

Subcommittee Recommendations: Reforms to Study

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Key Takeaways

Texas should implement student-centered funding reforms at both the state and district level.

The subcommittees should study examples of successful reforms in other states.

Student-Centered Funding



Equity



Portability



Transparency



Autonomy

FSP has a Solid Foundation



Already includes student-centered allocations such as:

Regular Program

Compensatory

Special Education

Bilingual

G&T

Career & Technology

Issue #2: Reliance on Local Property Tax Revenue

Revenue Subcommittee



Issue: Local revenues are a barrier to inter-district school choice.

Research

Limited studies available, but show positive effects on test scores.

District's student achievement a strong predictor of transfer demand.

Reform to Study: Indiana

Barriers to Inter-district Enrollment

Political

“There are folks unhappy they can’t go to school here, and I feel sorry for them, but on the other hand their taxes aren’t supporting education in this community.”

-Paul Reed, deputy superintendent and chief business official of Newport-Mesa Unified

“Capacity concerns may often be valid...However, cases in which transfer applicants are rejected may more closely reflect the principal’s or superintendent’s concerns over peer effects than concerns over actual capacity constraints.”

-Randal Reback, “Supply and Demand in a Public School Choice Program

Reform to Study: Indiana



Barriers to Inter-district Enrollment

Financial

Additional student usually generates fewer dollars than district's average per pupil spending.

Districts can charge tuition to cover gap.

Effects of an Additional Student on Revenue: Dallas County School Districts

District	Current Per Pupil M&O Revenue	Revenue from One Additional Student	M&O Gap
Highland Park	\$7,390	\$6,214	(\$1,176)
Carrollton-Farmers Branch	\$8,590	\$7,426	(\$1,164)
Duncanville	\$7,255	\$6,739	(\$516)
Irving	\$7,873	\$7,436	(\$437)
Garland	\$7,294	\$6,875	(\$419)
Desoto	\$7,678	\$7,309	(\$369)
Cedar Hill	\$6,998	\$6,644	(\$354)
Mesquite	\$7,218	\$6,894	(\$324)
Grand Prairie	\$7,695	\$7,408	(\$287)
Dallas	\$7,544	\$7,280	(\$264)
Lancaster	\$6,588	\$6,552	(\$36)
Richardson	\$6,734	\$6,803	\$69
Coppell	\$6,762	\$6,947	\$185
Sunnyvale	\$7,339	\$7,871	\$532

Source: Estimates based on Texas Education Agency's 2017-18 Tuition Limit Report.

Reform to Study: Indiana



HEA 1001

Taxpayer revolt in 2007.

2008- eliminated property tax levies as General Fund revenue source for education.

Inter-district transfers grew from <3,000 before to over 52,000 today.

Most students transfer to top performing districts.

Helped pave way for other reforms that improved funding equity, according to an Indiana University report.

Other Reforms to Study

Issue	Subcommittee	Model(s) to Study
Weighted student formula allocation weights	Expenditures	Hawaii's committee on weights
District-level school finance reforms	Expenditures	Denver Public Schools Indianapolis
Financial Transparency	Outcomes	Colorado Arizona (recent) Mississippi (pending)
Open Enrollment	Outcomes	Florida

Thank You

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APPENDIX

Student-Centered Funding



Funding allocated based on student need.

Example

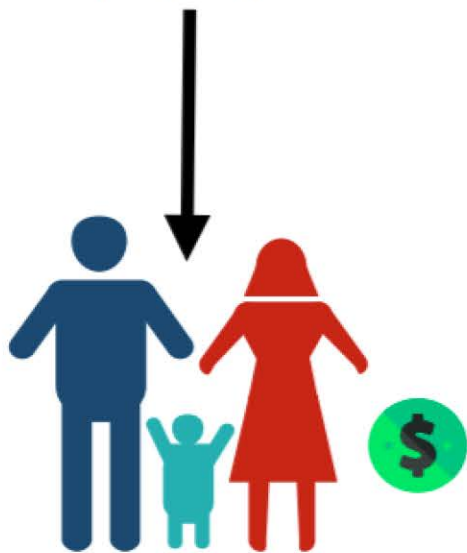
Base Allotment: \$7,000 plus additional weights for:

- Economically Disadvantaged (0.15)
- English Language Learner (0.25)
- K-3 (0.05)
- Special Education (Various Categories)

*Dollar amounts and weights for illustrative purposes only

Example: Economically Disadvantaged Student

\$8,050



Home District School



Charter School



Out-of-District School



Private School
(Participating)

“We want to allow students in that are very intentional about being great academic scholars (and) have a solid academic background. I don’t know how other districts do it, but we are going to be very selective.”

-Robert O’Connor, Sharyland ISD Superintendent