



To: TARS Membership
From: Michael Lee and Leigh Ann Glaze
Re: The Commission Speaks

December 12, 2018

Dear TARS Members:

Please take time to sign up for a **FREE TARS membership luncheon** that will be held during TASA Mid-Winter. It's hard to find a good meal at lunch time at Mid-Winter so please join us. The membership luncheon will be on Tuesday, January 29, 2019. The luncheon will be held from 11:30 – 1:30 at the Austin Hilton. We will hear legislative and legal updates during the luncheon. Please register at the link provided or the Eventbrite invitation with will be delivered to you today.

Link to RSVP for the membership luncheon: <https://www.eventbrite.com/e/tars-membership-luncheon-at-tasa-mid-winter-2019-tickets-53566918094>

Now on to news from the Commission meeting from yesterday:

The Texas Commission on Public School Finance met on Tuesday, December 11, 2018 to consider School Finance Recommendations. Full Commission was in attendance. The drafting committee circulated a draft report for the Commission to consider. TEA will be sent a copy prior to next week's meeting of 12/19 for a cleanup of the document. An appendix to summarize the testimony history of what has been presented over the months of the Commission meetings will be produced as well. For the full report and other documents of revenue and costs of the proposed tax plans that were reviewed in this meeting please click on the link: <https://tea.texas.gov/schoolfinancecommission/>

Commission Member, Todd Williams led the members through the document. Judge Brister stated from the outset that he is hesitant to say the legislature needs to inject additional revenue and would like to change some of the language and its intent. He states he is uncomfortable saying the legislature needs to inject new money and wants to be careful not to create the next school finance lawsuit. Various members disagreed with Judge Brister's point and felt that they were serving on the Commission to provide an accurate view of the needs in the school finance system. One member stated that stakeholders and legislators are looking to this group for answers. Much discussion was had about the role of the Commission, and the type of recommendations that should be presented. The guiding comment that pushed the meeting forward came from member Williams when he stated, "we have to remember where stand and how far away we are from meeting our goal and that goal is the 60 x 30 plan and not the constitutionality of the school finance system." Representative Huberty stated, "these things will not work if we do not push additional resources in it." Representative King stated, "I purposely asked to serve on the revenue committee. If we are not talking about new money, we all wasted a lot of time."

Todd Williams and his staff have been very involved in drafting the report and will receive corrections to the document and additional editing recommendations. The

report consists of 29 recommendations in the full report. Please see the 14 lined out and the remaining grouped in the report(at the link) as some recommendations overlapped.

Recommendations:

1. Establish a goal of 60% or higher proficiency for PK- 12 outcomes by year 2030 aligned with the higher education 60 x 30 goal.
2. Inject significant additional annual state revenue beyond that needed for enrollment growth to fund new strategic allotments and weights outlined to improve adequacy and equity in funding.
3. Unless otherwise noted, all funding recommendations in this report should be formula funded and significantly directed toward student population with the greatest needs.
4. Reallocate \$5.34 billion in existing revenues toward more impactful spending and greater system-wide.
5. Significant investment to substantially increase 3rd grade reading levels.
6. The school funding system should shift towards outcomes-based funding targeting two critical PK-12 “Gate reflecting current high levels of academic “melt”.
7. Creation of a high-quality teacher allotment for districts wishing to differentiate compensation
8. Create Optional Program for Districts to Offer Up to an Additional 30 Instructional Days by Providing Half Day Funding (Up to \$50 Million in Year 1) for Each Instructional Day Above 180 Days (181-210) for Students in Grades PK-5.
9. Creation of Additional Allotments/Programs Targeting Early Learning.
10. Change Existing Allotments and Formula Weights.

11. Statutorily Increase the Current Basic Allotment of \$5,140/student in the 2020-2021 Biennium with all remaining funds freed from the streamlining of outdated formula elements.
12. Increase the Current Yields on Tier II Tax Rates to Equal the 75th Percentile of Equalized Wealth While Concurrently Considering Compressing the Rate to Provide Future Taxing Flexibility.
13. Substantially Reduce the Growth in Recapture.
14. An important note regarding special education.

An important recognition in a calculation error was presented by Leo Lopez of TEA that has a significant impact on the small and mid-sized schools allotment. Calculations that were presented in earlier Commission meetings did not indicate a loss for small and mid-sized districts. However, Mr. Lopez corrected the error in calculation that indicated in a September meeting the calculation was \$400 million cost to state, but now it is going to be a \$600 million savings to the state thus costing the districts. Members pointed out too that the unintended consequences needed to be reviewed such as special education maintenance of effort if districts saw a loss in the special allotments. Representative Huberty made it clear the Commission was not trying to cost districts but are trying to produce transparency if districts choose to remain small. Representatives King and Huberty will work with Mr. Lopez to clarify these issues. The next meeting of the Texas Commission on Public School Finance will be on December 19 at 10:00 am and TARS will be there to get you a report.

In other TARS News.....

Mike and Leigh Ann and the Directors and Officers of TARS would like to thank Executive Director, Sandy Schwartz for the GREAT Legislative Conference. Sandy and TAMS President, Jodi Duron planned and executed a very informative and timely meeting for TAMS and TARS members. We were certainly very appreciative to be able to be a part of this great conference and look

forward to more collaboration with this GREAT group.

TARS Events and Travels

- December 12, 2018 – Mike in Region 2
- December 13, 2018 – Leigh Ann and Mike in Austin planning with TAMS, TACS, Equity Center and TREA for upcoming legislative session.
- December 19, 2018 – Texas Commission on Public School Finance Meeting
- January 29, 2019 – TARS Membership Luncheon while at TASA Mid-Winter



THE MAJOR THRUST OF TARS IS THREEFOLD:

- To protect the “small school formulas/adjustment,”
- To protect the valuation of agricultural land according to its productivity only, and
 - To fight efforts toward consolidation of small school districts.