



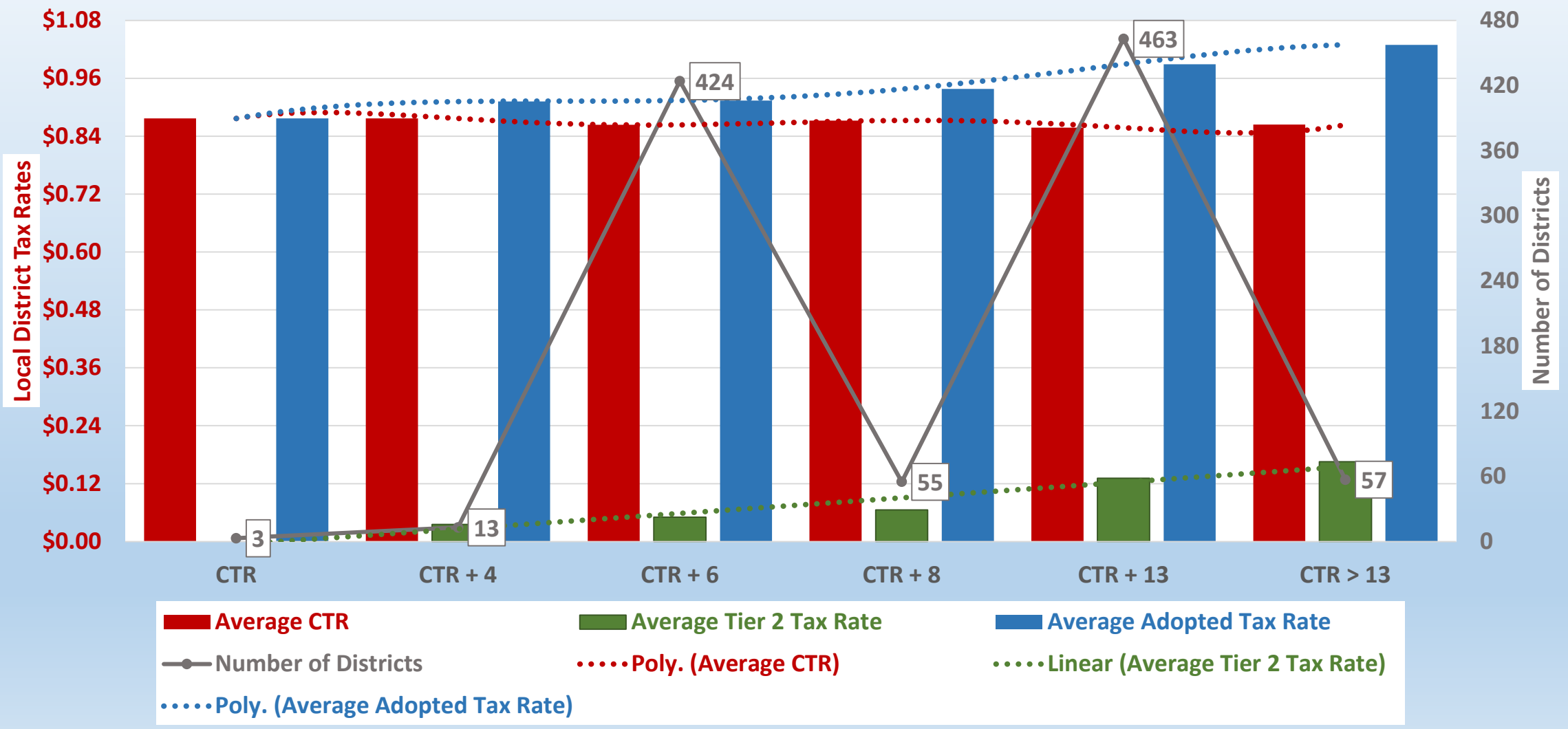
# Equity Center

Students Matter. Taxpayers Matter. Equity Matters.

