



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 14, 2008

Outline of Testimony of Lynn M. Moak
October 14, 2008
Senate Education Committee and the
Subcommittee on Property Appraisal and Revenue Caps

Review of 42.001 and 42.002 (State Policy and Purpose)

Concepts:

- Appropriate and equal access to programs and services based on student needs
- Support independent of local economic factors
- Adequate resources for basic instructional program and facilities
- Commitment to standard of “substantially equal access to similar revenue per student after adjustment for student and community cost differentials
- Financing for high levels of student performance plus enrichment

1. Problem: The school finance system of today fails to meet the standards of state policy set forth in Sections 42.001 and 42.002, Education Code despite improvements over the long term. Old and new hold harmless provisions combined with out of date formulas prevent the presentation of a complete system.

Solution: Over the next four years, rehab the formulas to eliminate old hold harmless provisions of 1997, 1999, and 2001, establish a Tier One Level of adequacy, and a Tier Two equalization level with updated research based formula changes.

2. Problem: The target revenue system currently in place provides a widely disparate level of funding among districts creating both equity and adequacy concerns.

Solution: Provide a floor to target revenue per student to temporarily improve equity pending modification of the system.

3. Problem: Current target revenue system established based on 2005-06 or 2006-07 funding levels does not provide funding through 2010-11 for higher costs of current programs brought about by inflation or increased state standards.

Solution: Adjust target revenue for next biennium levels to provide for inflation and higher state standards.

4. Problem: The current high school allotment and special program weights provide insufficient funding for an enhanced curriculum and college ready program for all students.

Solution: Increase the High School Allotment (or create alternative program funding) to original proposed levels and distribute on modified weighted basis.

5. Problem: Tax rate enrichment funding (Tier IIC) creates problems for both the educator and the taxpayer.

Solution: Move tax rate election date to May or November; provide for tax rate authorization levels.

6. Problem: The new law has created an overuse of the Chapter 41 designation.

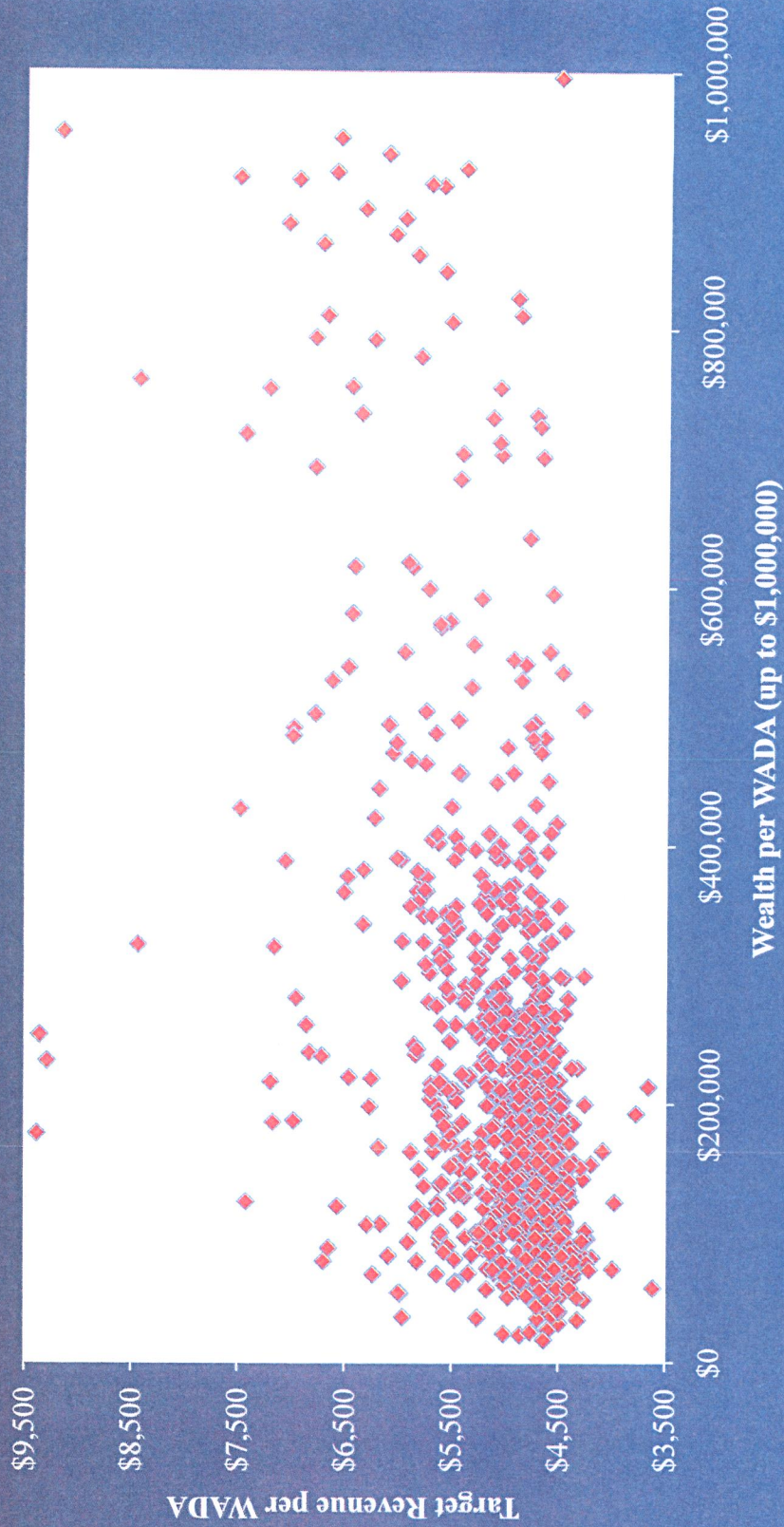
Solution: Standardize the recapture level at the 88th percentile for all purposes

