

PROCLAMATION

Pursuant to Rule 1, Section 16, House Rules, I, Tom Craddick, Speaker of the House, create the House Select Committee on Public School Finance. The committee has jurisdiction over all matters pertaining to expenditures with regard to the state's obligations under Article 7, Section 1 of The Texas Constitution. The committee's jurisdiction includes such matters as: the efficiency of the school finance system in supporting student success; the availability and distribution of revenues for public education; adjustments for uncontrollable variations in the costs of education; aspects of health insurance for public school employees pertaining to compensation; and other related matters.

The committee shall have 23 members appointed by the Speaker and has the same authority as is conferred on standing committees under the rules of the house.

MEMBERSHIP

Rep. Kent Grusendorf (chair)

Rep. Vilma Luna (vice-chair)

Rep. Dan Branch

Rep. Dianne White Delisi

Rep. Timoteo "Timo" Garza

Rep. Helen Giddings

Rep. Bob Griggs

Rep. Peggy Hamric

Rep. Talmadge Heflin

Rep. Fred Hill

Rep. Elizabeth Ames Jones

Rep. Jim Keffer

Rep. Mike Krusee

Rep. Glenn Lewis

Rep. Jerry Madden

Rep. Ken Marchant

Rep. Rene Oliveira

Rep. Jim Pitts

Rep. Allan Ritter

Rep. David Swinford

Rep. Ron Wilson

Rep. Ruben Hope

Rep. Michael Villarreal

SELECT COMMITTEE ON PUBLIC SCHOOL FINANCE

OVERVIEW

The Select Committee on Public School Finance is composed of 23 Texas House members appointed by the Speaker of the House and four ex officio members appointed by the Governor. The chairman will be Representative Kent Grusendorf (R-Arlington), and the vice-chair will be Vilma Luna (D-Corpus Christi).

Craddick's charges to the select committee are as follows:

- Devise a school finance system that promotes success for all Texas children.
- Use the constitutional requirements outlined in *Edgewood IV* as a starting point for developing a new school finance system; Texas cannot afford to retreat on equity.
- Include rational cost adjustments for uncontrollable variations in the costs of education due to geography, scale, and the needs of students.
- Create incentives for improved student performance and cost-effective operation.
- Recommend fairer methods of finance that will sustain Texas schools for the long term and that will substantially increase the state's share of funding for public education.

Over the next few weeks the committee will: identify the major questions that will need to be addressed to fulfill these charges, specify "the general diffusion of knowledge" in terms that are aligned with recent court decisions, and work with leading state and national experts in the economics of education to specify the technical analyses that will be required to engineer a new Texas school finance system that is aligned with the results schools are expected to achieve.

Technical analyses for the select committee will be conducted in three phases: (1) analyses of the costs of achieving the state's educational goals; (2) a period of comment and revision to engage policymakers and stakeholders; and (3) a period of public engagement to inform the Texas public. Together, these three phases not only will enable policymakers to design and implement a new Texas school finance system that is directly aligned with the state's academic goals. Also, it will inform national discussions about the connections between school funding and academic results.

Technical analyses for this project will be conducted by faculty and researchers from The University of Texas at Austin and Texas A&M University. Other researchers will be added later. Dr. Lori Taylor, senior economist and policy advisor with the Federal Reserve Bank of Dallas and a leading state and national expert in the economics of education, will direct the technical analyses as principal researcher.

Several distinguished national experts representing a diversity of perspectives will provide technical review for the project. These experts will include Jay Chambers of the American Institutes for Research, Margaret Goertz of the University of Pennsylvania, and James Guthrie of Vanderbilt University. Other technical reviewers will be added later.

A project team organized through the Charles A. Dana Center at UT Austin and housed at the state capitol will provide day-to-day project management. The project team, which will be led by Dr. Harrison Keller, senior policy analyst for education for Speaker Tom Craddick, will facilitate communication among the researchers, policymakers, and key stakeholders. The project team will also compile and disseminate the committee's findings and recommendations.



TEXAS HOUSE OF REPRESENTATIVES

**TOM CRADDICK
SPEAKER**

April 29, 2003

The Honorable Kent Grusendorf
House of Representatives
P.O. Box 2910
Austin, Texas 78768-2910

Dear Kent:

Our school finance system is approaching a crisis. Already, more than 70 percent of Texas students attend school in districts that are at or near the \$1.50 statutory cap on local property taxes, including many districts that are required to send away considerable portions of local tax revenues due to the controversial "Robin Hood" system. Meanwhile, the state's share of funding for public education has dwindled to nearly 40 percent. This crisis comes even as we are asking more from our Texas schools in terms of student performance. This year alone, we are curbing the practice of social promotion, administering more challenging tests in more subjects, and working to close achievement gaps so that Texas will truly leave no child behind.