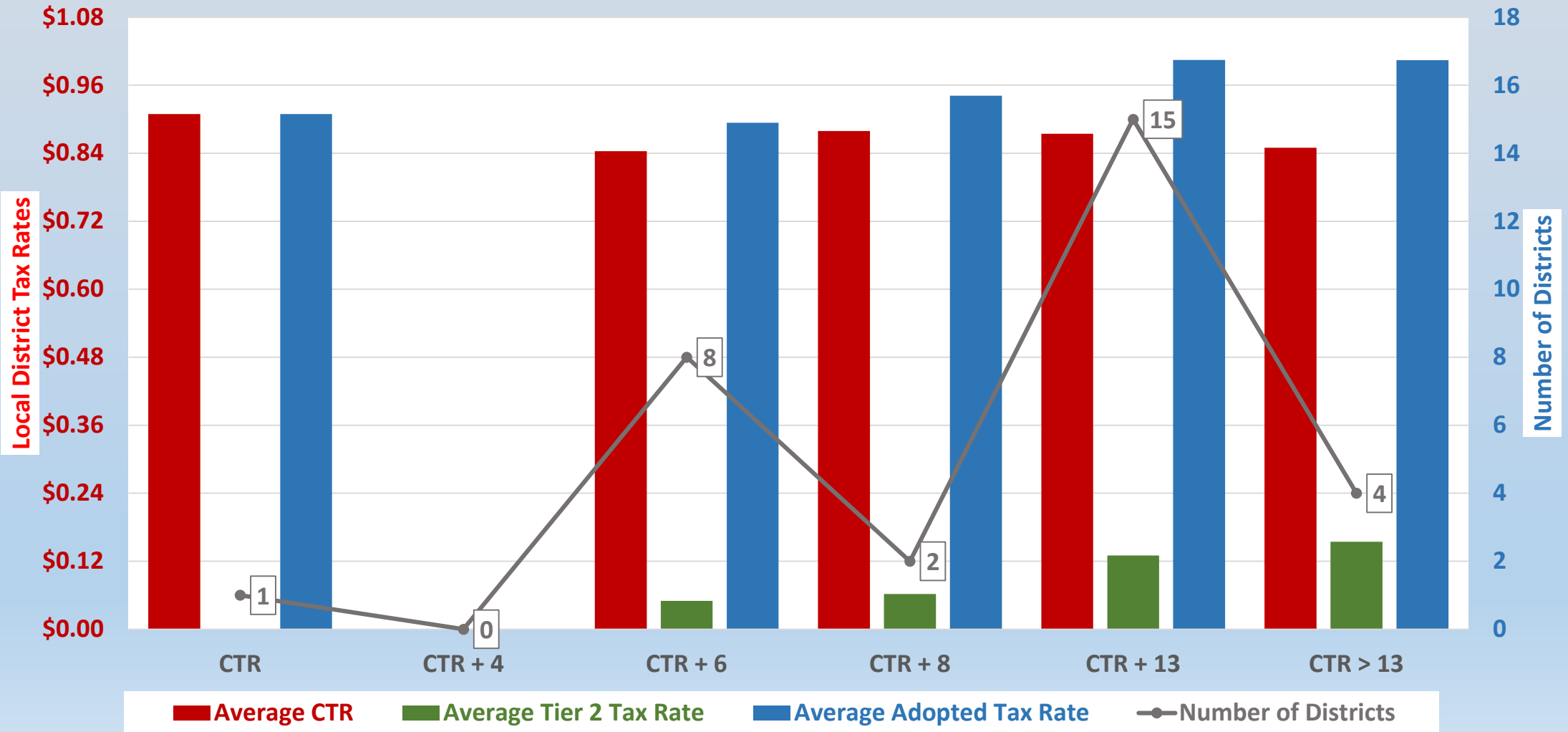


**Region 5  
Presentation  
5/12/22**

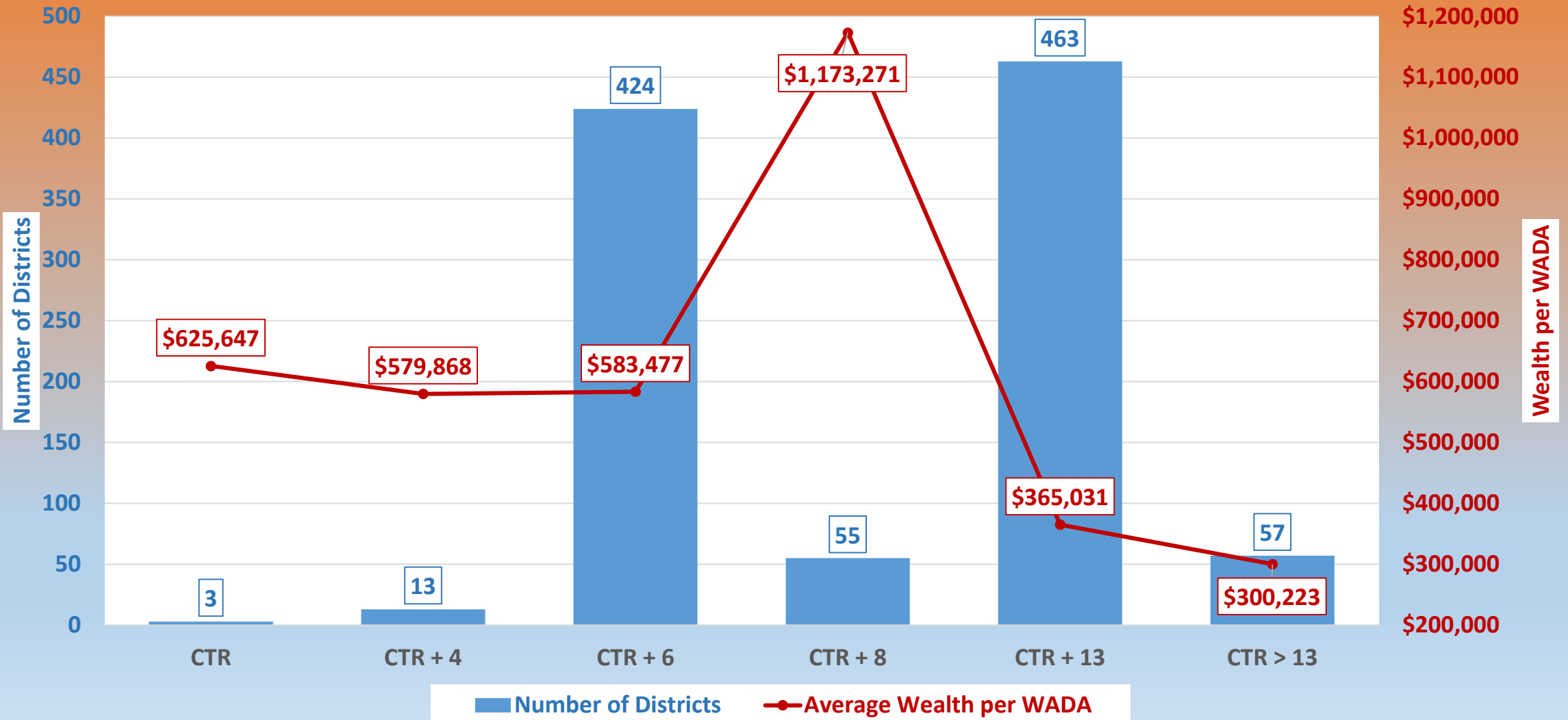
# FY 22 School Districts by Tax Rates--Tier 1 Compressed (CTR), Tier 2, & Adopted M&O Tax Rate



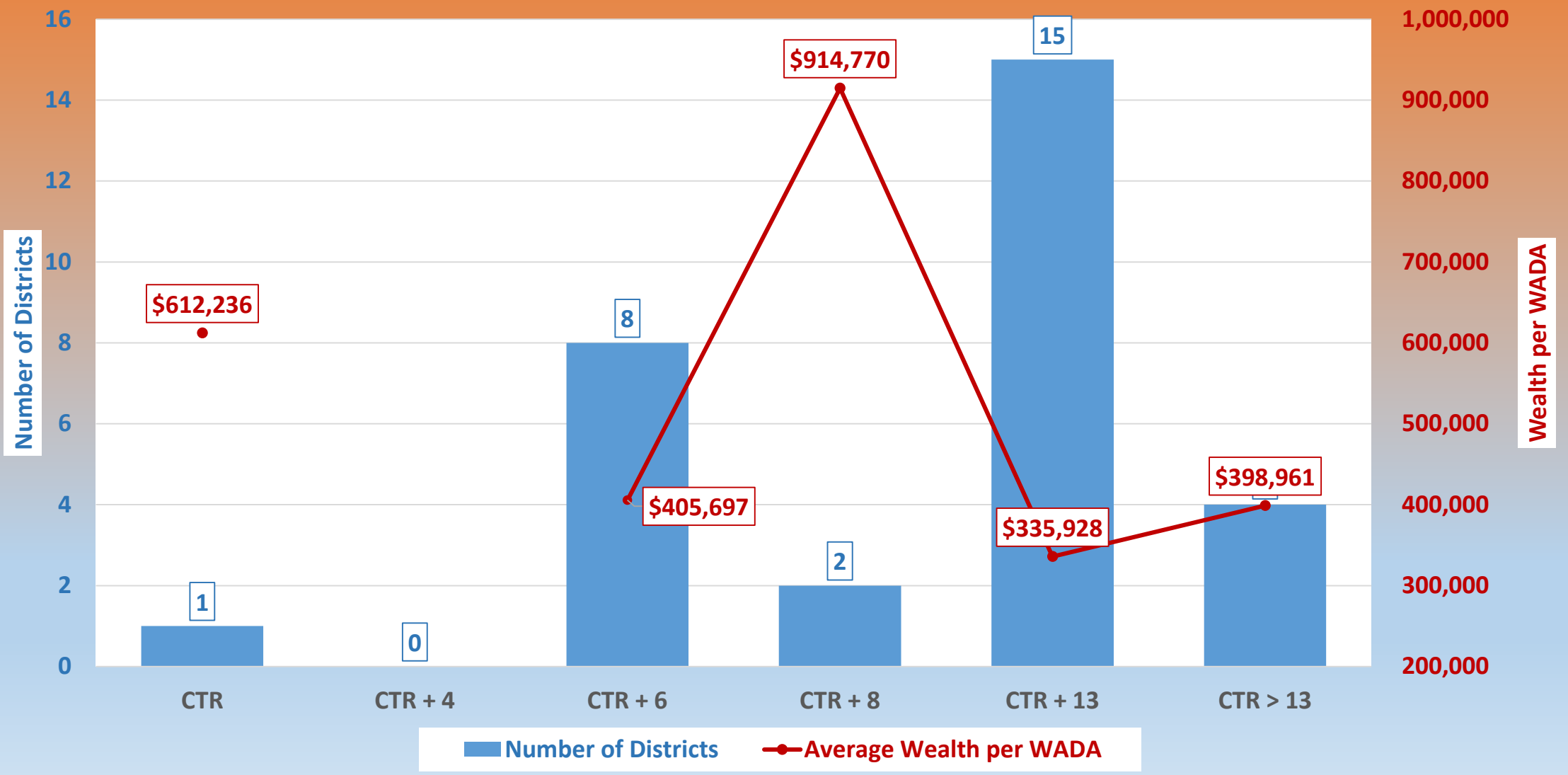
## ESC 5 FY 22 School Districts by Tax Rates--Tier 1 Compressed (CTR), Tier 2, & Adopted M&O



