



ISSUES IN FOCUS:

Sustainable Funding for Schools

Legislators should ensure that investments in education will withstand economic turmoil

\$5 BILLION
IS THE COST TO THE
STATE OF PROPERTY-
TAX COMPRESSION
REQUIREMENTS
APPROVED IN 2019.

THE COST OF PROPERTY-
TAX COMPRESSION
IN CURRENT LAW
IS PROJECTED TO
APPROACH
\$10 BILLION
BY 2025.

KEY POINTS TO REMEMBER:

- ▶ From utility costs to retaining teachers in a competitive market, the cost of educating students is rising.
- ▶ The cost of providing property-tax relief, which is billions of dollars per year, is also rising.
- ▶ We support property-tax relief because, among other benefits, it reduces recapture. However, relief should be sustainable.
- ▶ We encourage legislators to deliver property-tax relief without risking future funding for classroom education.
- ▶ Lasting investments in Texas students – the state's future workforce – will help ensure future economic success.

WHY IS SUSTAINABILITY IN EDUCATION FUNDING IMPORTANT?

Public schools need additional revenue per-student. If the state's economy takes a turn for the worse, we do not want legislators to be in a position where they cannot provide necessary revenue for schools because they have committed too many dollars to other priorities.

WHAT HAPPENS IF INVESTMENTS IN EDUCATION ARE NOT SUSTAINABLE?

School districts spend most of their budgets on teachers and other personnel. If districts see reductions in their per-student funding, they may have little choice but to reduce some of the workforce they rely on to serve students. Lasting investments in public education help local education leaders plan and manage their revenue in a prudent way. Legislators have balanced the state budget during prior shortfalls by cutting billions of dollars in education funding, and it took districts many years to recover from those cuts.

HOW DOES PROPERTY-TAX COMPRESSION AFFECT FUNDING FOR SCHOOLS?

As property values across the state increase, it costs the state more and more to hold down local school property tax rates. That's because property-tax compression replaces local revenue with state revenue, and as values increase, there is more local revenue to replace. The amount of money the state commits to other priorities – whether it's property-tax relief, health care, transportation, or something else – inevitably impacts the amount of money available to invest in education.



For more information about Texas School Coalition priorities, please visit:

