September 2003

Guiding Principles for Reforming Texas School Finance

- The state should clearly define what constitutes a "diffusion of knowledge" or an adequate education specifying standards for educational completion and post-secondary readiness with an explicit and required foundation curriculum.
- The state should hold all public schools accountable for meeting state educational standards and accredit only schools that meet these standards (it is unconscionable that the Legislature should accredit schools where 50 % of students who take state assessments fail to pass).
- The state should substantially, but not wholly, underwrite the cost of funding the foundation curriculum state mandated instruction but not fund optional, supplemental local programs.
- Local communities should fund a part of the foundation curriculum to engage communities in educational success.
- Assessments should measure how well students are progressing toward the state's goal
 of post-secondary readiness at every grade and accurately identify achievement gaps.
- Schools should be held accountable and accredited for meeting state education standards, not just improving student achievement.
- Local communities should be afforded the fiscal and legal opportunity to provide unrestricted supplemental, optional enrichment of instruction.
- Funding should be linked to students, not schools, districts or functions.
- Categorical restrictions should be removed from school funding and full authority for resource allocation should be given to individual schools, provided state money is spent on state-required instruction.
- Incentives should be incorporated into the school accountability system to encourage and reward fiscal efficiencies and effective resource allocation.
- Students who fail state assessments or are enrolled in schools that fall below the state's acceptable rating should be given state funds for unrestricted use in another public or private school.
- Public school choice should be enacted to introduce academic and fiscal competition.
- School finance reform should be revenue neutral because there is no evidence that money is linked to student achievement nor that more money is necessary for higher levels of performance; no additional funds should be provided for education other than increases to offset inflation and student enrollment.
- Tax reform should not generate more revenue than required to offset property tax reduction
- Fiscal efficiencies and redefining resource allocation should underwrite part of the increased state revenues to public education.
- Consumption, not income, taxes should be enacted to furnish the additional revenues required to offset a decrease in local property tax contribution toward education.
- Tax reform to find alternative revenue sources for education should be fair, address inconsistencies in current tax law and promote economic vitality.