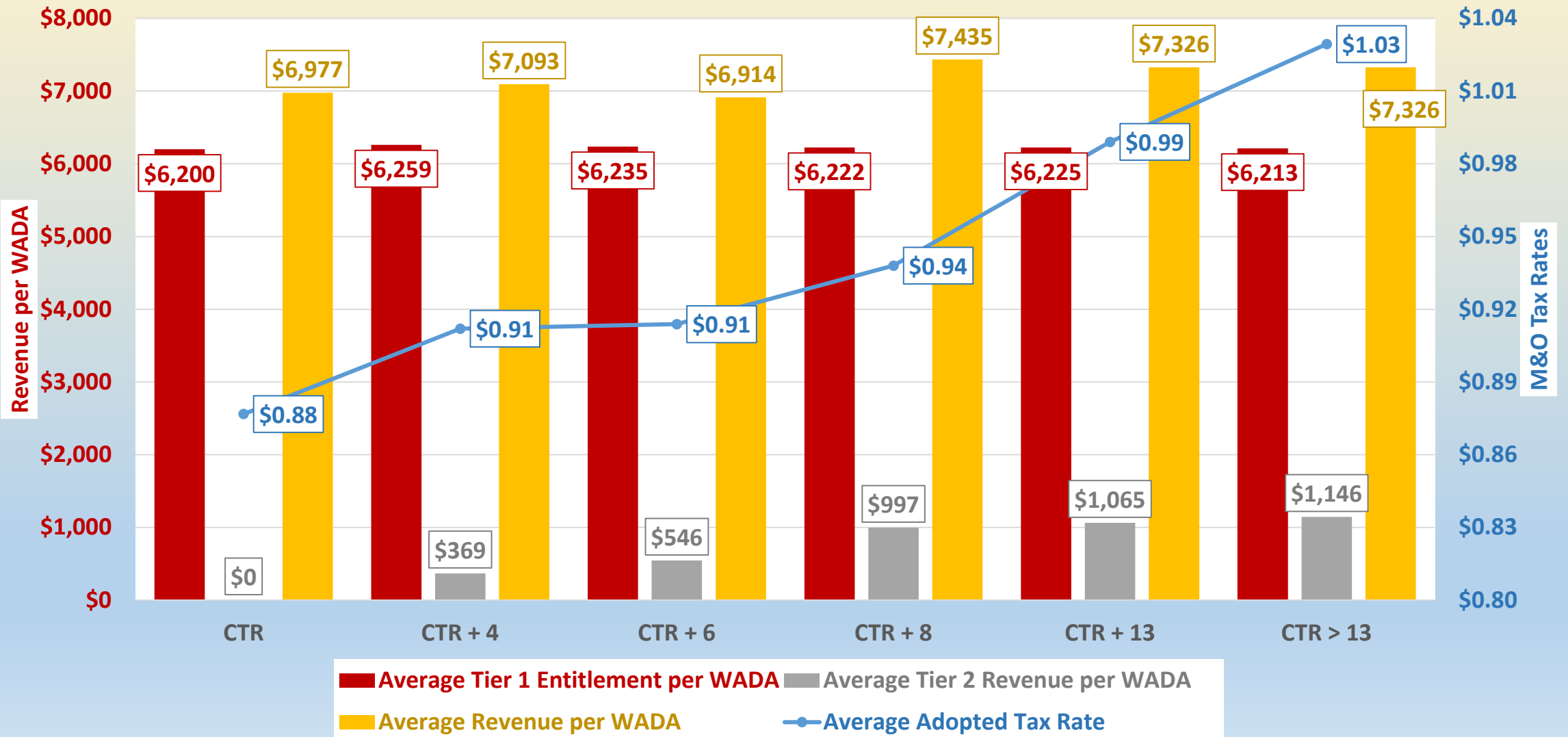
# FY 22 School Districts by Tax Rates & Wealth per WADA



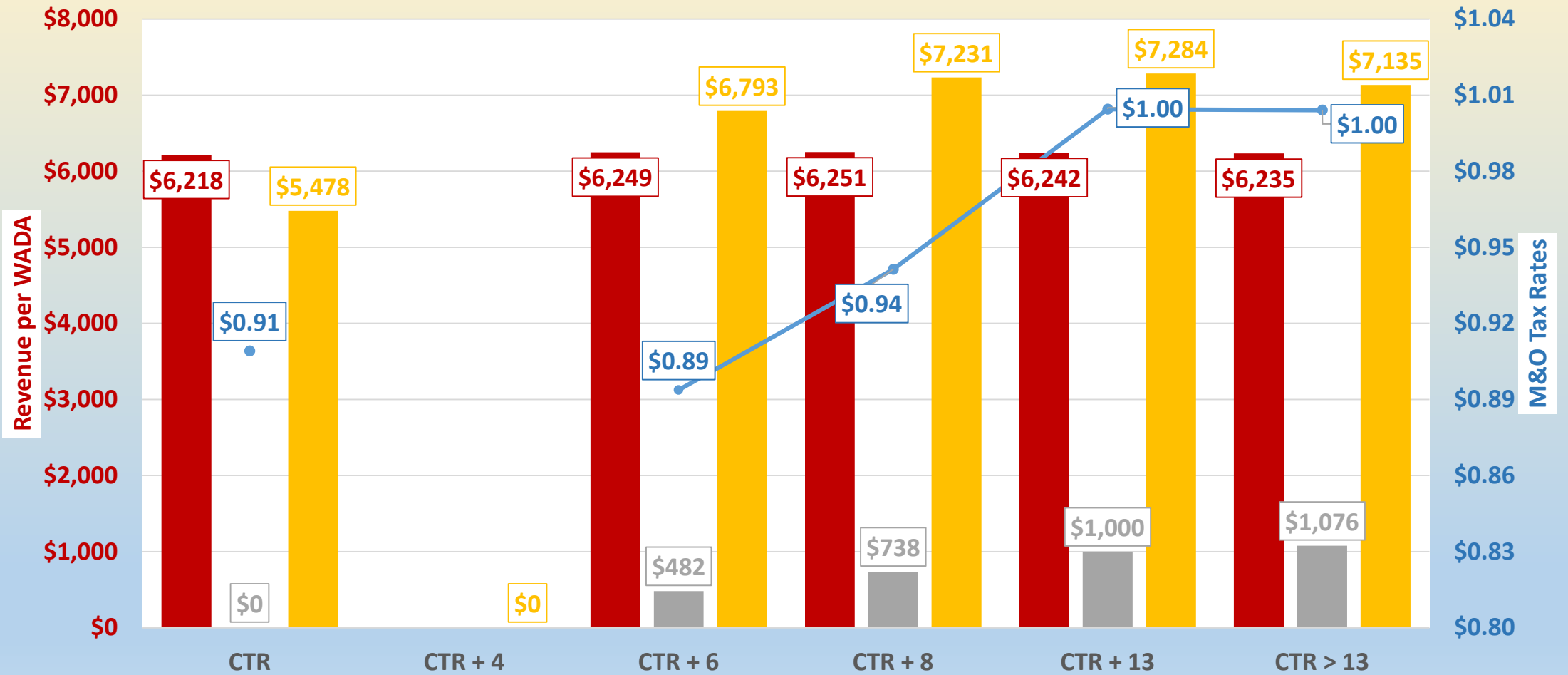
# ESC 5 FY 22 School Districts by Tax Rates & Wealth per WADA



