



New Texas School Finance Proposals Are a Start, But There is Still Work to Be Done to Ensure Fair Funding for All Students

IDRA Statement, March 11, 2019

For the past five decades, IDRA has stood at the forefront of school finance reform efforts in Texas and served as a resource for grassroots and legal organizations involved in school funding litigation in Colorado, California, New Mexico, Texas and other states. While much has improved in Texas, the neighborhoods where students happen to live continue to markedly impact the quality of their education.

Last week, the House and Senate education committee chairmen filed major school finance reform proposals: [House Bill 3](#) and [Senate Bill 4](#). IDRA reviewed them with an eye toward equity and how they would impact students across the state, particularly those from low-income families, students of color and English learners. **More analysis is needed** to determine how new monies and redistribution of existing funds will actually impact students.

We are pleased to see more money for educating students, including funding for full-day pre-kindergarten for 4-year-old low-income, English learner (EL), homeless and foster students. We also are encouraged by modest increases in "weighted funding" that account for the need to provide additional support for low-income and English learner students.

But, **we are concerned with several aspects of the proposals** as follows.

- **Allowing an increase in unequalized funds collected by property-wealthy school districts adds inequity to the school finance system (HB 3).** HB 3 increases the enrichment funding that school districts are able to collect from taxpayers and keep. At the same time, the bill decreases the amount of money the state guarantees that it will distribute to property-poor school districts unable to collect enough money through local tax efforts. This combination of changes increases inequity because it benefits districts with high property values able to collect and keep more property tax funds than poorer districts.
- **The new dual language weight does not benefit English learner students who are not enrolled in dual language programs (HB 3 and SB 4).** Dual language programs are among the most effective types of bilingual education programs. The proposals create a new weight for students in dual language programs (through HB 3, ELs in dual language programs are assigned a 0.15 weight and non-EL students in those programs are assigned a 0.05 weight). While the modest increase in funding for dual language programs is a positive step, the exclusion of EL students enrolled in other types of bilingual education and English as a second language (ESL) programs continues a long history of underfunding those programs. If there is sufficient funding available to provide funds for educating non-EL students (who participate in two-way dual language programs with EL students) via the new 0.05 weight, similar priority should be given to EL students enrolled in other kinds of bilingual and ESL programs.
- **Removing spending rules for the compensatory and ESL/bilingual education allotments will reduce resources for English learner and low-income students (HB 3).** HB 3 removes important rules about how compensatory and ESL/bilingual education money can be spent. When these funding mechanisms were created in 1981, IDRA advocated clear rules on the spending of funds to ensure that money generated by low-income and EL students would actually benefit those students. The removal of these rules could result in a misuse of already scarce funds for compensatory and ESL/bilingual education programs.
- **Changes to the compensatory education allotment may result in inaccurate counts of low-income students (HB 3).** The proposed changes in the compensatory education funding formulae to include a

Intercultural Development Research Association

"spectrum" approach that considers the impact of generational and concentrated poverty are positive. Currently, students are deemed "economically disadvantaged" based on participation in the federal free and reduced-priced lunch program. HB 3 proposes basing this determination on federal census data. However, there are challenges with relying on census data to determine compensatory education weights for students. Historically, the census has undercounted people in poor and rural communities and individuals in predominantly Black, Latino and immigrant households. Additionally, census data are only comprehensively collected every 10 years, making it difficult to accurately track highly-mobile individuals (like students experiencing homelessness) or account for rapid, large-scale changes to communities caused by gentrification.

- **The proposals give too much power to the state's Commissioner of Education and not enough voice to those most impacted by the commissioner's decisions (HB 3 and SB 4).** The bills increase the commissioner's discretion to make decisions related to school district funding and spending, often with little to no community input and fewer rule-making requirements.
- **Outcomes-based funding excludes schools that most need resources (SB 4).** SB 4 ties funding for several programs - including the third grade reading allotment and the allotment for achievement in college, career or military readiness - to outcomes for specific groups of students in the preceding year. Outcomes-based funding funnels money to districts already meeting specific measures of success, which can exclude districts showing progress in those measures and districts already under-resourced and struggling to meet the needs of their students.

IDRA recommends the following to address these concerns.

- Conduct a cost study of compensatory education and ESL/bilingual weights, which have not been updated since the legislature created them in the mid-1980s and do not reflect the true cost of providing a high-quality education for low-income and EL students. SB 4 includes a provision requiring TEA to study the cost of fully funding the new instructional facility allotment. The same attention to costs and needs should be given to other allotments, particularly those that impact funding for special populations, like English learners, low-income students and students with disabilities.
- Eliminate unequalized funds (golden pennies) to ensure that property-wealthy districts are not able to keep excessive enrichment dollars.
- Increase the ESL/bilingual education weight so all ELs, not just those in dual language programs, can have access to sufficiently funded programs to meet their educational needs and participate equally in instructional programs.
- Continue compensatory education funding based on free and reduced-price lunch program counts, at an increased weight, in districts where the new formula provides less funding. This safeguard would ensure that school districts are not underfunded as a result of the proposed changes to the compensatory education allotment.
- Ensure TEA's decisions are subject to democratic, data-driven evaluation processes.

These recommendations, and more, are addressed in [other comprehensive school finance measures](#) filed during the 86th Texas legislative session.

The House Public Education Committee will meet Tuesday, March 12, to hear testimony on HB 3. Both the House and Senate committees will continue to meet and gather input on the proposals in the coming weeks.

We look forward to working with policymakers, advocates, educators, parents and students to make HB 3 and SB4 stronger for all Texas students.

The Intercultural Development Research Association is an independent, non-profit organization led by Celina Moreno, J.D. Our mission is to achieve equal educational opportunity for every child through strong public schools that prepare all students to access and succeed in college. IDRA strengthens and transforms public education by providing dynamic training; useful research, evaluation, and frameworks for action; timely policy analyses; and innovative materials and programs.

** Updated 3/14/19 regarding percent of ELs in dual language programs.*

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