



Input for the House Public Education Committee Interim Charge 1

September 30, 2020

Thank you for the request for information regarding the Committee's interim charges. This submission is specifically in response to **Interim Charge 1**, pertaining to implementation of relevant legislation passed by the 86th Legislature, and in particular House Bill 3 (HB 3).

We applaud and appreciate the investment the 86th Texas Legislature made in public education through HB 3. Schools desperately needed this funding to keep up with inflationary costs, increase teacher salaries, and secure the necessary tools and staff to ensure student success. We hope the commitment shown through House Bill 3 is not limited to one legislative session. The need for investments in public education continues.

One of the best aspects of HB 3 is the shift in the sources of funding: The state is paying a greater share of education funding, which provides some relief for local property taxpayers and reduces recapture statewide. However, even before the bill became law, we raised concerns over the long-term sustainability of the state funding needed to pay for continued compression in property tax rates. A greater state investment in public schools deserves much praise, but we must ensure that the state investment continues and increases in a manner sufficient to cover the increased costs of continuing to compress property tax rates, rather than that compression resulting in less funding available for schools.

Understanding that the economic recession will result in limited state revenue and difficult budget decisions, we respectfully suggest a moratorium on property tax rate compression until the state's economy has recovered and those investments can be made. No school should lose funding due to compressed tax rates.

The same could be said for the additional and ongoing costs associated with some of the new programs implemented by HB 3, such as the Teacher Incentive Allotment and College, Career, or Military Readiness Outcomes Bonuses. While that additional revenue is certainly helpful for schools, and such programs are not without merit, they carry ongoing costs. If legislators must make difficult budgetary decisions, we hope that ongoing costs for additional programs such as these will be suspended temporarily to ensure funding is available for the core instructional program funded by the school finance formulas.

HB 3 required that school districts use at least 30 percent of additional funding to provide increased compensation for district employees and it also significantly increased the Minimum Salary Schedule. In order for districts to maintain those increases for employees, schools need to continue receiving the full state funding amounts called for in HB 3. There is no doubt that every Texas school district believes their employees deserved the pay raise provided by the Legislature in HB 3, but a reduction in funding from the state would place an added financial burden on local districts. Once raises are provided, it is very difficult to take them away — for legal and other reasons. Since the vast majority of every school district budget is comprised of salaries for personnel, any funding reductions would certainly impact personnel.

We look forward to working with you and your colleagues in the Texas Legislature during the upcoming 87th Regular Session to maintain the commitment of HB 3 and to make decisions in the best interests of students in the Texas public schools.