Texas Latino Education Coalition

Texas Latino Education Coalition Testimony

Public Education Committee Hearing on ASATR, March 7, 2017

Dear Chairman Taylor and Committee Members:

The Texas Latino Education Coalition (TLEC) is a collaborative of organizations and individuals that advocates for the rights of Latino students at the local, state and national levels. The coalition was organized to focus on critical educational issues in Texas and to improve the state of education for Latino students in public schools. Fair, equitable and adequate funding for high quality schools for all schoolchildren remains a cornerstone goal of the coalition.

TLEC Recommendations

1. Eliminate ASATR and the 1992-93 hold-harmless provision;
2. In the alternative, make ASATR more efficient and reduce waste by:
   a. eliminating ASATR for those districts whose average yield per penny for M&O revenue per WADA is greater than $60 (state average estimated at $58.34).
   b. reducing ASATR by 50 percent in 2017-18 and 100 percent in 2018-19 for all remaining school districts.
3. Use ASATR savings to increase the weight for bilingual education.

Background

Texas has a sordid history of providing fair funding for all school districts and all schoolchildren. Equity gaps remain significant with the lowest property-poor school districts forced to tax much higher than the wealthiest districts but generating on average $1,000 less per child than their wealthy counterparts. Latino schoolchildren make up the vast majority of students in the lowest property-wealth school districts. While Texas's school finance system has a good foundation with formulas that are intended to apply to all school districts, far too many exceptions are built into the system irrespective of student cost.

Additional State Aid for Tax Relief (ASATR) is the latest exception passed by the Texas Legislature that perpetuates inequities favoring select school districts. The legislature originally enacted ASATR to offset the loss in revenue for districts as a result of the phasing in of the compression of property tax rates by one-third that began in 2006-07. However, **ASATR has been adjusted in several ways over the years and now largely operates as a hold-harmless measure that allows some districts to operate as tax shelters.** Webb Consolidated ISD, for example, has a tax rate of only $0.80 but receives over $5,007/WADA in ASATR funding alone, resulting in $10,777/WADA. These funds advantaging select school districts are not tied to educational need.

Findings of ASATR Analysis

IDRA and doctoral candidate Madeline Haynes analyzed projected data in TEA spreadsheets produced in the fall of 2016 for TLEC. Key findings of the analysis of ASATR funding show the following:

- Estimated total amount of ASATR for 2016-17: $220,262,853
- The number of districts receiving ASATR has fallen from a high of 1,022 in 2007 to 173 projected in 2016-17.
- 102 of the 173 ASATR districts are ranked in the two highest deciles of property wealth/WADA and they are projected to receive $120,609,260 compared to only 8 districts in the lowest two deciles receiving $6,542,080.
- Districts receiving ASATR range from $4.92 in ASATR/WADA to $5,007.43 ASATR/WADA. The mean is $814 ASATR/WADA.
- Tax rates also range significantly for ASATR districts, from $0.71 to $1.17.
- The property wealth/WADA ranges significant for districts receiving ASATR, from $4,657/WADA to 14,554/WADA.

Projected Funding Differences between ASATR and Non-ASATR Districts, 2016-17

	173 ASATR Districts	Other Districts
Average M&O tax rate	$1.03	$1.09
Average M&O Revenue/WADA	$7,050	$6,128
Percent taxing at/above $1.04	75%	97%
Percent taxing at $1.17	8%	37%

The Texas Legislature should consider eliminating ASATR, or at the very least, reducing ASATR for those school districts that receive it and generate revenue well in excess of the statewide averages. The savings should be rolled into an increase in the bilingual education allotment, which has not changed since 1985.

For additional questions or information, please contact David Hinojosa at david.hinojosa@idra.org.