7. Problem: Reductions in state share are eroding the roughly 50-50 state-local split established for 2006-07.

Solution: reinvest property value growth in public education and use the Chapter 46 debt service programs to provide additional tax relief

Base Target Revenue per WADA

Base Target Revenue per WADA
State



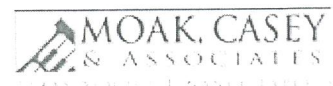
September 26, 2008

TARGET REVENUE PER WADA DISTRIBUTIONS

Target Revenue per WADA	Number Districts	2007-08 Enroll
< \$4,250	18	9,694
\$4,250 to < \$4,500	97	257,842
\$4,500 to < \$4,750	366	1,502,893
\$4,750 to < \$5,000	191	981,796
\$5,000 to < \$5,250	112	814,694
\$5,250 to < \$5,500	62	569,862
\$5,500 to < \$5,750	64	279,670
\$5,750 to < \$6,000	32	78,177
>= \$6,000	88	83,720

TWO LOWEST AND HIGHEST TARGET REVENUE PER WADA (ONLY K-12 DISTRICTS) BY SENATORIAL DISTRICT

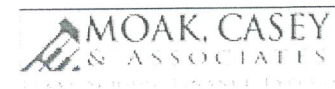
SENATE DIST	SENATOR	DISTRICT NUMBER	DISTRICT NAME	2007-08 Enroll	% IN DIST	Target Revenue per WADA
1	Eltife, Kevin	201907	MOUNT ENTERPRISE ISD	411	100.0%	\$4,207
1	Eltife, Kevin	201908	OVERTON ISD	528	100.0%	\$4,373
1	Eltife, Kevin	183902	CARTHAGE ISD	2,811	100.0%	\$6,572
1	Eltife, Kevin	183901	BECKVILLE ISD	585	100.0%	\$6,677
2	Deuell, Bob	112907	MILLER GROVE ISD	243	100.0%	\$4,246
2	Deuell, Bob	112908	COMO-PICKTON CISD	852	100.0%	\$4,291
2	Deuell, Bob	234904	GRAND SALINE ISD	1,159	100.0%	\$5,465
2	Deuell, Bob	199901	ROCKWALL ISD	13,064	100.0%	\$5,759
3	Nichols, Robert	003906	ZAVALLA ISD	486	100.0%	\$4,081
3	Nichols, Robert	003904	HUNTINGTON ISD	1,728	100.0%	\$4,183
3	Nichols, Robert	229903	WOODVILLE ISD	1,286	100.0%	\$5,904
3	Nichols, Robert	174902	CUSHING ISD	500	99.0%	\$6,694
4	Williams, Tommy	181905	ORANGEFIELD ISD	1,671	100.0%	\$4,388
4	Williams, Tommy	146907	TARKINGTON ISD	1,994	100.0%	\$4,402
4	Williams, Tommy	146905	HULL-DAISETTA ISD	556	100.0%	\$5,382
4	Williams, Tommy	036902	BARBERS HILL ISD	3,708	100.0%	\$6,785
5	Ogden, Steve	228901	GROVETON ISD	686	100.0%	\$4,354
5	Ogden, Steve	228903	TRINITY ISD	1,170	100.0%	\$4,461
5	Ogden, Steve	198901	BREMOND ISD	459	87.0%	\$7,479
5	Ogden, Steve	198903	FRANKLIN ISD	1,023	100.0%	\$8,437
6	Gallegos, Mario	101909	NORTH FOREST ISD	8,369	35.0%	\$4,699
6	Gallegos, Mario	101917	PASADENA ISD	50,757	51.0%	\$4,703
6	Gallegos, Mario	101902	ALDINE ISD	60,083	37.0%	\$4,962
6	Gallegos, Mario	101912	HOUSTON ISD	199,534	29.0%	\$5,102
7	Patrick, Dan	101907	CYPRESS-FAIRBANKS ISD	96,837	86.0%	\$4,489
7	Patrick, Dan	101915	KLEIN ISD	42,935	71.0%	\$4,806
7	Patrick, Dan	101920	SPRING BRANCH ISD	32,040	37.0%	\$5,270
7	Patrick, Dan	101921	TOMBALL ISD	9,388	83.0%	\$5,783
8	Shapiro, Florence	043901	ALLEN ISD	17,102	100.0%	\$5,171
8	Shapiro, Florence	057905	DALLAS ISD	157,804	8.0%	\$5,230
8	Shapiro, Florence	043905	FRISCO ISD	27,418	97.0%	\$5,454
8	Shapiro, Florence	043907	MCKINNEY ISD	22,426	93.0%	\$5,469
9	Harris, Chris	220901	ARLINGTON ISD	62,863	61.0%	\$4,627
9	Harris, Chris	057910	GRAND PRAIRIE ISD	25,317	100.0%	\$4,638
9	Harris, Chris	057922	COPPELL ISD	9,948	46.0%	\$5,433
9	Harris, Chris	061902	LEWISVILLE ISD	49,636	76.0%	\$5,461
10	Brimer, Kim	220914	KENNEDALE ISD	3,081	100.0%	\$4,589
10	Brimer, Kim	220901	ARLINGTON ISD	62,863	39.0%	\$4,627
10	Brimer, Kim	220905	FORT WORTH ISD	78,857	79.0%	\$4,764
10	Brimer, Kim	220919	CARROLL ISD	7,831	50.0%	\$5,615



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TWO LOWEST AND HIGHEST TARGET REVENUE PER WADA (ONLY K-12 DISTRICTS) BY SENATORIAL DISTRICT

