



November 17, 2022

To: AISD Trustees & Trustees-Elect

From: Faith, Labor and Policy Organizations

Re: Ending Consideration of Chapter 313 Application to AISD

Dear Trustees,

**We, the undersigned, call on all AISD Trustees and Trustees-Elect to end consideration of NXP’s \$100Million Chapter 313 property tax break application to the Board.** While we want economic development and good jobs in Central Texas, Chapter 313 prohibits school boards from requiring high living wage and worker safety standards as part of these agreements, unlike city and county incentives in which good job standards can be negotiated. Chapter 313 is a failed corporate giveaway program that was killed in the last legislative session by Central Texas Interfaith/Texas IAF, the Texas AFL-CIO, and other union and advocacy groups. Central Texas Interfaith calls on all AISD trustees to vote against NXP’s Chapter 313 application to the Board.

Chapter 313 is Texas’ largest corporate welfare program which costs taxpayers over \$1 Billion annually, money which could be going to public schools and other public needs. Not only do corporations get out of paying most of their property taxes (for 10 years) they would otherwise owe for our schools, but the state must replace that revenue with taxes collected from all Texans. The current legislation ends in December of 2022, which has led to a “gold rush” of over 450 applications, which could cost taxpayers as much as \$10 Billion/year. Not only do state taxpayers foot the bill for this with state taxes; over time, local taxpayers and businesses will also be paying more. With the support of Central Texas Interfaith and its sister organization Valley Interfaith, school boards in Elgin ISD and Port Isabel ISD school have rejected Chapter 313 applications, as well as several other districts. We urge AISD to do the same.

**Chapter 313 has NO wage, job creation, or worker safety requirements for construction and building trade jobs.** And for permanent jobs, Chapter 313 has extremely weak job creation and wage requirements, and school boards are not able to require stronger worker safety requirements than the law allows. Companies are only required to create between 10-25 permanent jobs regardless of the size of the tax break. These jobs are only required to meet 110% of the median manufacturing wage, and the Comptroller routinely grants waivers even to these

weak requirements. In its initial applications to the Board, NXP promised only 50 jobs in exchange for its tax break, at a cost to taxpayers of \$2,000,000/job. After being called out by Central Texas Interfaith, the company changed the jobs promised to 500 on the night of the initial board meeting, still short of the 800 it had promised in the media. Of note: the Board is prohibited by law from enacting stronger wage, job creation, and worker safety requirements as part of the Chapter 313 agreement.

**Ordinary taxpayers, small businesses, and most other corporations do not get these tax breaks.** NXP, a multinational chip manufacturer with nearly \$11 Billion in annual profits is asking for over \$100 Million in school property tax breaks over the next 10 years to expand its operation in Austin. Central Texas taxpayers will be investing in three major bonds (AISD, ACC, City of Austin) and are facing rising Austin Energy rates and other inflation costs. Now is not the time to grant tax breaks to billion-dollar corporations. NXP is free to approach the city and county for tax incentives, entities which have much higher job creation and worker safety requirements. They also have the newly passed federal CHIPS Act available for them to pursue public funding. Unlike Chapter 313, these programs do not take potential funding from schoolchildren.

Trustees: we urge you to end consideration of this application that allows NXP to avoid paying its fair share of taxes to the state while leaving children and schools to shoulder the burden.

Respectfully,

Central Texas Interfaith  
Central Texas Building Trades  
Every Texan  
Laborers' International Union of North America Local #1095  
Workers Defense Project