

April 3, 2023

Via E-Mail

House Public Education Committee Members

The Honorable Brad Buckley, Chair

P.O. Box 2910

Austin, Texas 78768-2910

RE: HB 11 and HB 100

To Representative Buckley and Members of the House Public Education Committee:

As officials who are charged with the trust of public education for the 49,000 students across 127 square miles of the Lewisville ISD (LISD) community in Denton County, and as one of the largest school districts in Texas, we are submitting these considerations related to the funding formula for Texas Public Schools as referenced in filed bills HB 11 and HB 100.

In LISD, our legislative priorities uphold that rising costs require an increase in the entitlement for school districts. As the Board of Trustees, we are held accountable to our tax payers and have a long history of keeping the tax rate low. Lewisville ISD is one of a handful of districts in the DFW area that has not asked our voters to increase the M&O tax rate through a VATRE.

Efforts to provide property-tax relief, to invest in schools, and to increase teacher salaries should be sustainable well into the future. Property tax compression, alone, simply reduces tax revenue at the same amount that our recapture payment is reduced. We urge you to strike the right balance between investments that reach classrooms and efforts to reduce property-tax payments. An increase to the Basic Allotment is the best way to address rising costs in LISD, the largest employer in our 127 mile footprint.

Inflation has impacted every area of our district. Since 2019:

- Fuel Costs have increased by 28%,
- Insurance costs due to many weather related events and cyber threats targeting public schools have increased by 28%; and
- Utility costs have increased by 25%.

Lewisville ISD's 6,400 staff members have also faced rising inflationary costs in their household budgets. At the same time, health insurance premiums through TRS Active Care have increased 14% since 2019. In the same time period, we have increased staff pay by 8%. Rising costs have a critical impact for educators throughout our state and while LISD has increased the local health care contribution, the state has not increased its contribution since 2002.

A significant increase to the Basic Allotment is needed to provide compensation increases that are adjusted for the inflationary challenges in our State. Prioritizing all increased funds to the Basic Allotment provides the best mechanism for us to address staff compensation needs in LISD. The Basic Allotment increase should be prioritized over any increases to the Teacher Incentive Allotment which does not address salaries for all staff.

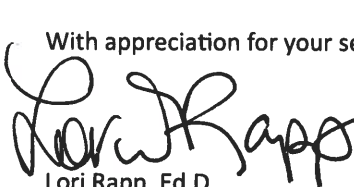
Higher operational costs and unfunded state mandates have made it difficult for us to increase pay for staff at the rate necessary to keep pace with inflation. Some fiscal year 22 audited examples include:

- LISD paid \$14.5 million more in transportation costs than the state transportation allotment provided the district.
- LISD paid the required, additional \$ 7 Million more in TRS contributions above the statutory minimum the state provides. Competitive salaries in the sub-urban North Texas labor market drive salary costs.
- LISD paid \$3.6 million more on safety and security for our schools than was provided by the safety allotment in the state funding formula. Safety and security has not been adequately funded by the State, but has been a major priority for the LISD Board of Trustees and the community.

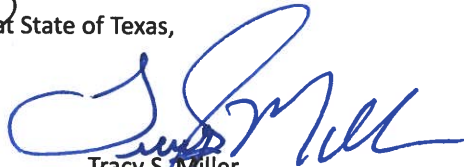
In summation, public education in Texas is under-funded, especially in light of inflationary costs. The basic allotment figure is paramount for all districts in Texas because it is the foundation for how all additional funding in the school finance formula is calculated. It would take about a \$900 increase to the Basic Allotment, costing the state \$13 billion over two years, to help schools fully recover the inflationary cost increases over the last few years. Efforts to invest in public education are appreciated but, so far, have not approached the amounts that many Texans want to see invested in schools at a time when the state has a record surplus.

We are proud, just as we know you are, of the great workforce in Texas, which could not have been achieved without the foundation of the great Texas public school system. Lewisville ISD has built a robust local educational system that represents a large engine in the success of our local economy and we stand ready to partner with you in ensuring quality education systems for all children in our State. An increase to the Basic Allotment is an investment in the future of Texas.

With appreciation for your service to the great State of Texas,



Lori Rapp, Ed.D.
Superintendent of Schools



Tracy S. Miller
LISD Board of Trustees, President



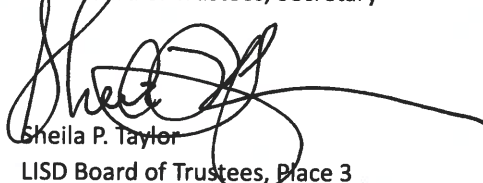
Allison Lassahn
LISD Board of Trustees, Vice President



Katherine Sells
LISD Board of Trustees, Secretary



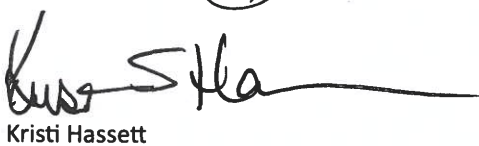
Buddy Bonner
LISD Board of Trustees, Place 1



Sheila P. Taylor
LISD Board of Trustees, Place 3



Jenny Proznik
LISD Board of Trustees, Place 5



Kristi Hassett
LISD Board of Trustees, Place 6

CC: Senators representing LISD (Senator Parker, Senator Springer)
House Representatives representing LISD (Representative Bumgarner, Representative Capriglione, Representative Hayes, Representative Patterson, Representative Thimesch)
House Appropriations Committee Members, Article III
Senate Finance Committee Members, Article III