



Texas Latino Education Coalition Testimony on CSHB 21 (Special Session) Presented before the House Public Education Committee, July 24, 2017

Chairman Huberty and Members of the House Public Education Committee:

The Texas Latino Education Coalition (TLEC) submits this testimony on HB 21. Thank you for the opportunity to present on this school finance bill.

TLEC is a collaborative of organizations and individuals that advocates for the rights of Latinos at the local, state and national levels. The coalition was organized to focus on critical educational issues in Texas and improve the state of education for Latino students in public schools. We appreciate the chamber's willingness to address school finance in a meaningful way. While there are some key measures that would reduce the inequities in the system, HB 21 also has measures that will continue, if not exasperate, other inequities.

TLEC Recommendations

- Do NOT consolidate the transportation allotment into the basic allotment; Keep it separated and increase it to reflect current costs and adequate funding.
 - If the transportation allotment is eliminated, the Available School Fund should be made available equally to Chapter 41 and non-Chapter 41 districts on top of other funds and/or it should be rolled into the formulas for all districts.
- Increase weights for English learners and low-income students to at least 0.25.
- The indirect costs allowed for the bilingual and compensatory education programs should be capped at 25 percent in order to ensure those funds reach those students in need.
- Eliminate extra funding for charter schools under Section 12.106(d).
- Allow ASATR and other hold harmless measures to expire as currently intended.
 - If the Hardship Transition program moves forward, allow the lowest wealth districts with the least capacity to raise revenue to get in line first.

Equitable Measures in HB 21

- Gets rid of 1993 hold-harmless measures.
- Allows ASATR to expire (but "hardship" transition program should be eliminated; alternatively, grants should be distributed to lowest wealth districts with less revenue and lowest yields per penny first).
- Rolls high school allotment into basic allotment, allowing more funds to flow through the formulas rather than outside.

- Increases the bilingual education allotment from .1 to .11 (though weight should be at least .25).
- Increases Existing Debt Allotment guaranteed yield from \$35/ADA to \$40/ADA (however, cap at \$75 million should be lifted).

Inequitable Measures in HB 21

- Rolls transportation allotment into basic allotment, creating several harms to students in districts currently receiving transportation funds:
 - a. The limited transportation funds will now be split with wealthy districts that already get much more money than mid- and low-wealth districts, including money from the Available School Fund on top of other monies. Privately-operated charter schools will also now get a share of these funds. The decrease is estimated to be \$50/ADA (\$125/ADA to \$73/ADA).
 - b. Consolidation of transportation into basic allotment does not account for incredible differences between districts' transportation needs.
 - c. Could result in schools charging students for transportation to school.
 - d. Rolling the transportation allotment into the basic allotment takes away accountability that this money is spent on necessary transportation and redistributes it.
 - e. If the elimination of the transportation allotment goes forward, the Available School Fund should be equally split among all school districts; Chapter 41 districts should not receive that funding on top of other funds when the funding is supposedly rolled into Chapter 42 payments for non-chapter 41 districts.
- Allows charter schools access to additional funds that are indirectly tied to facilities funds for traditional public schools; however, charter schools do not have to raise any bonds and may be able to use those funds for any purpose. In addition, the funding does not take into account need and current revenue levels. By default, charter schools already have access to Maintenance and Operations funds in excess of half the school districts in the state and this provision will continue inequities in favor of the charters over 500-plus school districts.
- The Financial Hardship Transition Grant operates like "ASATR-lite;" it will continue to allow several property-wealthy school districts to access greater revenues than other districts.
 - If the grant program goes forward for the next two years, it should be revised to ensure the districts generating the fewest funds under the formulas receive grants first.
 - Nevertheless, given the expiration of ASATR and the chapter 41 hold harmless measures, the transition grant program is an improvement over ASATR and chapter 41 hold-harmless provisions.

For questions, please contact TLEC through David Hinojosa at IDRA (david.hinojosa@idra.org) or Celina Moreno at MALDEF (celina.moreno@maldef.org).