



Legislative UPDATE

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School Finance Commission Tackles Property Taxes

Lost in much of the anti-city legislation filed during the special legislative session last summer, a bill was signed into law to create the Texas Commission on Public School Finance. Among other things, [H.B. 21](#) provided that the 13-member commission shall submit a report to the legislature before the 2019 legislative session recommending: (1) improvements to the current public school finance system; or (2) new methods of financing public schools. More specifically, the commission has been tasked with evaluating the relationship between state and local funding in the school finance system. It will ultimately make recommendations on the appropriate levels of property taxes necessary to adequately fund public education.

In Governor Abbott's January [letter](#) to the commission, he references the broken school finance system and charges the commissioners with exploring "alternatives to the burdensome and inefficient property tax upon which our system far too heavily relies." To the governor's point, [data presented](#) to the commission during a February hearing shows that, for fiscal years 2018 and 2019, local property tax revenue will fund an estimated 64 percent of the foundation school program, with the state contributing only 36 percent of the funding. The trend over the last several years has been to shift more public education costs to local property owners, which in turn allows the state to balance its budget and use state dollars for other non-education programs. In spite of the state's willingness to have local property taxpayers foot the bulk of the public education bill, many state leaders have persisted in simultaneously blaming Texas cities for allegedly causing property tax increases.

At last week's commission hearing, Representative Ken King (R – Canadian) noted that, for his district, real property tax relief simply would not be achieved through misguided attempts to micromanage city and county budgets, which he called a "solution in search of a problem." Instead, the state legislature could fix school finance and provide significant property tax relief

by increasing state funding of education and reducing the reliance on recapture, otherwise known as “Robin Hood.” Representative King’s comments can be seen [here](#).

Taxpayers in Representative King’s small communities in the Panhandle aren’t the only ones affected by the state’s increasing reliance on local property taxes to fund public education. [Two charts](#) presented at last week’s commission meeting show that in the last five years, over 70 percent of the property tax increases for property owners in the City of Austin were attributable to recapture payments. In other words, the vast majority of the property tax increases in Austin didn’t go to the city, the county, or even the local school district. The majority of the revenue goes to the state to fund public education in other districts. If the state hadn’t fallen so far behind in funding schools with state dollars, this oppressive level of recapture would never have been necessary.

Interested city officials can access more information about the Texas Commission on Public School Finance [here](#).

GLO Seeking Comments on Disaster Recovery Funds

On April 10, 2018, the Texas General Land Office (GLO) published the State of Texas Action Plan for \$5.024 billion in Community Development Block Grants for Disaster Recovery (CDBG-DR) funding. This money was allocated to the state from the U.S. Department of Housing and Urban Development (HUD), and the GLO is now seeking comments on the Action Plan.

All public comments to the Action Plan should be submitted by 5:00 pm on Thursday, April 26, 2018, to be considered and reviewed by the GLO. The Action Plan is available at: <http://www.glo.texas.gov/recovery/reports/action-plans/index.html>.

The GLO encourages affected city officials to carefully review the document and provide feedback during the public comment period. Questions related to the plan or the comments process should be directed to cdr@glo.texas.gov. The GLO will review and respond to public comments before the state submits the plan to HUD for final review.

Get Involved: Volunteer to Develop the TML Legislative Program

Texas Municipal League advocacy efforts are based on a “legislative program” that is developed by member city officials. The program is essential to the legitimacy of the League’s advocacy efforts. To develop the program, city officials provide input in primarily two ways.

First, a member city, TML region, or TML affiliate may submit a resolution for consideration at the League’s annual conference. At the 2018 annual conference, the “resolutions committee”

will consider submissions and make recommendations for the entire membership to consider at the annual business meeting. The resolutions committee is appointed by the TML president in advance. The business meeting consists of one representative from each city, designated by that city prior to the meeting.

For 2019, the resolutions committee will be eliminated in favor of a more streamlined process wherein resolutions go directly to the entire membership at the annual business meeting. The implementation of this change will require a transition year in 2018. In 2018, the Resolutions Committee and Business Meetings will take place in one room, as consecutive meetings, at the TML annual conference on October 11, 2018.

Second, member city officials can participate in a policy committee process during each interim. In 2018, the committee process will be slightly different than in years past. In lieu of multiple committees, recommendations will come from the participants in the League's "Municipal Policy Summit." The Summit will meet on August 23-24 in Austin and will be an intensive, two-day workshop during which League staff will brief the participants on the myriad legislative issues faced by cities. After each subject-matter briefing, the participants will make recommendations on the issues. Those recommendations will be in the form of a resolution that is submitted for consideration to the TML Resolutions Committee.

The process starts in earnest in late Spring, and TML President Holly Gray-Moore, Mayor Pro Tem of the City of Roanoke, is seeking volunteers to provide input. No particular expertise is needed. Volunteers need only have a willingness to learn and the ability to come to Austin for the Municipal Policy Summit or Resolutions Committee.

If you have questions or would like to volunteer for service on a legislative committee, please email JJ Rocha, TML Legislative Liaison, at jj@tml.org.

- The deadline to apply to be a delegate to the Municipal Policy Summit is **April 25, 2018**.
- The deadline to apply to serve on the Resolutions Committee **July 13, 2018**.

Please include your full contact information and whether you wish to be a delegate to the Municipal Policy Summit or serve on the Resolutions Committee. Due to space limitations and other considerations, not all those who apply will be appointed to a committee, but will certainly be considered for future volunteer opportunities.

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