



Austin
Chronicle
Austin, TX
Circ. 90000
From Page:
7
4/2/2004
90048



180 213 532

School Finance: Still No Clue

On Monday, the Texas Legislature's interim Joint Select Committee on **Public School Finance** began hearing public testimony – a week after issuing its final report. If that sounds a little backward, that's because it is – although in the absence of a tangible “consensus” that would move Gov. **Rick Perry** to succumb to a special session, it may not matter. The House and Senate remain strongly divided on how far to go in reforming the state tax system, and as if to reinforce the split, Lt. Gov. **David Dewhurst** said last week that he would reinstitute the Senate's “two-thirds rule” (abandoned amid such controversy to allow re-redistricting) for any special session, meaning more agreement would be required than is currently in evidence.

Monday's long day of testimony served to confirm the continuing lack of focus, although there seems to be more public sentiment for real change than legislative will to take action. High profile representatives from both the Dallas Chamber of Commerce and the Greater Houston Partnership spoke in favor of new business taxes to underwrite the schools, although they differed on details. The Dallas chamber's **David Laney** said his group would support cutting property taxes in half but more than replacing that revenue with additional business-activity taxes and the “sin taxes” already suggested by the committee; Houston's **Rob Mosbacher** said that while the entire tax system needed work, an increased sales tax, sin taxes, and a reformed

franchise tax would work in the short term.

There were also anti-taxers and anti-public-school folks in the lengthy queue (the **Texas Public Policy Foundation** delivered its requisite no-tax statement), while a few folks showed up to accuse their local school districts of miscellaneous financial shenanigans. (Co-chairs Rep. **Kent Gruesendorf**, R-Arlington, and Sen. **Florence Shapiro**, R-Plano, had little patience with such rhetorical tangents.)

While the quasi-official position – endorsed primarily by the handful of wealthy suburban districts with heavy political stroke – remains that recapture (“Robin Hood”) must go, the fact is nearly 90% of Texas students benefit from recapture. So the pols keep looking for a way to achieve mutually exclusive goals: kill Robin Hood, stay “revenue neutral,” allow wealthy districts to keep “their” funds, yet maintain equity among districts. One rhetorical method is to redefine “equity” to mean “hold harmless” – that is, maintaining poorer districts at their current (inadequate) funding rates while allowing wealthy districts to spend at will for “enrichment.” That may be impossible legally or even financially, but it remains attractive as a short-term political strategy. Current scuttlebutt suggests a special session might find enough sin-tax money to enact the governor's cosmetic “incentive” program, and punt the rest – leaving the difficult parsing to the courts, and the scraps to the schoolchildren.

– Michael King