# FY 22 School Districts Revenues per WADA by M&O Tax Rate

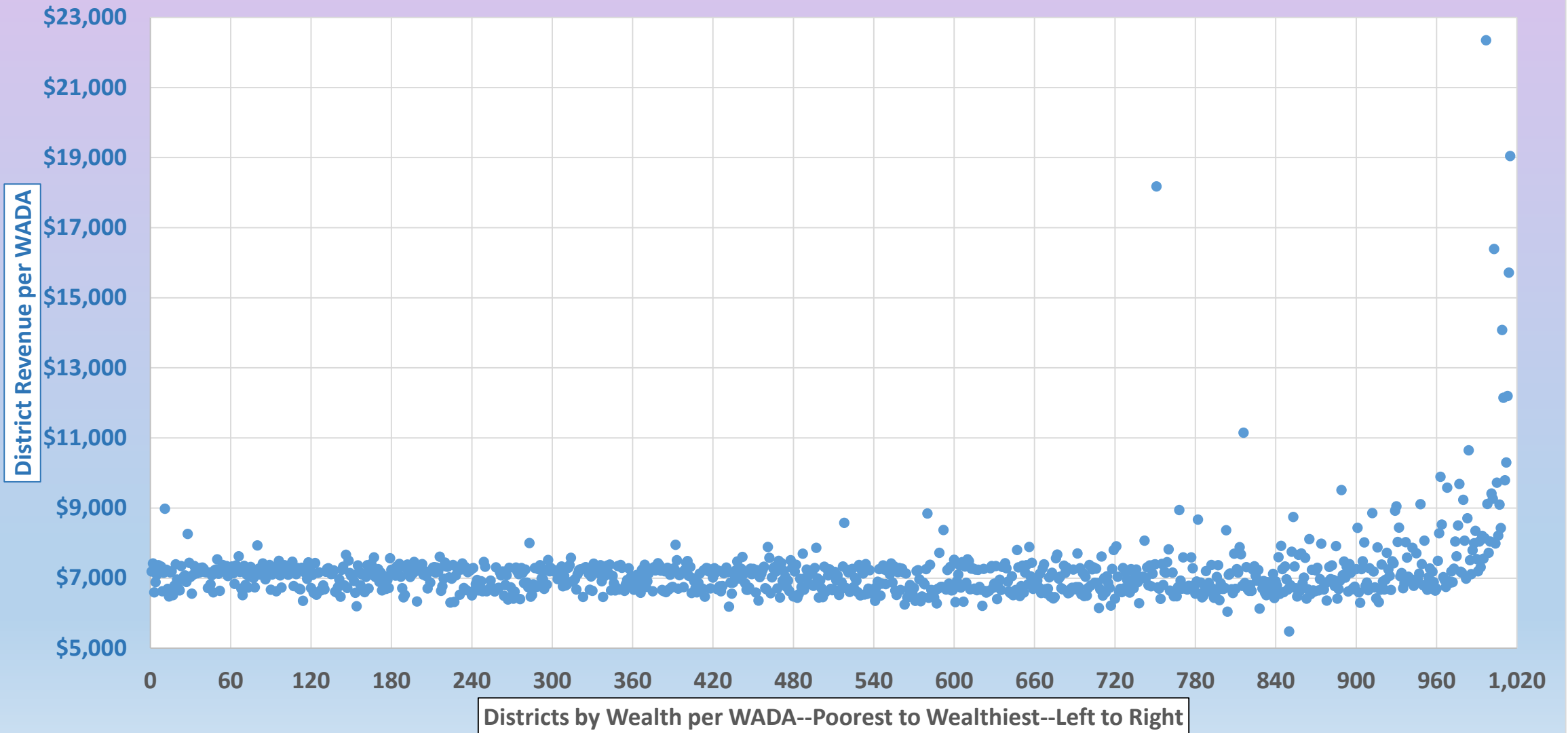


# ESC 5 FY 22 School Districts Revenues per WADA by M&O Tax Rate



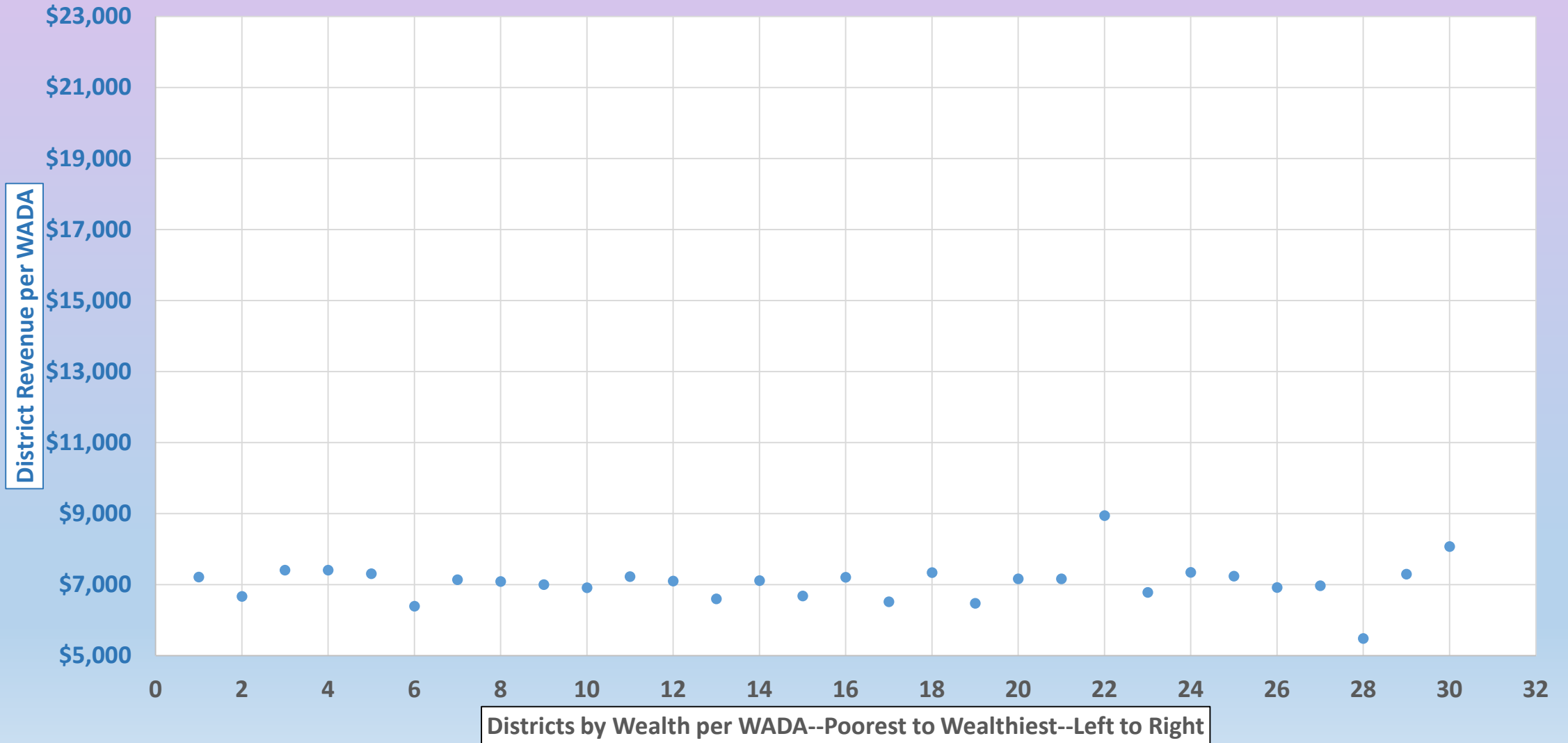
■ Average Tier 1 Entitlement per WADA   
 ■ Average Tier 2 Revenue per WADA  
■ Average Revenue per WADA   
 —●— Average Adopted Tax Rate

