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May 21, 2009

The Honorable Florence Shapiro
Chair, Senate Education Committee
Texas Senate
P.O. Box 12068
Austin, Texas 78711-2068

Dear Madam Chair:

The members of the Texas Association of School Administrators (TASA) and the Texas Association of School Boards (TASB) sincerely appreciate your continued efforts to more equitably allocate additional funding to Texas public schools. Many of the provisions included in **CSHB 3646** would greatly assist school districts and alleviate some of the pressures imposed by the current target revenue system.

In particular, school districts across the state would benefit from the following provisions in this version of the bill:

- Setting a floor for the Basic Allotment to help districts that have been frozen at relatively low target revenue levels;
- Providing a minimum increase of \$135 per WADA;
- Allowing districts to use 45 percent of the additional funds allocated to categorical programs to pay for indirect operating costs;
- Extending the mid-size adjustment to Chapter 41 districts;
- Collapsing the TEEG incentive pay program funds into the existing DATE program;
- Providing a permanent roll-forward of the eligibility date for the Existing Debt Allotment;
- Using prior year values for school funding purposes; and
- Allowing flexibility in how districts may allocate the additional funds for educator salary increases.

We urge the Legislature to consider adding the following provisions to this bill, *most of which can be implemented with little or no additional cost*:

- Allow districts to levy two additional pennies without an election;
- Use the 2008-09 adopted Maintenance and Operations tax rate in lieu of an effective or compressed tax rate for Basic Allotment proration;
- Modify the "50-Cent Debt Test" to give districts flexibility to reduce bond repayment costs;
- Recognize the inherent cost of TRS and Social Security benefits within the allocation for the teacher pay raise;
- Allow districts to conduct a tax rate authorization election before final adoption of the districts' budget and tax rate;
- Include a driver for the Basic Allotment tied to increases in statewide local property values;
- Add flexible-day funding for credit recovery programs;
- Include a school board member and school business official on the interim Committee appointed to study the adequacy of weights and allotments and appropriate funds to provide the Committee with the capacity to conduct an independent study;
- Eliminate the current compensatory education set-asides; and

- Since the rules governing the spending of federal stimulus funds are so prescriptive with regard to categorical programs, consider increasing the percentage from 45 to 50 percent of funds provided under this bill that could be used for indirect operating costs.

Senator Shapiro, while we very much appreciate the \$1.87 billion that has been appropriated, we hope you recognize that this is a relatively modest increase in the percentage of funding for public education, particularly in light of the costs associated with implementing the increased academic standards being discussed in HB 3.

Sincerely,



Jacqueline Lain
Associate Executive Director
TASB



Amy Beneski
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TASA