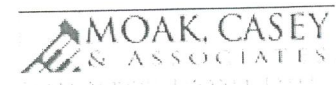
SENATE DIST	SENATOR	DISTRICT NUMBER	DISTRICT NAME	2007-08 Enroll	% IN DIST	Target Revenue per WADA
11	Jackson, Mike	084909	SANTA FE ISD	4,517	100.0%	\$4,645
11	Jackson, Mike	101917	PASADENA ISD	50,757	50.0%	\$4,703
11	Jackson, Mike	084902	GALVESTON ISD	7,903	40.0%	\$5,651
11	Jackson, Mike	084906	TEXAS CITY ISD	5,899	100.0%	\$5,706
12	Nelson, Jane	220902	BIRDVILLE ISD	22,063	97.0%	\$4,588
12	Nelson, Jane	220917	CASTLEBERRY ISD	3,422	91.0%	\$4,594
12	Nelson, Jane	061911	NORTHWEST ISD	11,898	76.0%	\$6,460
12	Nelson, Jane	061906	PONDER ISD	1,114	91.0%	\$6,830
13	Ellis, Rodney	101903	ALIEF ISD	45,183	47.0%	\$4,674
13	Ellis, Rodney	101909	NORTH FOREST ISD	8,369	57.0%	\$4,699
13	Ellis, Rodney	079910	STAFFORD MSD	2,922	96.0%	\$5,083
13	Ellis, Rodney	101912	HOUSTON ISD	199,534	36.0%	\$5,102
14	Watson, Kirk	227904	PFLUGERVILLE ISD	20,807	100.0%	\$4,882
14	Watson, Kirk	227910	DEL VALLE ISD	9,234	92.0%	\$5,134
14	Watson, Kirk	227909	EANES ISD	7,325	100.0%	\$5,911
14	Watson, Kirk	227912	LAGO VISTA ISD	1,239	100.0%	\$5,970
15	Whitmire, John	101905	CHANNELVIEW ISD	8,428	100.0%	\$4,687
15	Whitmire, John	101910	GALENA PARK ISD	21,114	53.0%	\$4,808
15	Whitmire, John	101911	GOOSE CREEK CISD	20,354	49.0%	\$5,446
15	Whitmire, John	101924	SHELDON ISD	5,811	100.0%	\$6,180
16	Carona, John	057909	GARLAND ISD	57,169	45.0%	\$4,652
16	Carona, John	057916	RICHARDSON ISD	34,180	85.0%	\$5,012
16	Carona, John	057905	DALLAS ISD	157,804	33.0%	\$5,230
16	Carona, John	057911	HIGHLAND PARK ISD	6,324	100.0%	\$5,608
17	Janek, Kyle	020907	COLUMBIA-BRAZORIA ISD	3,106	74.0%	\$4,618
17	Janek, Kyle	101903	ALIEF ISD	45,183	53.0%	\$4,674
17	Janek, Kyle	084902	GALVESTON ISD	7,903	60.0%	\$5,651
17	Janek, Kyle	123913	SABINE PASS ISD	278	100.0%	\$6,620
18	Hegar, Glenn	062904	YORKTOWN ISD	606	100.0%	\$4,518
18	Hegar, Glenn	089903	NIXON-SMILEY CISD	1,003	95.0%	\$4,571
18	Hegar, Glenn	158905	PALACIOS ISD	1,525	100.0%	\$6,472
18	Hegar, Glenn	196901	AUSTWELL-TIVOLI ISD	152	100.0%	\$7,690
19	Uresti, Carlos	015913	LACKLAND ISD	860	100.0%	\$3,581
19	Uresti, Carlos	233901	SAN FELIPE-DEL RIO CISD	10,273	100.0%	\$4,274
19	Uresti, Carlos	222901	TERRELL COUNTY ISD	152	100.0%	\$7,427
19	Uresti, Carlos	248902	WINK-LOVING ISD	332	100.0%	\$12,147
20	Hinojosa, Juan	125903	ORANGE GROVE ISD	1,754	100.0%	\$4,570
20	Hinojosa, Juan	178909	ROBSTOWN ISD	3,567	100.0%	\$4,572
20	Hinojosa, Juan	024901	BROOKS COUNTY ISD	1,539	100.0%	\$6,050
20	Hinojosa, Juan	178908	PORT ARANSAS ISD	534	100.0%	\$6,859



