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School Funding Commission Revenue Workgroup Proposals Presented, Debate Continues
Senator Bettencourt's proposals focus on weening the State off of Robin Hood

Austin - The Revenue Workgroup, Chaired by Senator Paul Bettencourt (R-Houston) today presented their series of recommendations to the full Texas Commission on Public School Finance. The Workgroup voted to advance these proposals to the full commission earlier this week by a 4-1 vote.

"I have confidence in the Texas economy and believe that we have the revenue streams to handle changes in Texas public education," said Senator Bettencourt. **"General revenue increases, powered mostly by sales tax increases, and ESF (Economic Stabilization Fund) increases, fueled by oil and gas severance taxes, are enough to cover the probable commission recommendations which is why I brought them to the table - without new tax increases."**

Three additional proposals submitted to the full Commission by the Revenue Workgroup share a common theme of weening the state off of recapture, or "Robin Hood", while providing property tax relief due to property tax rate compression. Current projections estimate that without property tax reform the state "share" of Maintenance and Operations funding for public education will fall to 32% by 2023. Governor Abbott's 2.5% plan featured prominently, along with other plans like one that would freeze Robin Hood recapture payments, and another that would share them among school districts and taxpayers at State's expense.

"All of these plans are trying to get to a fundamental truth that as property values go up property tax rates do not come and property taxpayers do not get property tax relief," said Senator Bettencourt **"I am excited that we have multiple plans to discuss that all address what I have been saying for over a year - the critical need to ween the state off of Robin Hood."**

Economic indicators across Texas show that the Texas Legislature will have additional revenue in the upcoming 86th Legislative Session. Sales tax collections grew by 10.5% from \$28.7 billion to \$31.9 billion from FY16-17 to FY17-18. Through the first two months of the current fiscal year that growth rate remains intact. Texas Comptroller Glenn Hegar (R-Texas) recently announced a transfer to the Economic Stabilization Fund which takes the fund balance to over \$12 billion and expects that it will rise to over \$15 billion in the near future.

"The Economic Stabilization Fund is effectively full," said Senator Bettencourt. **"Long term the State has to decide what to do with increased production revenues on the severance tax due to the tremendous increase in the productivity in the Permian basin. The bottom line is that for the at least the next biennium, I have strong confidence in the Texas economy and that economic conditions will continue on a positive growth curve. The question is how can taxpayers get property tax relief and what outcome based changes to the school finance system should we be looking at?"**

Senator Bettencourt voted today as part of the Select Committee to Study the Balance of the Economic Stabilization Fund to maintain a minimum fund balance of \$7.5 billion. The Commission on Public School Finance is expected to have additional meetings in December to finalize their recommendations to the full legislature.

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