



Equity Concerns Remain as Texas House and Senate Meet to Resolve Differences in School Finance Proposals

IDRA Statement on Texas School Finance Conference Committee Deliberations, May 13, 2019

At the start of the legislative session, IDRA [highlighted several concerns](#) with the Senate and House school finance proposals. Since then, there have been a number of changes related to how both chambers propose funding Texas schools equitably. Still, many of the concerns that IDRA raised at the beginning of the legislative session remain. As the school finance conference committee members meet to debate and resolve the differences in the bills, IDRA offers the following principles and related recommendations for their consideration.

- **“Equal return for equal tax effort” is one of the principles of a fair school finance system.** Allowing districts to adopt different tax rates will lead to an inequitable school finance system. The Senate bill allows for school districts to reduce their tax rates at different levels, known as district-by-district tax compression. This approach will benefit wealthier school districts that collect funds from their high local property values. This means some school districts will be able to set very low tax rates but still collect the same amount of funds as property-poor districts, which will continue to have much higher tax rates. **IDRA recommends that, if there must be tax compression, the conferees adopt the House statewide tax compression proposal.**
- **School district funding decisions should be based on current property wealth data.** Relying on a school district’s prior-year property values to make critical decisions on state funding will lead to inconsistent, inefficient and inequitable funding. A school district’s property values are used to determine a number of important measures, including the local and state shares of funding and the funds that are available to cover the needs of students. It is critical to have the most current data to make these determinations. But, under current law, the state bases its calculations on a school district’s outdated prior year’s property values, even as districts are collecting and spending local funds based on current-year property values. This difference means that districts are either over-funded or under-funded, and the system is losing significant amounts of money that could benefit students across the state. **IDRA recommends that the conferees adopt the Senate proposal to use current-year property values in funding formulae.**
- **Where students live should not dictate the quality of their local school.** Allowing an increase in unequalized funds collected by property-wealthy school districts adds inequity to the school finance system. The House bill increases the amount of unequalized enrichment funding that wealthy school districts are able to collect and keep. Doing this will increase inequity over time and leave most districts with far less money for their students, compared to a few extremely wealthy districts. **IDRA recommends that conferees eliminate the two additional golden pennies in the House bill and tie remaining golden penny yields to districts in the 99th percentile of wealth per student.**
- **English learners and students at risk of dropping out deserve excellent educational opportunities just like every other student.** Removing spending guidelines for the compensatory and bilingual education allotments will reduce targeting supplemental resources for English learner and low-income students. While both bills originally removed the current spending guidelines for the bilingual education and compensatory education allotments that are in current law, an amendment to the House bill restored a more streamlined version of the important protections for these funds. The same guidelines were not adopted in the

Senate bill, compromising the funds for English learners and for students at risk of dropping out of school and facilitating re-allocation of money away from students who earned the extra funding. **IDRA recommends that the conferees adopt the House bill's bilingual education and compensatory education allotment spending guidelines.**

- **Investing in all English learners is critical to the success of all Texans.** The proposed dual language add-on weight only benefits English learner students who are enrolled in dual language programs. The House and Senate bills propose increasing funding for students in dual language programs but not for students in other types of bilingual education or English as a second language (ESL) programs. [IDRA's data analysis shows](#) that only 20 percent of all of Texas' English learners are in dual language programs. While some school districts may use the new funds to start dual language programs, most English learners will be left with the [same low funding weight](#) that they have had since the 1980s, even as the state adds funding for non-English learners in dual language programs. **IDRA recommends that the conferees increase the funding weight for all English learners so that it more accurately reflects the costs of providing an excellent education.**
- **Communities impacted by education policies should have a key say in the creation of those policies.** The proposals give too much power to the state's commissioner of education and not enough voice to those local school communities most impacted by the commissioner's decisions. 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. In some cases, the commissioner's decision is final and non-contestable by local school and community leaders. **IDRA recommends that conferees restore the duties to the State Board of Education that were shifted to the commissioner.**
- **Fair funding should be based on an accurate calculation of costs and student needs, not on the results of a single test.** Outcomes-based funding that fails to consider accessibility to resources needed by local schools tends to exclude schools that most need additional resources to effectively serve their varied student populations. The Senate bill ties funding for several new programs to the outcomes for specific groups of students in the preceding year. Outcomes-based funding funnels money to school districts that are 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 that conferees eliminate all outcomes-based funding.**

The conferees will begin a series of meetings this week to resolve differences between the House and Senate proposals. We look forward to working with policymakers, advocates, educators, parents and students to make the school finance legislation stronger for all Texas students. For more information, please contact Morgan Craven, IDRA National Director of Policy, at morgan.craven@idra.org.

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