

# Act Now for Our Future 2019 LEGISLATIVE PRIORITIES

#ActNowForOurFuture



#FundTheFuture



INVEST

## Increase Funding for Texas Public Schools

*Texas enrolls more than 5.3 million public school students in more than 1,200 districts and charters across 268,000 square miles. The school finance system is broken and no longer meets the state's growing demands. Additional investment is needed now so our public schools have the resources to prepare all students for college and career opportunities.*

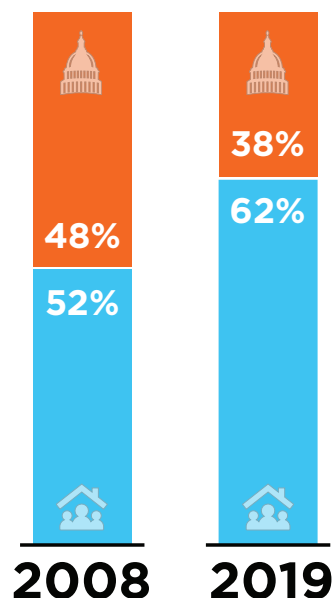
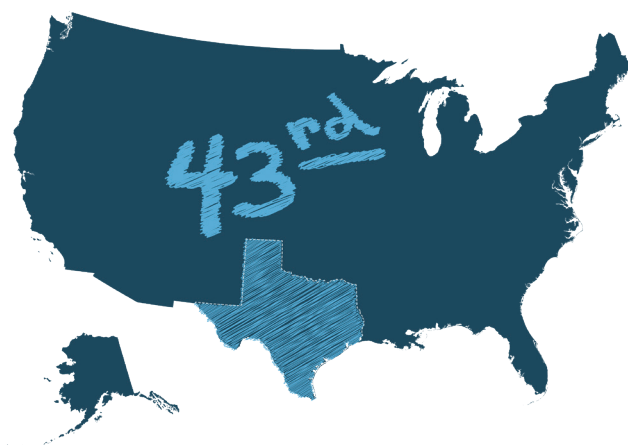
### What's wrong with the current system?

Our growing Texas public school system is underfunded, ranking 43rd in school spending compared to the rest of the nation.<sup>1</sup> The lack of substantial state investment over time has made schools rely more on local property taxes to keep up with inflation, fund additional innovative programs, and attract the quality teachers our students need to compete in the 21st century.

In 2016, the Texas Supreme Court described the school finance system as "Byzantine" and "undeniably imperfect, with immense room for improvement." Texas can do more than just provide an education funding system that meets "minimum constitutional requirements."<sup>2</sup>

### Texas Rank

2018 Quality Counts report card for public school spending nationwide



### The Shrinking State Share

The state has relied on growth in local property tax values for too long without reinvesting state dollars back into public education.<sup>3</sup>



State Share



Local Share

### How did we get here?

The school finance system uses a mixture of local and state sources to fund public schools. Local funds come primarily from one source—school district property taxes. State funds include a complex combination of sources including general revenue, recapture or "Robin Hood" payments, and lottery proceeds.

In our school funding system, just because local property values increase does not mean overall school funding increases. In fact, as local property values increase, the state share of funding declines, saving the state billions of dollars over time. There is no mechanism to automatically reinvest these savings back into our public schools.

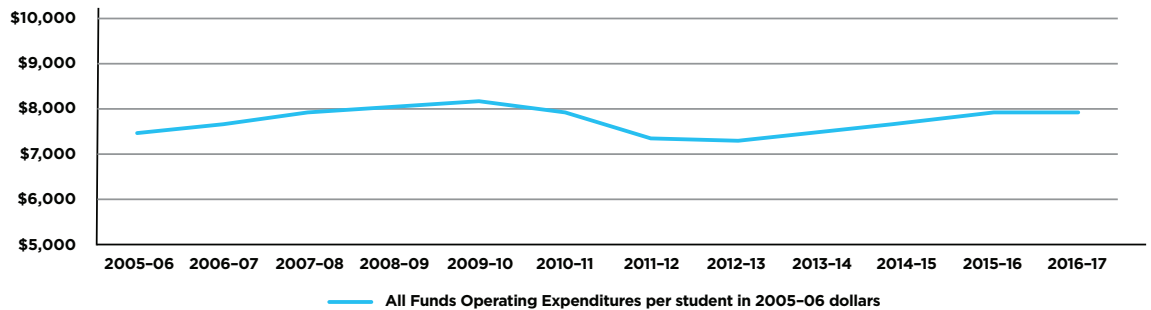
## How are Texas students impacted?

Research shows increased spending on education has a positive impact on student outcomes.<sup>4</sup> Yet, Texas' investment in its public schools over the past decade remains stagnant. The lack of state support cripples local school districts' ability to keep up with the increased

cost pressures including retirement and healthcare contributions, rising utility and transportation costs, and numerous state mandates. This leaves little room for schools to provide increased teacher compensation, lower class-sizes, or other program improvements.


### Spending Remains Flat

With inflation and student enrollment growth, Texas school spending has been stagnant for almost a decade.



## What do Texans think needs to be done to improve schools?

A recent survey by the Texas Education Grantmakers Advocacy Consortium found broad, bipartisan support among Texans for increased investment in public schools. It found 67 percent of Texans favor the state increasing its share of public education and 81 percent of Texans favor keeping public dollars in public education.

  
**81%** of **Texans** favor a requirement that local education tax dollars sent to the state be used for public education, and not used to fill other budget shortfalls or fund other programs.<sup>5</sup>

### Policy Recommendations

- ▶ Increase the state's overall investment in quality education programs.
- ▶ Increase the state share of the Foundation School Program to 50 percent.



## References

- <sup>1</sup> *Quality Counts* (2018) Retrieved from *Education Week* <https://www.edweek.org/ew/collections/quality-counts-2018-state-grades/highlight-reports/2018/01/17/texas.html>
- <sup>2</sup> Collier, K. (2016) *Texas Supreme Court Rules School Funding is Unconstitutional* Retrieved from *Texas Tribune* <https://www.texastribune.org/2016/05/13/texas-supreme-court-issues-school-finance-ruling/>
- <sup>3</sup> Legislative Budget board fiscal Size-Up 2016–17, General Appropriations Act, 85th Legislature; Legislative Budget Board. FY 2017–19 are estimates based on the Conference Committee Report for Senate Bill 1.
- <sup>4</sup> Baker, B. (2012) *Does Money Matter in Education?* Retrieved from <https://files.eric.ed.gov/fulltext/ED528632.pdf>
- <sup>5</sup> Texas Education Grantmakers Advocacy Consortium (TEGAC) (2018) *Statewide Survey* by Baseline & Associates, Inc. Retrieved from [http://static.ow.ly/docs/News%20Release%20-%20Public%20Ed%20Polling%20-%202018-03-19%20FINAL\\_7qRA.pdf](http://static.ow.ly/docs/News%20Release%20-%20Public%20Ed%20Polling%20-%202018-03-19%20FINAL_7qRA.pdf)

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