Today I am appointing you to the Select Committee on Public School Finance. This committee will be charged to devise a permanent and equitable solution to public school finance that promotes success for all Texas children. I am appointing you as chair of this committee and Vilma Luna as vice-chair.

I have attached copies of the press release from my office outlining my charges to the committee, and a short description of the major work that needs to be done. If you have questions concerning this appointment, please contact Dr. Harrison Keller at 512/463-1546. Harrison is my senior policy analyst for education and will serve as the project director for the technical aspects of the committee's work.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Craddick".

**TOM CRADDICK
Speaker**

TC/hkt

Enclosures (2)

cc: Appointment Distribution List
Vice-Chair Vilma Luna



TEXAS HOUSE OF REPRESENTATIVES

TOM CRADDICK
SPEAKER

April 29, 2003

The Honorable Vilma Luna
House of Representatives
P.O. Box 2910
Austin, Texas 78768-2910

Dear Vilma:

Our school finance system is approaching a crisis. Already, more than 70 percent of Texas students attend school in districts that are at or near the \$1.50 statutory cap on local property taxes, including many districts that are required to send away considerable portions of local tax revenues due to the controversial "Robin Hood" system. Meanwhile, the state's share of funding for public education has dwindled to nearly 40 percent. This crisis comes even as we are asking more from our Texas schools in terms of student performance. This year alone, we are curbing the practice of social promotion, administering more challenging tests in more subjects, and working to close achievement gaps so that Texas will truly leave no child behind.

Today I am appointing you to the Select Committee on Public School Finance. This committee will be charged to devise a permanent and equitable solution to public school finance that promotes success for all Texas children. I am appointing you as vice-chair of this committee and Kent Grusendorf as chair.

I have attached copies of the press release from my office outlining my charges to the committee, and a short description of the major work that needs to be done. If you have questions concerning this appointment, please contact Dr. Harrison Keller at 512/463-1546. Harrison is my senior policy analyst for education and will serve as the project director for the technical aspects of the committee's work.

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A handwritten signature in black ink, appearing to read "Tom Craddick".

TOM CRADDICK
Speaker

TC/hkt

Enclosures (2)

cc: Appointment Distribution List
Chairman Kent Grusendorf

**SPEAKER TOM CRADDICK ESTABLISHES
SELECT COMMITTEE ON PUBLIC SCHOOL FINANCE:**

“PUT THE EDUCATIONAL NEEDS OF TEXAS CHILDREN FIRST”

AUSTIN -- Speaker Tom Craddick Tuesday announced the appointment of a select committee to find a permanent and equitable solution to public school finance.

This panel will work with the Speaker and with leading state and national experts in the economics of education to engineer a school finance system that will for the first time be aligned with the results Texas schools are expected to achieve. Speaker Craddick's charges to the select committee are as follows:

- Devise a school finance system that promotes success for all Texas children.
- Use the constitutional requirements outlined in *Edgewood IV* as a starting point for developing a new school finance system; Texas cannot afford to retreat on equity.
- Include rational cost adjustments for uncontrollable variations in the costs of education due to geography, scale, and the needs of students.
- Create incentives for improved student performance and cost-effective operation.
- Recommend fairer methods of finance that will sustain Texas schools for the long term and that will substantially increase the state's share of funding for public education.

“The current school finance system is approaching a crisis, in part because it is too heavily leveraged on local property taxes. I continue to believe that the Robin Hood system is unfair and needs to go,” Craddick said.

“The problem is bigger than Robin Hood, however. The state's share of public education funding has declined to irresponsibly low levels, because the system was set up to allow the state to shift the burden of paying for public education to local property taxpayers. That system shortchanges our schools, and it needs to end.”

“While there are deep problems with the current methods of financing public education, even more worrisome is that this crisis comes at the same time that we are asking more from Texas schools. This year we are beginning to curb the practice of social promotion, administering more challenging tests in more subjects, and working to close achievement gaps so that Texas will truly leave no child behind,” Craddick said..

“Over the last few weeks, several plans have been outlined, but no one has offered a plan that is designed to sustain the next round of education reform. So that is my No. 1 charge to the committee: Devise a school finance system that promotes success for all Texas children.

“One of the basic lessons I learned in business is that you don't try to spend your funds without knowing how much something costs to produce. So it would be short-sighted to try to address methods of finance without first making sure that we address our children's educational needs.”

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“The reform of the entire school finance system is a massive endeavor, and I appreciate that all of these members still have much to do in the last weeks of the session. But I call on them to be diligent and vigorous and to begin work right away,” Craddick said.

“House Bill 5 sets a target date of September 1, 2004, and I am already working with Governor Perry to deploy funds to support the necessary technical analyses and to ensure that we will come together in a special session to implement a school finance system that puts the educational needs of Texas children first.”

-- 30 --

For Further Information, Contact:
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