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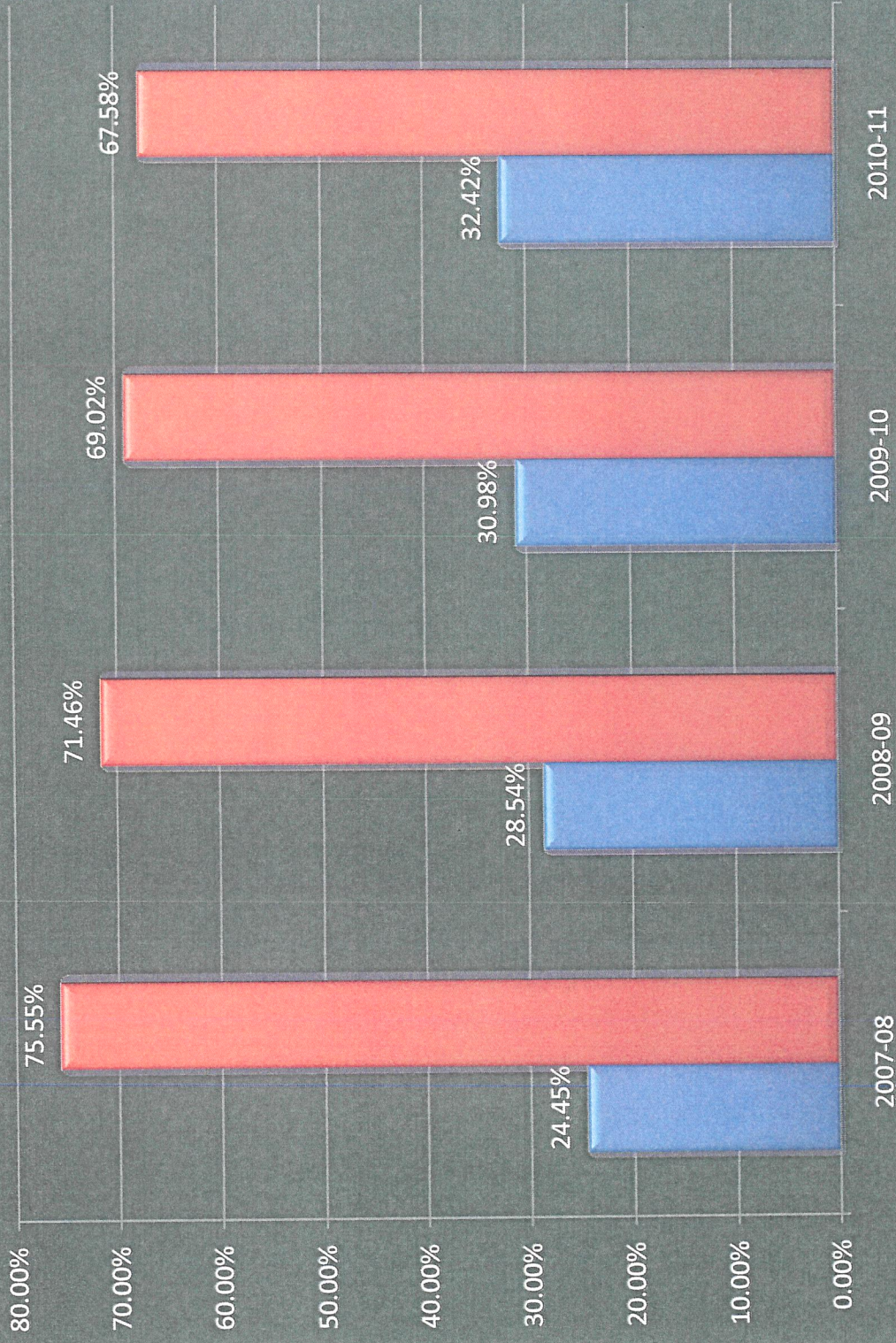
SENATE DIST	SENATOR	DISTRICT NUMBER	DISTRICT NAME	2007-08 Enroll	% IN DIST	Target Revenue per WADA
21	Zaffirini, Judith	082902	DILLEY ISD	870	100.0%	\$4,430
21	Zaffirini, Judith	013901	BEEVILLE ISD	3,574	100.0%	\$4,483
21	Zaffirini, Judith	162904	MCMULLEN COUNTY ISD	162	100.0%	\$9,495
21	Zaffirini, Judith	240904	WEBB CISD	369	100.0%	\$10,639
22	Averitt, Kip	073901	CHILTON ISD	427	100.0%	\$4,259
22	Averitt, Kip	018905	WALNUT SPRINGS ISD	212	100.0%	\$4,270
22	Averitt, Kip	126911	GODLEY ISD	1,506	99.0%	\$6,649
22	Averitt, Kip	213901	GLEN ROSE ISD	1,681	100.0%	\$7,506
23	West, Royce	057907	DUNCANVILLE ISD	12,467	100.0%	\$4,678
23	West, Royce	057906	DESOTO ISD	8,889	73.0%	\$4,679
23	West, Royce	057904	CEDAR HILL ISD	7,867	65.0%	\$4,862
23	West, Royce	057905	DALLAS ISD	157,804	56.0%	\$5,230
24	Fraser, Troy	167903	STAR ISD	66	100.0%	\$3,613
24	Fraser, Troy	025906	ZEPHYR ISD	197	100.0%	\$4,228
24	Fraser, Troy	086901	FREDERICKSBURG ISD	2,823	100.0%	\$5,747
24	Fraser, Troy	221911	JIM NED CISD	1,047	98.0%	\$5,751
25	Wentworth, Jeff	094903	NAVARRO ISD	1,519	100.0%	\$4,253
25	Wentworth, Jeff	094904	MARION ISD	1,436	100.0%	\$4,490
