

**SUBJECT:** Creating a commission to study the public school finance system

**COMMITTEE:** Public Education — committee substitute recommended

**VOTE:** 9 ayes — Huberty, Allen, Bohac, Deshotel, Gooden, K. King, Koop, Meyer, VanDeaver

1 nay — Bernal

1 absent — Dutton

**SENATE VOTE:** On final passage, July 25 — 31-0

**WITNESSES:** No public hearing

**DIGEST:** CSSB 16 would create the Texas Commission on Public School Finance to develop and make recommendations for improvements to the school finance system or for new methods of financing public schools. The commission would be composed of 15 members, with five members each appointed by the governor, lieutenant governor, and speaker of the House. The governor would designate the presiding officer of the commission.

**Membership.** The members appointed by the governor would have to have a background in public education and include:

- a public school system administrator;
- a person with a substantive background in state and local taxation;
- a member of the business community; and
- a member of the civic community.

The members appointed by the lieutenant governor and House speaker each would have to consist of:

- three members of the applicable legislative chamber, including the presiding officer of the standing committee of each chamber with

jurisdiction over public education or a representative designated by the presiding officer;

- an administrator in the public school system or an elected member of a school district board of trustees; and
- a current or retired classroom teacher with at least 10 years of teaching experience, provided that one of them specialized or had specialized in special education, bilingual education, or career and technology education.

In making their appointments, the governor, lieutenant governor, and House speaker would coordinate to ensure that the commission membership reflected, to the extent possible, the ethnic and geographic diversity of Texas. The appointments would be made no later than 30 days after the bill took effect.

A commission member would not receive compensation for service but would be entitled to reimbursement for actual and necessary expenses incurred in performing commission duties. Staff of the Texas Education Agency (TEA) would provide administrative support for the commission. Funding for administrative and operational expenses would be provided by an appropriation to TEA for that purpose.

**Recommendations.** The commission would develop recommendations to address issues related to the school finance system, including:

- the purpose of the system and the relationship between state and local funding;
- the appropriate levels of local maintenance and operations and interest and sinking fund tax effort necessary to implement a school finance system that complied with requirements under the Texas Constitution; and
- policy changes to the finance system necessary to adjust for student demographics and geographic diversity.

The commission could establish one or more working groups that included up to five commission members to study, discuss, and address

specific policy issues and recommendations to refer to the commission. The commission would be subject to state open meetings and public information requirements.

By December 31, 2018, the commission would be required to deliver a report to the governor and Legislature that recommended statutory changes to improve the school finance system, including any funding adjustments to account for student demographics. The commission would be abolished January 8, 2019.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the special session.

**SUPPORTERS  
SAY:**

CSSB 16 would begin the process of overhauling an outdated school finance system that the Texas Supreme Court in 2016 said was in need of "transformational, top-to-bottom reforms." The last major reform of the current system, undertaken in 2006, provided only temporary relief to schools and taxpayers, and its limitations are constraining school districts from improving instructional programs.

The commission could start with a clean slate and design a system that considers appropriate funding levels to meet the varying characteristics of Texas students and school districts. Rather than addressing a few aspects of the system with temporary fixes, the commission could take a holistic look at how much money is needed, how to finance the system, and how to spend the revenue to meet requirements of the Texas Constitution and ensure a more sustainable school finance system. While some have called for an immediate infusion of money to address certain aspects of the current system, simply spending more money does not guarantee better schools.

The 15-member commission established by the bill would include legislators, educators, and taxpayers who would have time and resources during the interim to study this complex subject. The commission also could examine whether schools were allocating their resources efficiently

to improve student learning by directing spending to classroom instruction rather than to administration. It is important to include a representative of the business community because that community would be critical to building support for funding and tax reforms.

OPPONENTS  
SAY:

CSSB 16 would create yet another study of a school finance system whose deficiencies are widely known and could be addressed immediately. Now is the time for action to increase the state's share of education funding. Boosting state funding would help improve student learning and provide relief to local taxpayers who have been paying an increasing share of the cost for public schools in recent years.

The commission's effort could end up like many past legislative studies on school finance and other education issues, which have produced recommendations that were not implemented by the Legislature. It also is unclear whether the commission would be sufficiently independent to adopt solutions that might be controversial among some constituencies.

OTHER  
OPPONENTS  
SAY:

CSSB 16 should include more specific directions for the commission to develop recommendations on issues such as funding for high-quality prekindergarten and students with disabilities. The commission should be required to recommend updates to the outdated cost-of-education adjustment to ensure districts have funding to address issues related to their specific circumstances, including geographic isolation or high concentrations of poverty.

NOTES:

A companion bill, HB 191 by P. King, was left pending following a public hearing of the House Committee on Public Education on August 1.

The House committee substitute differs from the Senate-passed bill in that CSSB 16 would:

- include 15 commission members, rather than 13;
- remove a requirement that a member of the State Board of Education sit on the commission;
- require members appointed by the governor to have a background

- in public education and to include a school administrator and a person with a substantive background in state and local taxation;
- require the presiding officer of the standing committee of each chamber with jurisdiction over public education or a representative of the presiding officer to be included among the appointments of the lieutenant governor and House speaker; and
  - remove the requirement for the governor to appoint a current or retired classroom teacher and instead require that the speaker and lieutenant governor each appoint a current or retired classroom teacher with at least 10 years of teaching experience and stipulate that one of them must have a specialty in special education, bilingual education, or career and technology education.