



From the Desk of
Representative
Dan Flynn



The Flynn Report

March 18, 2005

Greetings constituents, supporters and friends:

The last two weeks have been the most tumultuous and intense days I have spent in the Texas House of Representatives. Despite the distractions from the many well-meaning groups, I feel all of the members have realized the importance of the work we are doing for the future of Texas.

The two bills passed by the House during this period were House Bill 2 (HB2) (the Public Education bill) and House Bill 3 (HB3) (the Property Tax Relief Bill). The bills generated much interest, support and opposition, as there were many concerns we all shared. Both bills were contentious and well debated. As I have said so often the passage of these bills is not the end of the process only the first step in a long process yet to be played. They now go to the Senate for their efforts on the two bills. It can be expected the Senate will substitute their bills for both of these bills and they will be different. I do know the Senate will have the same difficulties we had on these bills with many of the same issues.

House Bill 2 (HB2) passed after two days of debate and the adoption of 63 amendments. This means the final bill is different than the one that originally came out of committee. If we had not passed HB3 this legislative session, the \$3 billion set aside for the increase in education spending would likely have been absorbed elsewhere in the state's budget. We could not afford to let that happen.

In HB2, every school district in Texas is guaranteed at least a 3% increase in their per pupil funding or \$3 billion statewide and would have been guaranteed nothing had it failed. Some districts will see as much as an eight percent increase. Finally, and very important to those who are teachers, a late night amendment was added to HB2 that resulted in a pay increase of up to \$3,000 for teachers, counselors, librarians, and school

nurses, or 44% of the 3% increase in funding sent to their school district, whichever is less.

The problem on school finance has always been that we have 3 groups involved in the discussion and they are not always working for the same goals and do not have the same view of the problem. It has been the desire to try to build a consensus on this and none of the sides have been willing to compromise.

HB2 will bring about major changes in the formulas for distribution of funds to the districts. The switch is from a weighted number to an actual dollar figure for many programs. This gives more transparency and openness to the funding system. The bill adds incentive programs for improved performance most of them are to be developed by the district. The bill has voter approval for any property tax increase and moves school board elections to the November date, which will significantly increase local citizen participation in the elections.

There were critical questions that had to be addressed and we needed to assess how much money was needed to be able to determine what measures we had to take to provide the revenue. Many have been working on school finance for years and the recommendation was for the bills to be broken up so that the critical questions could be answered in the right order. How much new money was to go to schools? If any, how the money would be distributed by formulas and what future money needs are contemplated? What reforms are needed in our public schools? And how much property tax relief could be provided?

The three perspectives of school finance are the property tax payer, the teachers and families with children in our public schools and the business owners. In all of our surveys throughout the state property tax payers feel that property tax is too high and needed relief. Surveys indicate over 85% of these are in the public school. Some of these but not all of the people who have children would like to see more money in the classroom. The education groups all want more money and always say they do not have enough. Since there will be more transparency in the use of their school dollars parents will be able to see if the money is being used in the classroom for their child as intended. There will be more money in the classroom and will have more pay and opportunity for teachers. I do understand the demands placed on the school districts and do have sympathy for many of their concerns but we have been told that the amount of money in HB2 is all there is available and all that will be available and it is much better than the alternative of retaining current formulas with the \$1.50 cap and recapture. I believe small business has been treated fairly in the bill. There is choice left to the business groups in

how to handle the franchise tax and I believe for most of them there will be a very good choice to make once they study their own business and their own situation. However, when it comes to paying for schools many of them feel they are already taxed at a high rate and if they have an exemption they need to keep that exemption from taxes. I believe there is plenty of room in the structure for choice and for good business decisions that will keep these taxes fair.

Chairman Kent Grusendorf was ably assisted by all the members of his committee. Probably two of the most valuable supporting players who were particularly instrumental in that effort on the HB 2 team were State Representatives Rob Eissler, and Bill Keffer both second-term members. Eissler had the unique perspective of having served as a former longtime school board member. Both had much influence with the House's large Republican sophomore class

The Senate is now working on their version of a plan to address education reform and funding. Upon its completion, the Senate bill will come back to the House for a vote. It is very unlikely that the House will accept the Senate version so a conference committee will be named consisting of House and Senate members. At this point a compromise will be reached and will be again presented for acceptance by both the House and Senate. I continue to desire a plan that is fair to our teachers, business owners, and property owners while providing access to a quality education for the school children of Texas.

With the questions from HB2 answered we were able to move forward and address the revenue side of the proposal, which was HB3. In order to keep these reports as compact and concise as possible I will address HB3 in another report to follow immediately.

We continue to welcome your input and your questions. Contact our office located in the Capitol extension: E1.324. Mailing address: P. O. Box 2910, Austin, TX, and 78768 phone number 512-463-0880. Email: dan.flynn@house.state.tx.us.

If you know someone who is not receiving our report please forward this email to them and let them know they can sign up to receive it.

God bless you and God bless Texas,

Dan Flynn
State Representative, District - 2

If your name is on this email list in error, please respond and say UNSUBSCRIBE