

The education of Texas children is too important to cut back, especially now in the face of significant increases in accountability demands. No districts, other than the highest funded, can afford to have their funding stream cut if they are to meet the challenges of global competition. It is imperative that this committee not reduce funding to districts that are funded at the lowest levels. There are other options than cutting districts and children already funded too low.

Moreover, maintaining inequitable and arbitrarily high funding levels at the expense of an appropriately-funded basic allotment will endanger the viability of the cost-based formula system.

The state must establish a statutory road map to eliminate Target Revenue and fully implement an updated cost-based formula system that applies to every school district and is good enough for every child in Texas. The transition to the new formula system must start immediately and be completed in a reasonable amount of time. (See attachment)

An essential component of the statutory road map must be to reduce high Target Revenue funding levels to a level that is both equitable and adequate for the education of all children – a level of formula funding that lower-funded districts must be brought up to. There is no justification for funding any district above or below that level.

One way of eliminating Target Revenue and saving the state some money would be to fund any new WADA at the funding level established in the statutory road map rather than the Target Revenue amount. For example, Austin ISD's Target Revenue is \$6,100; Lubbock ISD's Target Revenue is \$5,100. Even though AISD's Tier 1 funding is already nearly 20% more than LISD's, any new WADA in AISD will be funded \$1,000 higher than a new WADA would be funded in LISD.

One thing this shortfall has proven is that, when it comes to public education funding, we all share limited resources, and one district's excess creates another district's shortage.

As a funding priority each legislative session, each district whose Tier 1 funding level is less than the *New System's* Tier 1 level will have their Tier 1 revenue calculated as a *decreasing percentage* of their current system funding plus an *increasing percentage* of the new system.

Lower-
Funded
Districts

Move in Increasing
percentages as funds allow

New System
that applies
to all
Districts

Example: When 5%, for example, of the new system is applied to districts with Tier 1 funding levels below the new Tier 1 funding level, this is what it could look like.

