quartiles based on number of students participating in the federal free or reduced lunch program.

Remodeling the System

What does it mean to “fix” school finance?

Fixing school finance means remodeling our outdated system by adding new state revenue that is directed toward the kids that need it the most, and removing old provisions that are not based actual needs or established costs.

Money matters in education and accomplishing these goals will require the state to increase and maintain its share of school funding. Fixing school finance is not just replacing local property taxes with state dollars or tying funding to student performance.

Remodeling the System

Recommendation 1: Strengthen the Foundation

- Increase the Basic Allotment to a level adequate to meet current educational standards.
- Adjust the Basic Allotment for inflation (\$2.8 Billion)



Remodeling the System

Recommendation 2: Update the Formulas

Update Positive Formula Elements

- Funding for Special Student Populations – most added in 1984, have not been adjusted since (low-income students, ELL, Special Education).
- Cost of Education Index – adjusts for regional and other costs outside the district control, based on 1991 data.
- Transportation Allotment – based on 1987 cost of gas and school buses.

Remove Elements that are Not Cost Based

- High School Allotment and New Instructional Facilities Allotment – per student funding not tied to cost or district need.
- Hold Harmless Provisions – 1991 hold harmless, homestead exemptions hold harmless, “ASATR Hardship Grants”

Remodeling the System

Recommendation 3: Find New Revenue

Develop a strong revenue system that meets today's needs and prepares Texas for future growth.

- Scrub the tax code
- Improve commercial appraisals
- Maximize federal funding
- Expand the sales tax base
- Increase and expand “vice” taxes
- Stop cutting taxes

For more information:

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