# FY 22 Revenue per WADA--Sorted by Wealth per WADA

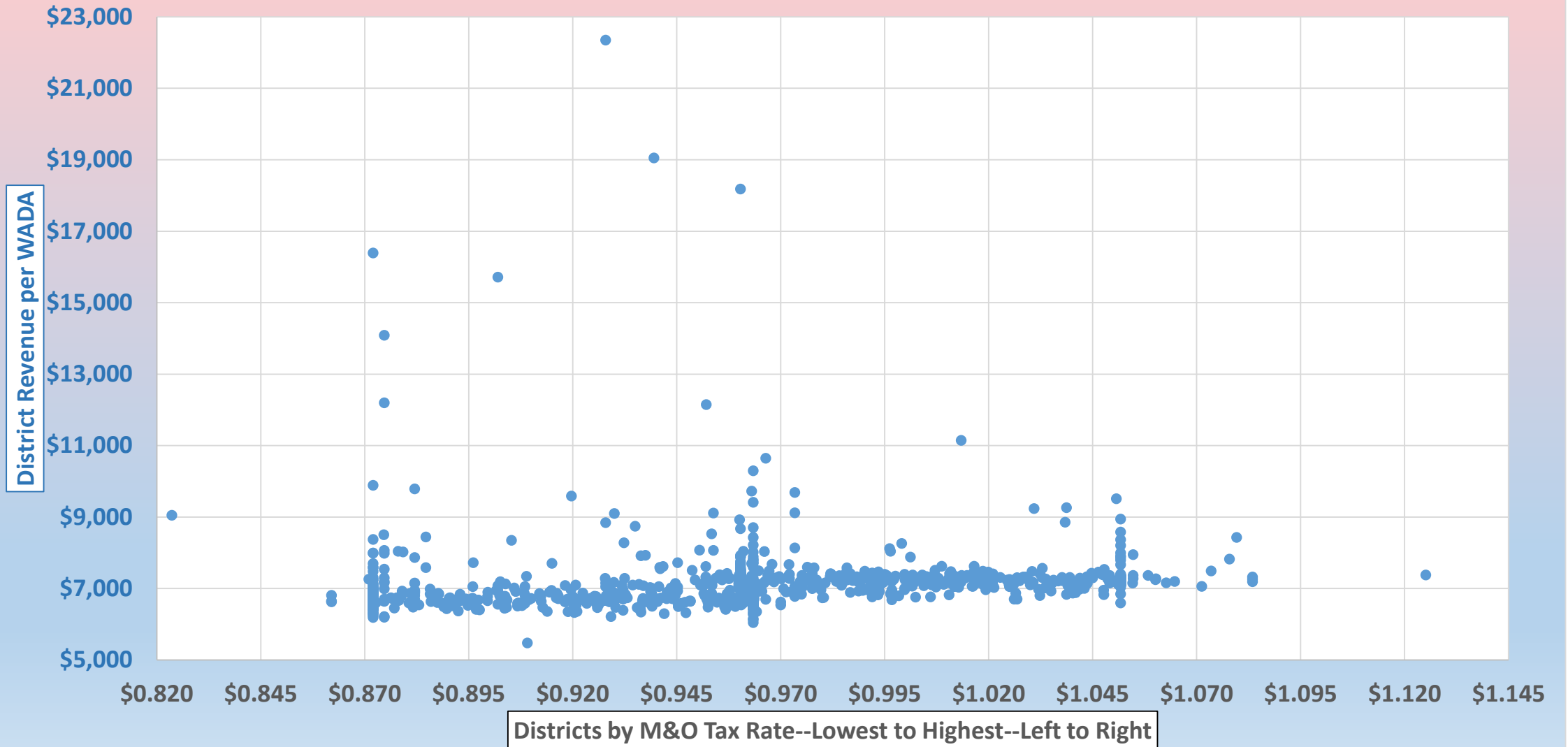




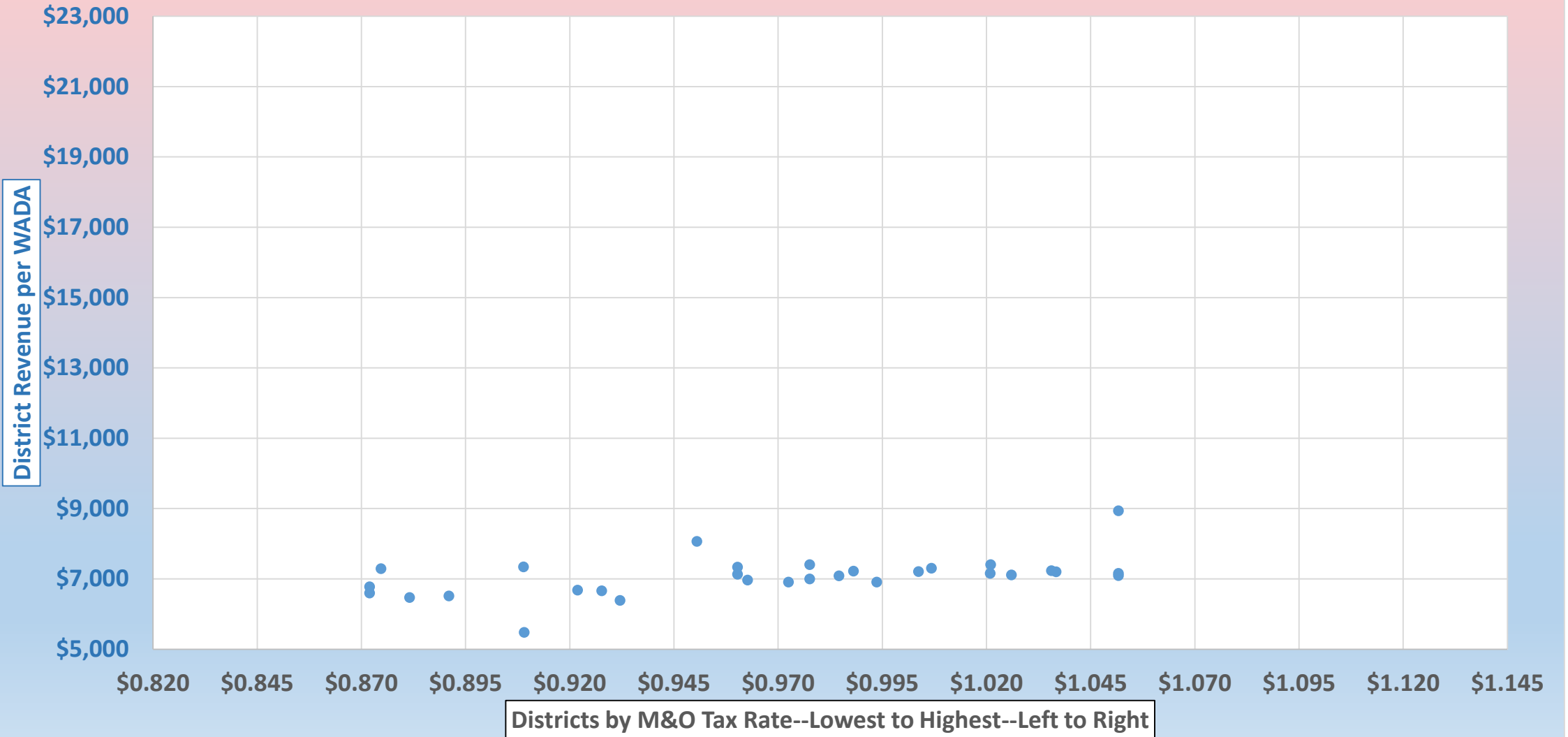
# ESC 5 FY 22 Revenue per WADA--Sorted by Wealth per WADA



