

From the office of
Texas State Representative - Dan Flynn

THE FLYNN REPORT

Newsletter

March 30, 2004

Greetings constituents, supporters and friends:

As the legislature continues to look at public school finance, some interesting statistics have been provided from a group called 'Americans for Prosperity.' Their conclusion is that Texans need more education for our dollars, NOT more dollars for education. They point out that Texas education spending has increased 26.5 percent since 1998, while enrollment has increased by only 7 percent. In the recent NEA rankings for 2002-2003 Texas ranked second among the 50 states in total public education expenditures. It is becoming increasingly clear that Texans are demanding true reform in education not a defense of the status quo. Texas teachers, taxpayers and our children deserve a system of education that promotes academic excellence through efficiency, accountability and competition.

At this time the governor has not decided to call a special session. He did tell an education group that he will insist on four principal concepts if he calls the legislature into a special session later this spring to consider public education issues. He outlined his points as follows:

- Educational **excellence**.
- Maintaining funding **equity** while eliminating "Robin Hood."
- Protecting the state's **job creation** climate.
- Cutting, capping and **controlling property taxes**.

The House Select Committee on Public School Finance continues to hold meetings in Austin. Their meetings are open to the public where they continue to take public testimony as they review the recommendations made by the various sub-committees.

They have been looking at eight areas: Cost Adjustment, Governance, Facilities, Alternative Methods of Delivery, Benefits and Compensation, Dropout and Completion, Accountability and Incentives, and High School and Transitions to Higher Education.

There continues to be excellent presentations from experts from all over the country as well as testimony from teachers, parents, administrators and businesses. Their presentations are being well received by the committee. The committee will continue with this effort to provide input to guide the legislature.

It has been previously stated there are about 7 questions we need to look at as we tackle public school finance. They are as follows:

- 1) What is the adequate amount of money with which we can provide an excellent

education?

- 2) Politically determine how much we will reduce property tax, or totally eliminate it?
- 3) Where do we find the funds- including replacement, both tax, and non-tax sources?
- 4) What amount of local enrichment will be allowed, while maintaining equity that our constitution requires?
- 5) Timing- over what period of time?
- 6) What will be the method of distribution of funds (i.e. block grants, vouchers etc.)?
- 7) What reforms and changes in the system are needed to retain a high level of accountability for efficiency, and productivity?

In reference to the above questions the committee received the adequacy report to help determine what is needed for a good education for all. Based on the findings of the adequacy report, some schools will require additional funding based on different student needs. The average cost for most was around \$6200 per student, which is currently being provided. There is no doubt that these findings will prove to be controversial. There will be additional discussion on the adequacy report before any special session.

In regards to property tax reduction suggestions include trying to reduce it from the current 1.50 cap to anywhere from .25 to 1.00. Remember, if we reduce it by as much as .50 we must come up with approximately 5.5 billion to replace the reduction.

We are obviously looking at a wide range of various revenues to replace any property tax reduction. However, I am certain a state income tax is not the one we will use. There is no consensus as to the sources of revenue at this time. Since Texas has changed from an oil and property rich state additional revenues must be found. They will include taxing some services, increase in cigarettes tax, expansion of the lottery, etc. All of these avenues have some support but at this time no consensus. Some in Austin are considering several proposals to replace a portion of the local school property tax with a **Business Activity Tax (BAT)** or a statewide business activity tax (better known as a value-added tax), as part of the effort to eliminate "Robin Hood." at this time this effort has limited support. As you might guess replacing and finding additional revenue is most difficult.

Governor Perry has stated that the creation and retention of jobs is one of his top priorities he has gone on to say, "The State of Texas is now one of the most aggressive states in the nation when it comes to competing for jobs, and Texas' job creation climate is ideal. We recognize there is no more stable source of revenue for education, health care and other critical public investments than good-paying jobs and economic growth."

In the event the Governor does call a special session items that might be considered for the special session could include looking into is a senior citizen prescription discount drug card, and making modifications to the dry cleaner's remediation bill. I look forward to hearing from you on the difficult task the legislature is facing as we work towards solving this public school finance crisis. Our most important resource is our children, and providing them with funds to improve their education and programs to enrich their

lives, and ultimately their future, is an important task we as the Legislature take very seriously.

A matter of note, for the first time since the elder George Bush last ran for president, the number of Republican voters went down while Democrats reversed their downward trend and turned out more votes than the GOP in the recent primary. The primary results were bittersweet in some respects while we were elated that every House Republican incumbent won their election several key Democrats lost. They were targets because of working to build bridges with the Republican leadership. Speaker Craddick said it very well when he said, "Bipartisanship is a goal and a Texas tradition, but it requires participation from both sides. The plaintiffs bar and other Democratic Party leaders who pushed good men out the door have indicated to me that they prefer to build walls between the parties, not bridges."

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My staff and I welcome your input and your questions. You can reach us in our office located in the Capitol extension: E1.324. Mailing address: **P. O. Box 2910, Austin, TX, 78768** phone number **512-463-0880**. **Canton District office** is located in The American National Bank Building in Canton on Highway 243: **P. O. Box 999, Canton, TX, 75103** phone number **903-567-0921**. **Greenville District office** is located in The Paul Mathews Exchange Building, Suite 802, 2500 Stonewall, Greenville phone number **903-455-0971**. Email: **dan.flynn@house.state.tx.us**.

God bless you and God bless Texas,

Dan Flynn
State Representative, District - 2

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