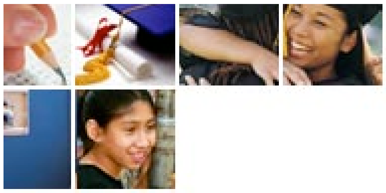

Coalition to
INVEST IN TEXAS SCHOOLS

FACTS ABOUT THE "$7.1 BILLION IN NEW MONEY"

Since the 1998-99 school year, state and local maintenance-and-operations (M&O) revenues have increased by slightly more than $6 billion. Of that $6 billion, 90 percent came from local property taxes and only 10 percent from state revenues. *(Source: TEA statewide totals)*

The $6 billion in new money represents a 17.62% increase in revenues per enrollment. However, new mandates have eroded that amount as follows:

Change in minimum salary schedule	***4%***
Mandated insurance increase	***2-3%***
Step pay raises compounded at 2.5%	***12-13%***
TOTAL EFFECT OF MANDATES (estimated)	***18-20%***

As you can see, these three mandates alone have wiped out the entire revenue increase since the 1998-99 school year. Beyond that, Texas schools have had to contend with:

* Inflation
* Changing demographics and student needs
* Rapid enrollment growth
* Increased safety and security concerns
* New and more rigorous state tests
* New accountability system
* New high school graduation requirements – tougher Recommended High School Program, more math and science classes
* No Child Left Behind Act of 2001
* New nutrition mandates
* Payroll taxes
* Reduction in state money for educators' insurance supplement
* Individual graduation plans
* Almost $1 billion in student program cuts in the 2004-05 state budget for extended year programs, master reading and math teachers, disciplinary placements, guidance counselors for bilingual students, and technology infrastructure

After including all of these factors, Texas schools are financially worse off than they were six years ago.