# FY 22 Revenue per WADA--Sorted by M&O Tax Rate

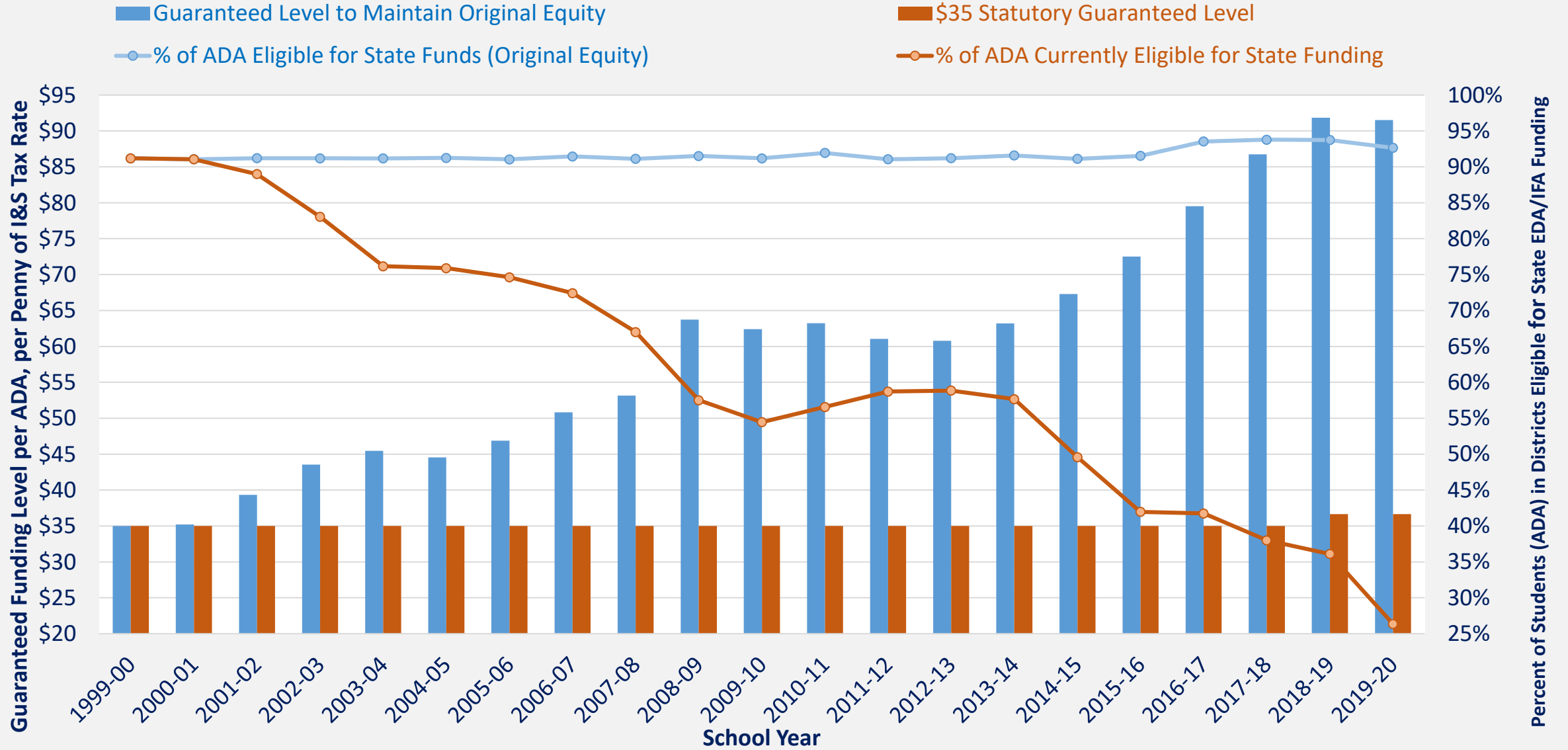


# ESC 5 FY 22 Revenue per WADA-Sorted by M&O Tax Rate

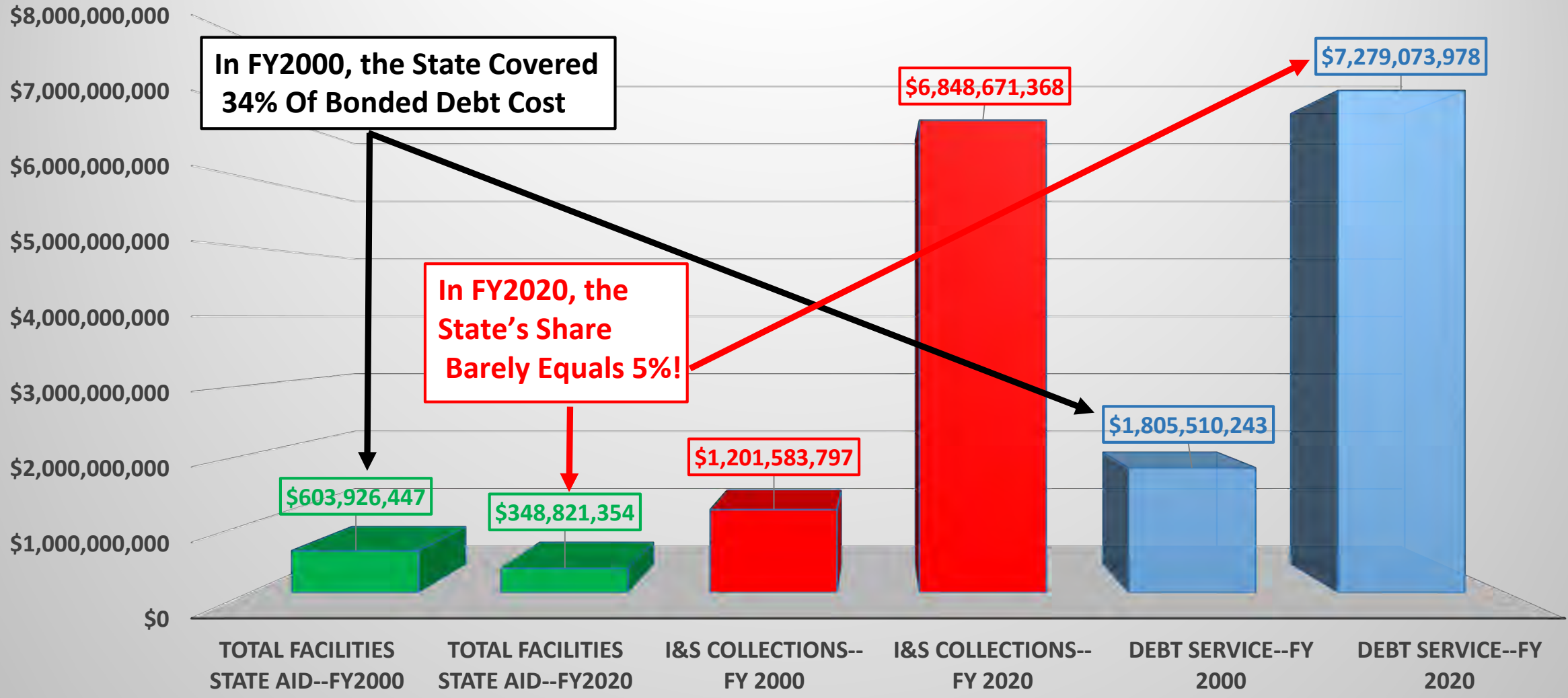


# Comparison of EDA/IFA Funding Levels and Percent of ADA in Eligible Districts

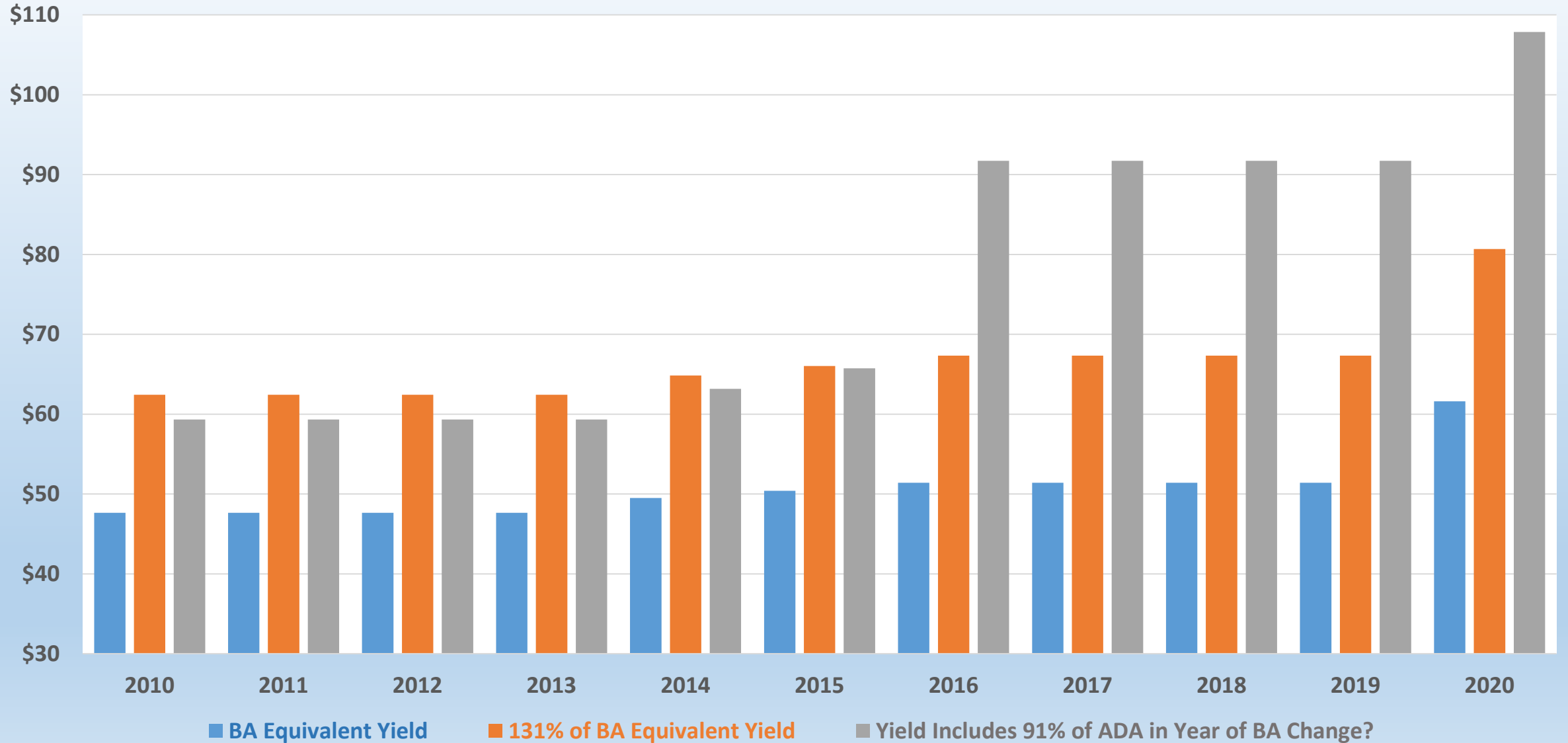
## Statutorily Frozen at a \$35 Guaranteed Level vs. Original Equity Level Maintained



