



ATPE Input to Senate Finance Committee

Regarding SB 1

February 10, 2025

The **Association of Texas Professional Educators (ATPE)** appreciates this opportunity to offer written input to the Senate Finance Committee regarding Senate Bill (SB) 1, specifically on public education funding.

We want to express our sincere appreciation for the inclusion of funding for teacher compensation in SB 1. Educators are the backbone of our school system, and it is encouraging to see legislative recognition of their hard work and dedication. We respectfully request that a large majority of the funding allocated to educator compensation be designated for use to increase base pay, including closing the pay gap between larger (typically urban) and smaller (typically rural) districts, as well as creating meaningful base pay increases commensurate with teaching experience as justified by the benefits to students of having an experienced educator. While incentive or merit pay programs have their place and provide an additional financial bonus for some, they cannot and should not be a substitute for adequate base pay. For example, even if fully implemented, the Teacher Incentive Allotment (TIA) would at most provide additional pay to only one in four teachers, with the top tier going to only one in 20 teachers. TIA is nowhere near full implementation. Additionally, while classroom teachers are the most important in-school factor in a student's success, they certainly do not do it alone. It is imperative that districts be provided with adequate resources to ensure that all educators—including classroom teachers, intervention specialists, counselors, librarians, nurses, and paraprofessionals such as classroom aides, bus drivers, and cafeteria workers—receive the compensation they deserve.

We also appreciate the prioritization of additional funding for school safety and security. It is critical that schools receive the necessary funding to close funding gaps for currently underfunded mandates to enhance security infrastructure, provide armed guards and mental health support, and implement proactive safety measures. Providing funding for Senate Bill 598, which proposes an increase in the per-student and campus safety allotments, is a step in the right direction. In addition, we ask that you consider funding a separate allotment for mental health outside of the safety and security allotment. Although additional mental health support in schools could address both students on a path to harm themselves and those on a path to harm others, we have found mandates around physical safety to require more than the total amount of the current allotment meant to provide funding for both physical safety and mental health.

Beyond funding specific key priorities such as educator compensation and school safety, it is imperative that school districts be provided adequate discretionary funding to develop and implement programs that best serve their unique student populations. Local control over appropriate levels of discretionary funding is essential to ensuring funds are used effectively to enhance student learning, provide career and technical education opportunities, and prepare students for the future workforce. Providing districts with enough dollars to allow some flexibility in funding decisions will allow them to tailor programs to meet their community's needs and workforce demands.

We also want to highlight the pressing issue of declining enrollment, particularly in elementary schools, and its impact on district budgets, staffing, and the Texas Teacher Retirement System (TRS). Although the state's overall population has increased over the past decade, Texas has seen a drop in birth rates statewide, according to state and federal data. It is too soon to tell if this is simply a negative bubble or a

The Association of Texas Professional Educators (ATPE) has been a strong voice for Texas educators since 1980. It is the largest educator association in Texas and one of the largest independent, nonunion educator associations in the United States. With its strong collaborative philosophy, ATPE speaks for classroom teachers, administrators, future, retired and para-educators and works to create better opportunities for more than 5 million public schoolchildren.

longer-term trend. In the meantime, as the decrease in the current student population works its way through our schools, districts face financial strain due to reduced per-pupil funding, leading to difficult decisions regarding staffing and resource allocation. We are already seeing school closures and staff reductions across Texas. Districts must also now prepare for potentially significant declines in enrollment due to changes in immigration enforcement actions, as well as potential changes to the status of education funding for non-citizen children.

In addition to the impact of enrollment shifts on campus funding, enrollment declines also have implications for TRS. Declines reduce funding, which in turn reduces the number of educators employed. Even a relatively small decrease in the educator population will—if it causes a decrease in statewide payroll—cause TRS to fall outside of the statutory definition of actuarial soundness. A larger enrollment decrease, not out of the question in the current environment, could jeopardize the viability of the fund. Should the fund become insolvent, it would leave the State of Texas liable for tens of billions of dollars in already earned benefits. It is in everyone's best interest to maintain the health of the TRS pension fund. The introduction of Education Savings Accounts (ESAs) would likely exacerbate these challenges, both because it would cause some number of additional students to leave the public school system, further reducing enrollment, and because the cost of funding a universal voucher system would create additional financial instability for districts and TRS. (If even 50% of the current non-public school population and just 5% of the current public school population were given access to voucher funding, state general revenue would be reduced by \$14 billion to \$18 billion.) We urge the Legislature to consider measures to mitigate these challenges, such as adjusting funding formulas to provide stability for districts experiencing or likely to experience enrollment declines and assessing the broader impact of ESAs on public education financing.

We understand this Legislature is being asked to do a lot while facing a constitutional cap that limits the availability of new general revenue funding to \$6.9 billion. We appreciate the difficult decisions you must make and the constraints under which you are operating. Although we appreciate this body's investments in public education, the state's share of public education funding (not including federal funds, local contributions, and recapture) was still only at 43.8% while our local taxpayers are being asked to increase their taxes to cover the rest. It's important to note that per the state comptroller, the state's share of public education funding has experienced fluctuations over the years. For instance, the state's contribution was 46.2% in 2008 but has generally declined since then. The state must increase its share to at least 51% to provide meaningful property tax reductions. We also encourage you to leverage the supplemental funds appropriated in the 88th legislative session. Using these already-appropriated funds would allow for increased spending beyond the constitutional cap, ensuring we do not miss critical opportunities to invest in student outcomes.

The future of Texas depends on the investments we make today in our public schools. By prioritizing educator pay beyond the TIA, ensuring adequate funding for safety and security, including mental health, and allowing districts the flexibility to innovate and adapt, we can build a strong foundation for our students and our state's economic future.

ATPE urges the committee to consider these issues and looks forward to working together to better serve the students of Texas. For additional information, contact ATPE Governmental Relations at (800) 777-2873 or government@atpe.org.