[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

OTHER TAKES

Guenther: Schools can't break their addiction to higher taxes

David Guenther, TEXAS PUBLIC POLICY FOUNDATION

[Click-2-Listen](#)

Thursday, November 01, 2007

Remember the big school property tax cut you were supposed to get? Your local school district might be about to take it away.

Last year, the Legislature passed a plan that used the state's new business tax and part of the state's \$14 billion budget surplus to buy down the property tax rates for day-to-day operations to \$1.00.

But according to the San Antonio Express-News, at least 120 school districts have set elections that seek voter approval of much higher tax rates. Most of them, including five in the San Antonio area, seek authority to tax at \$1.17, the maximum allowed under the new law. A Texas Education Agency spokesman predicted earlier this fall that "a large number" of school districts would tax at \$1.17 within two years.

It would be one thing if the Texas economy was sinking and appraisal rolls were shrinking. But our economy remains red-hot, creating almost 800,000 new jobs in the last three years, and appraisals have skyrocketed.

And it wasn't like the state didn't give school districts access to additional money without a mammoth rate increase. The state gave all districts an additional \$2,000 per teacher and \$275 per high school student.

Additionally, as part of the new formula, the first four pennies of tax rate above \$1.00 are "magic pennies." For property rich districts, those pennies are not subject to Robin Hood. For property poor districts, the state gives them the highest guaranteed yield ever, making the revenue generated the same as if those districts were Austin ISD.

What would a \$1.17 property tax rate mean for homeowners? In San Antonio's Southside ISD, the average homeowner's property tax cut would be whittled to a mere three dollars.

Many school districts are also using the tax cut as cover for massive school bond packages. Houston-area school districts have placed more than \$3 billion in proposals on next month's ballot. Another Southeast Texas school district proposes to increase its debt service tax rate by 17 cents.

The disingenuous part of these elections is that the school districts will try to convince you that they are cutting your taxes rather than increasing them.

In Prosper ISD, taxpayers are being told that approving the maximum tax rate would result in a tax rate 13 cents lower than last year's. But the Legislature gave school districts enough money this year to cut property tax rates by 33 cents.

If your local school district's proposed tax rate isn't at least 33 cents lower than last year's, your school district is pilfering your tax cut.

The education bureaucracy went to the Legislature in 2004 – and again in 2005 and 2006 – asking for close to \$10 billion in new money with no strings attached and no increased expectations. When the Legislature finally passed a school finance reform plan last year that reduced property taxes, provided targeted funding increases, and resolved the state's school finance lawsuits for at least the next several years, the bureaucracy suffered a rare loss.

Rather than finding operational and program improvements and working within the new law, the school bureaucracy intends to exploit its weaknesses, contrive a funding crisis, and pin the blame on the Legislature.

The faster that a large number of school districts can raise their tax rates to the new maximum, the sooner they can re-open the school finance lawsuits, force even more special sessions, and stake a claim to untold additional billions of your tax dollars.


The school bureaucracy's disregard for the taxpayers underscores the need for the Legislature to enact a lower rollback threshold and automatic elections when school districts propose a tax rate that would increase spending above enrollment growth plus inflation.

In the meantime, the only silver lining is that taxpayers must approve all bond issues and any proposed operations rate above \$1.04.

Guenther is director of media and government relations for the Texas Public Policy Foundation, a nonprofit free-market research institute based in Austin.

Find this article at:

http://www.statesman.com/opinion/content/editorial/stories/11/01/1102guenther_edit.html

 **Click to Print**

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.