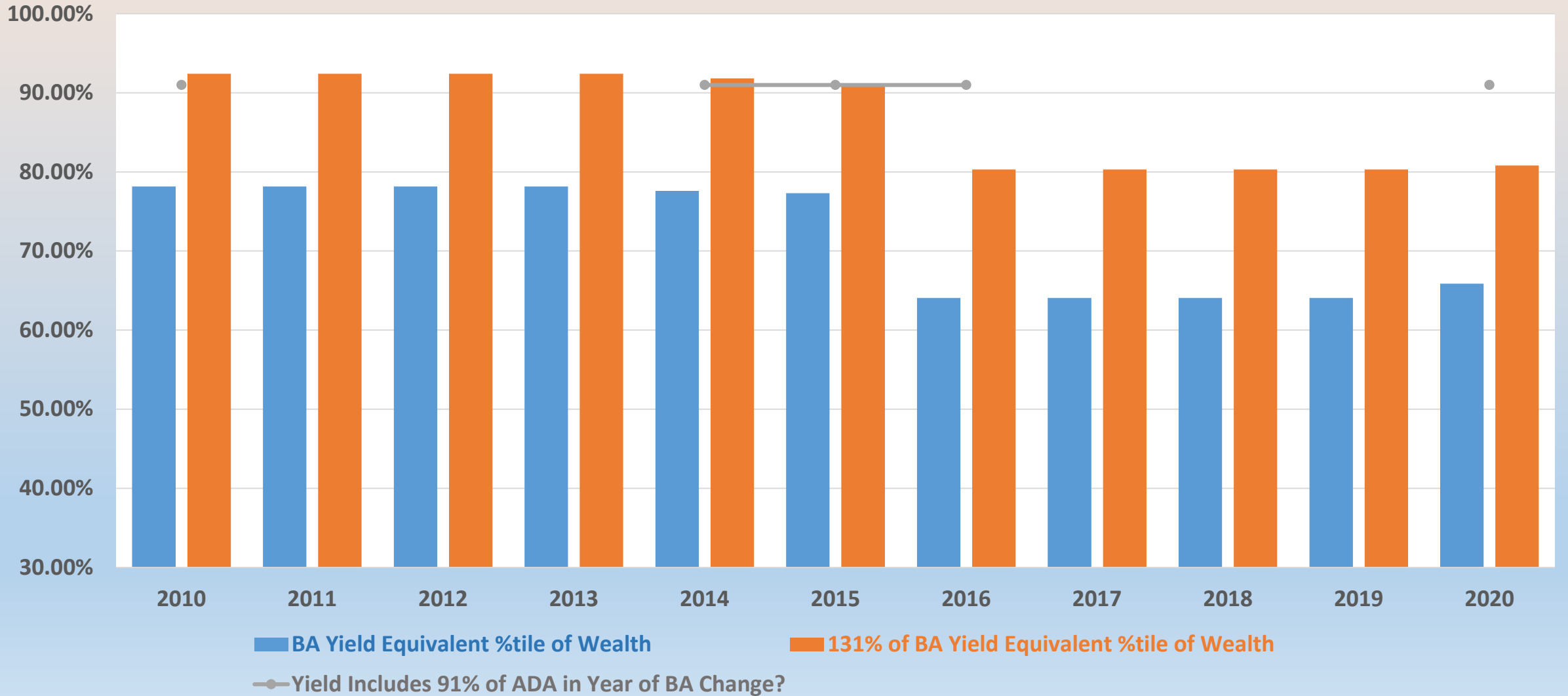
# State & Local I&S Comparative Expenditures FY2000 & FY2020



# Comparative IFA/EDA Yields per Penny of Tax Effort



# Percentage of Students in Districts Eligible for State Assistance for IFA/EDA at Stated Levels



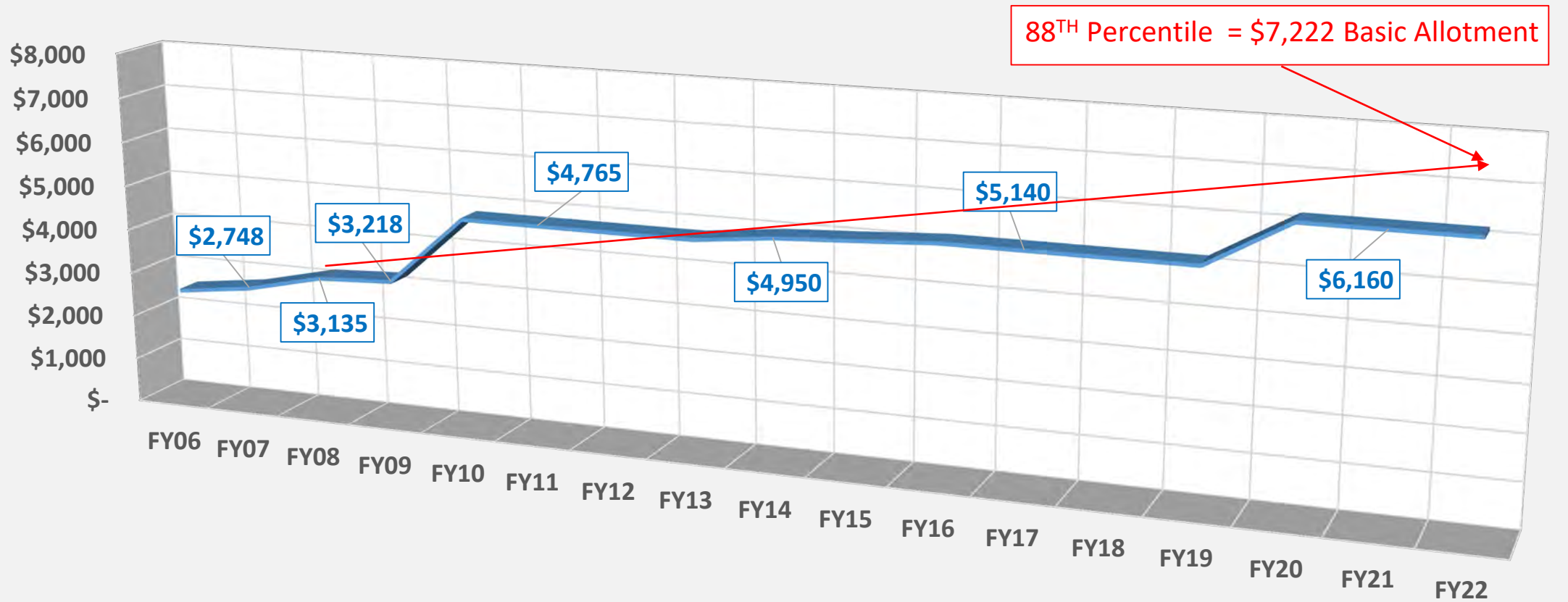
## Comparative Table for New Investment In Facilities Funding (I&S)

	Current Law	Yield Equal BA	Yield Equal 130% of BA	Yield Maintain 91 <sup>st</sup> Percentile
Local Share	\$6,762,604,136	\$6,390,951,241	\$5,763,315,363	\$5,298,171,575
State Share	\$289,753,316	\$661,406,211	\$1,289,042,089	\$1,754,185,877
New State Funding		\$371,652,895	\$999,288,773	\$1,464,432,561
Calculated I&S Tax Rate Reduction		\$0.0602	\$0.0928	\$0.1082

Calculations based on FY 20 TEA data



# Basic Allotment Trend Over Last 15 Years— Over \$1,000 Below What Could Have Been



# Funding on ADA or Enrollment ?

- **There is an old saying**
  - “Never Look a Gift Horse in the Mouth!”
- **Just Because it is an Old Saying, that Doesn’t Mean it is Always True!**
- **And the Same Goes for Ideas You May Hear About School Finance**
  - **Our School Finance System is Complicated**
  - **That Means Just Because Something Sounds Good...**
  - **Better to Examine the Full Impact—Then Decide**

## FY 22 School District Current Law ADA to Enrollment Comparisons

	Total Revenue	Revenue Increase/Decrease	Districts Gaining	Districts Losing	Districts No Change	% Increase/Decrease from Current Law Revenue
<b>BA 6,160—Current Law</b>	<b>\$45.64 Billion</b>					
<b>BA 6,160—Enrollment*</b>	<b>\$48.39 Billion</b>	<b>\$2.75 Billion</b>	<b>916</b>	<b>60</b>	<b>39</b>	<b>6.02%</b>
<b>BA 5,710—Enrollment**</b>	<b>\$45.48 Billion</b>	<b>-\$156 Million</b>	<b>340</b>	<b>568</b>	<b>107</b>	<b>-0.34%</b>
<b>BA 6,567—Current Law***</b>	<b>\$48.53 Billion</b>	<b>\$2.89 Billion</b>	<b>980</b>	<b>1</b>	<b>34</b>	<b>6.33%</b>
<b>BA 6,567—BA 6,160 Enrollment****</b>		<b>\$142 Million</b>	<b>593</b>	<b>390</b>	<b>32</b>	<b>0.31%</b>

\*Maintain BA of 6,160 as in Current Law and fund on Enrollment.

\*\*Fund on Enrollment without any new funding which reduces the BA to 5,710.

\*\*\*Using the same amount of new funding required for model\*, Raise the BA to 6,567 and fund on ADA as per Current Law.

\*\*\*\*Compares District level funding in model\*\*\* with district level funding in model\*.

