

Talking Points for Keeping Cost of Education Index
Region One

An efficient system of school finance can only be one that recognizes and funds known cost differentials.

The Cost of Education Index (CEI) is a legitimate attempt to recognize cost differentials (primarily the cost district face to be competitive in hiring the best teachers available) and limit the ability of the districts with the highest concentrations of wealth from being able to always hire the best teachers simply because they can pay higher salaries.

While the CEI needs updating, it is still a recognition of known cost faced by school districts and therefore should be updated and maintained.

To eliminate any known cost in the current system (i.e., CEI, Small Mid-sized district adjustment) and simply spread the resources across the state does not make our system more efficient. Instead, it makes it more inefficient and inequitable for all children that live in districts that are subject to the very inequities and inefficiencies those adjustments for known cost seek to address.

The cost of education index (CEI) provided over \$332 million dollars to Region One districts in 2017-2018.

CEI's range from a low of .07 (7% more funding to BA) for Webb CISD to a high of .20 (20% more funding to BA) for La Joya ISD and Roma ISD. All but one of our Region 1 districts is above the state average of .10. Below you will find the distribution of districts across the CEI range

.20	2 districts
.19	6 districts
.18	5 districts
.17	5 districts
.16	3 districts
.15	4 districts
.14	7 districts
.12	2 districts
.10	1 district
.07	1 district

Twenty-five of 36 districts have CEI's of .15 or higher which means when the CEI is removed, Region One districts are more negatively affected than other parts of the state.

Even with the addition of CEI dollars to Basic Allotment, there is a \$118 million-dollar loss to Region One districts.

There is a hole created for Region One districts that will be hard to get out of even with additional dollars with other adjustments. The truth is, Region 1 districts need significant new dollars to continue to make improvements. Any additional funding elements that attempt to address additional funding needs for Compensatory Education, Bilingual-Dual Language programs, Full Day Pre-K, must be "NEW" monies to districts, not replacement dollars that have to be used first just to get districts back to where they were before elimination of the CEI.

We strongly recommend the legislature pursue improving the compensatory education weight as is being discussed with the use of the percent of free and reduced lunch students. High levels of support are needed for low income students as was articulated by several Commission witnesses. Adjustments also need to be made to bilingual and kindergarten funding.

With the loss of CEI, even with gains to BA and other adjustments, Region One districts may gain limited new dollars while other districts across the state gain significantly more dollars.

Because the BA gain is less than the current CEI dollars (by \$118 million) and since limited new dollars are categorical to specific programs (K-3, bilingual, dual language, comp ed), Region One districts would lose non-categorical dollars and may have to make cuts in some areas to increase others. There is loss of local control.

Region One has shown very good results for economically disadvantaged students as well as Hispanic students with dollars currently being provided, but significant gaps exist. Region One districts need significant new dollars if they are to meet the 60x30tx state goal. Doing away with the CEI feels like a penalty to Region One districts.

CEI is out of date and needs to be revised. We recommend keeping the CEI and updating using current data. The CEI accounts for regional differences in the cost of education and is a legitimate way to address fairness and equity.

If Region One loses dollars, we recommend implementing a six year holds harmless provision as has been done in the past for other districts. This would allow districts time to adjust to cuts.