25	Wentworth, Jeff	227901	AUSTIN ISD	82,564	19.0%	\$5,746
25	Wentworth, Jeff	015901	ALAMO HEIGHTS ISD	4,621	100.0%	\$5,804
26	Van de Putte, Leticia	015905	EDGEWOOD ISD	11,783	99.0%	\$4,595
26	Van de Putte, Leticia	015907	SAN ANTONIO ISD	54,779	70.0%	\$4,693
26	Van de Putte, Leticia	015915	NORTHSIDE ISD	86,260	87.0%	\$5,045
27	Lucio, Jr., Eddie	031913	SANTA MARIA ISD	657	100.0%	\$4,317
27	Lucio, Jr., Eddie	245904	SAN PERLITA ISD	279	100.0%	\$4,486
27	Lucio, Jr., Eddie	137903	RIVIERA ISD	493	100.0%	\$5,123
27	Lucio, Jr., Eddie	137904	SANTA GERTRUDIS ISD	367	100.0%	\$6,985
28	Duncan, Robert	110901	ANTON ISD	331	100.0%	\$4,192
28	Duncan, Robert	054903	RALLS ISD	532	100.0%	\$4,244
28	Duncan, Robert	017901	BORDEN COUNTY ISD	168	95.0%	\$12,149
28	Duncan, Robert	168903	WESTBROOK ISD	212	100.0%	\$12,725
29	Shapleigh, Eliot	071905	YSLETA ISD	45,049	98.0%	\$4,410
29	Shapleigh, Eliot	071909	SOCORRO ISD	38,878	94.0%	\$4,623
29	Shapleigh, Eliot	071902	EL PASO ISD	62,123	100.0%	\$4,838
29	Shapleigh, Eliot	071907	CANUTILLO ISD	5,652	100.0%	\$4,903
30	Estes, Craig	243906	CITY VIEW ISD	977	100.0%	\$4,478
30	Estes, Craig	039901	BYERS ISD	105	100.0%	\$4,532
30	Estes, Craig	061905	KRUM ISD	1,506	100.0%	\$6,504
30	Estes, Craig	043912	PROSPER ISD	2,675	88.0%	\$7,194