## FY 22 Change from ADA to Enrollment—School District to Charter School Comparisons

	Total Revenue— School Districts	Total Revenue— Charter Schools	School District's Revenue Gain/Loss	Charter School's Revenue Gain/Loss	School District's % of Change	Charter School's % of Change
BA 6,160—Current Law	\$45.64 Billion	\$3.78 Billion				
BA 6,160—Enrollment*	\$48.39 Billion	\$4.09 Billion	\$2.75 Billion	\$318 Million	6.02%	8.42%
BA 5,710—Enrollment**	\$45.48 Billion	\$3.94 Billion	-\$156 Million	\$163 Million	-0.34%	4.33%
BA 6,567—Current Law***	\$48.53 Billion	\$3.98 Billion	\$2.89 Billion	\$202 Million	6.33%	5.34%
BA 6,567—BA 6,160 Enrollment****			\$142 Million	-\$116 Million	0.31%	-0.31%

\*Maintain BA of 6,160 as in Current Law and fund on Enrollment.

\*\*Fund on Enrollment without any new funding which reduces the BA to 5,710.

\*\*\*Using the same amount of new funding required for model\*, Raise the BA to 6,567 and fund on ADA as per Current Law.

\*\*\*\*Compares District level funding in model\*\*\* with district level funding in model\*.

## FY 22 Funding Changes Comparing Enrollment to ADA

	Increased/ <b>Decreased</b> Funding		
	Funding by Enrollment--BA \$6,160	Funding by Enrollment--BA \$5,710	Funding by Current Law ADA--BA \$6,618
Houston ISD	140,620,739	9,195,476	126,858,886
Dallas ISD	114,145,774	12,589,302	98,477,789
Austin ISD	64,519,845	18,755,107	42,444,801
Fort Worth ISD	58,156,463	6,070,731	50,607,681
El Paso ISD	38,589,779	5,403,275	32,046,912
Northside ISD	60,520,556	<b>(816,156)</b>	59,116,244
North East ISD	33,507,617	<b>(3,545,281)</b>	36,024,027
College Station ISD	5,769,434	<b>(1,742,355)</b>	7,314,744
Frisco ISD	21,787,499	<b>(12,848,122)</b>	34,066,531
Mesquite ISD	19,202,206	<b>(6,214,362)</b>	25,091,104
Humble ISD	24,832,386	<b>(3,010,876)</b>	27,139,339
Katy ISD	35,930,110	<b>(17,529,056)</b>	52,724,754
Ysleta ISD	21,278,112	<b>(4,258,192)</b>	25,170,654

FY 22 ESC 5 Funding Changes Comparing Enrollment to ADA				FY 22 ESC 5 Funding Changes Comparing Enrollment to ADA			
	Increased/ <b>Decreased</b> Funding				Increased/ <b>Decreased</b> Funding		
	Funding by Enrollment-- BA \$6,160	Funding by Enrollment-- BA \$5,710	Funding by Current Law ADA--BA \$6,618		Funding by Enrollment-- BA \$6,160	Funding by Enrollment-- BA \$5,710	Funding by Current Law ADA--BA \$6,618
HIGH ISLAND ISD	156,847	14,077	137,071	SABINE PASS ISD	383,335	122,531	239,933
KOUNTZE ISD	674,983	<b>(123,407)</b>	782,832	HAMSHIRE-FANNETT ISD	922,306	<b>(116,488)</b>	1,085,489
SILSBEE ISD	1,781,661	84,367	1,648,920	BURKEVILLE ISD	238,143	35,502	194,977
HARDIN-JEFFERSON ISD	1,031,021	0	1,381,131	NEWTON ISD	835,887	89,347	722,008
LUMBERTON ISD	1,718,053	<b>(612,928)</b>	2,281,692	DEWEYVILLE ISD	430,995	<b>(1,801)</b>	416,421
WEST HARDIN COUNTY CISD	487,484	25,381	446,534	BRIDGE CITY ISD	1,265,906	<b>(474,678)</b>	1,707,358
BROOKELAND ISD	0	0	0	ORANGEFIELD ISD	1,014,862	<b>(23,475)</b>	1,004,907
BUNA ISD	632,999	<b>(256,734)</b>	880,666	WEST ORANGE-COVE CISD	2,567,248	737,188	1,741,580
JASPER ISD	1,649,444	163,563	1,440,690	VIDOR ISD	2,182,556	0	2,300,837
KIRBYVILLE CISD	456,547	<b>(548,856)</b>	1,010,196	LITTLE CYPRESS-MAURICEVILLE CISD	1,703,960	<b>(247,887)</b>	1,904,545
EVADALE ISD	382,115	99,138	267,620	COLMESNEIL ISD	341,717	<b>(17,890)</b>	348,674
NEDERLAND ISD	980,189	0	1,785,280	WOODVILLE ISD	265,780	<b>(658,323)</b>	939,355
PORT ARTHUR ISD	6,970,441	1,500,227	5,246,889	WARREN ISD	490,732	<b>(368,300)</b>	857,336
PORT NECHES-GROVES ISD	664,869	0	1,536,157	SPURGER ISD	452,894	131,815	302,658
BEAUMONT ISD	14,344,389	3,221,497	10,586,320	CHESTER ISD	133,719	<b>(42,651)</b>	173,360

# Gearing Up for the 2023 Regular Session

What Goals Still Need to be Met to Achieve an Equitable and Adequate Funding System?

- **We Need to Fix I&S/Facilities Funding**
- **We Need a Cost Adjustment (Driver) for the Basic Allotment**
- **We Need to Address These Additional Equity and Adequacy Issues:**
  - **Local Fund Assignment as Opposed to Current Year Collections**
  - **Unequal CTRs**
  - **Full Tier 1 Entitlement for Some but not for All/LOHE Funding**

# Gearing Up for the 2023 Regular Session

What Goals Still Need to be Met to Achieve an Equitable and Adequate Funding System?

- **According to Comptroller projections**— Dallas Morning New, November 4, 2021; Texas Tribune, November 22, 2021
- **Texas Currently Has a Projected \$24 to \$25 Billion Surplus, for the Next Legislative Session.**
- **With a Projected \$25 to \$30 Billion Surplus, the Time to Do the Right Thing by the **Children** of Texas is **NOW!****



# The Legislature – Elections

- *140 of 150 House seats determined in Primary*
- Key departures: (5 Senators, 25 House Members)
- Senator Larry Taylor – Senate Education Committee Chair
- Senator Kel Seliger
- Representative Chris Paddie – State Affairs Committee Chair
- Representative Dan Huberty – Former House Pub Ed Chair
- Representative Joe Deshotel

# Primary Results

- 17% turnout, on par with midterm turnout (less than 11% decide seats)
- Runoff for Attorney General
- House
  - No surprises. Speaker leadership team won
  - Gary VanDeaver, Reggie Smith, John Raney
- Senate
  - Mayes Middleton takeover of Larry Taylor seat

# Governor Abbott

- **Taxpayer Bill of Rights**

- Reduce School Property Tax Rates
- Empower Homeowners to Reduce Their Taxes
  - Discounts for paying taxes early
  - Reduction in taxable value if purchase price is less than tax roll value
- Local Government Debt
  - Supermajority vote necessary by governing body and public
  - November ballot

# Governor Abbott

- **Parents Bill of Rights**

- Parents are Primary Decision Makers
- Access to Course Curriculum
- Protecting Students
  - Standards prohibiting “pornographic material”
  - Prohibiting the selling of student data
- Notifying Parents of Their Rights
  
- ...Chapter 26 Texas Education Code

# M&O Elimination – TPPF

- **Eliminating Property Taxes by 2033**

- **Lower Spending:** New spending limit enacted last session that limits GR spending to the rate of growth in population and inflation.
- **Lower Taxes:** Continue the buy down of M&O property taxes by dedicating 90% of all GR surplus funds to additional compression above current compression.
- **Lower Burden:** “The result would be to finally eliminate school district M&O taxes...”

# “Taxpayer Funded Lobbying”

- Senate Bill 10 – Senator Paul Bettencourt
- Hall/Middleton versions applied to all entities
- Senate version only applied to municipalities
- Passed Senate 17-13
  
- House version applied to all entities that impose a tax (School districts)
- Passed House State Affairs Committee
- Considered on House Floor 5/24 and 5/25 – Postponed by Rep. Paddie

# Homestead Exemption

- SB 1 / SJR 2
- May Ballot
- Increase Statewide Homestead Exemption from the current \$25,000 to \$40,000
- Cost to the state of approximately \$355 million in General Revenue and \$84 million in reduced recapture. The cost increases to over \$550 million by 2026.

# Interim

- 11 Charges for House Public Education
- 9 Senate Interim Charges
- Texas Commission on Virtual Education Funding
- Texas Commission on Special Education
- STAAR Test letter
- ADA: Gov. Abbott instructional minutes announcement
- Funding for migrant students
- Teacher Shortage Task Force