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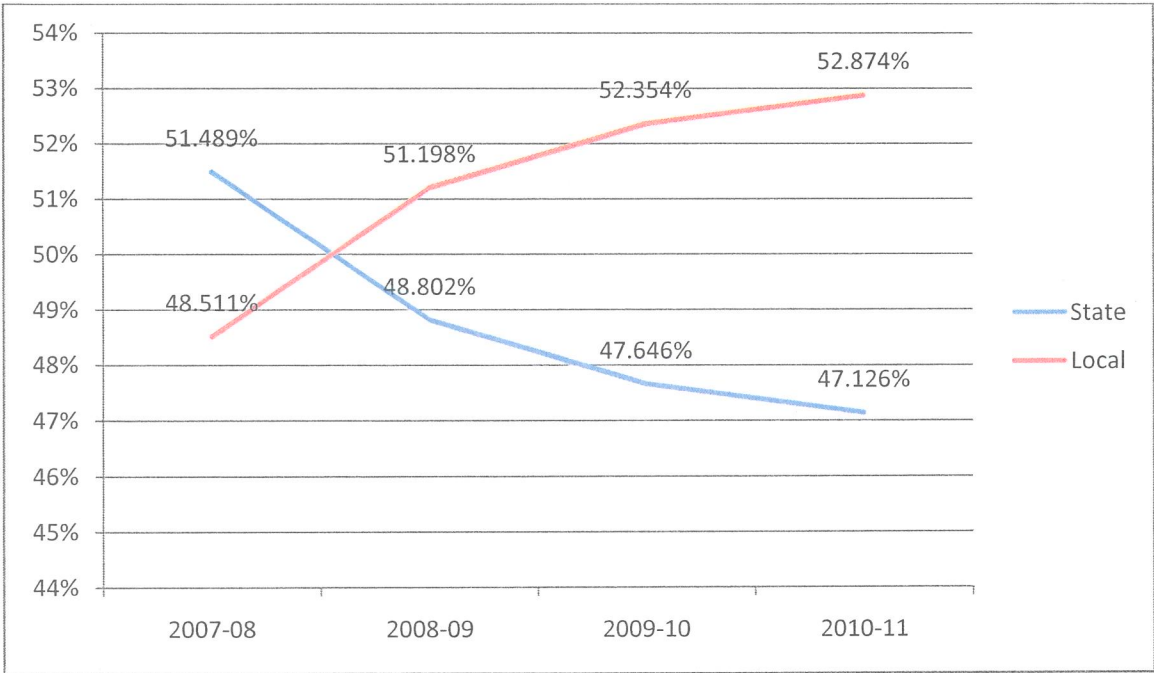
SENATE DIST	SENATOR	DISTRICT NUMBER	DISTRICT NAME	2007-08 Enroll	% IN DIST	Target Revenue per WADA
31	Seliger, Kel	185901	BOVINA ISD	512	100.0%	\$4,229
31	Seliger, Kel	117903	SANFORD-FRITCH ISD	882	94.0%	\$4,394
31	Seliger, Kel	052901	CRANE ISD	982	100.0%	\$9,147
31	Seliger, Kel	040902	WHITEFACE CISD	344	91.0%	\$9,182

% of Districts Above and Below \$319,500/WADA



■ < \$319,500 ■ > \$319,500

Estimated Percentage of State versus Local Funds: 2008-09 through 2010 through 2011



State Aid includes formula funds, additional state aid for tax reduction (including educator pay increase and high school allotment), state aid for tier II levels b and c, \$23.63 per WADA, and support staff funds. Recapture is subtracted from state aid.