



*The 86th Legislature:
What is Different This Time?*

TASA Midwinter
Conference 2019

*What's
Different
This Time?*

- The School Finance Commission Published a Report
- A New Speaker is in Town
- Changes to Committees
- There's Money to Spend
- School Finance and Property Tax Relief Priorities
- Santa Fe Demands School Safety Solutions

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*The School
Finance
Commission
Published a
Report*

- Themes of Commission:
 - State share v. Local share
 - Does the system require additional investment on top of enrollment growth?
 - Proven outcomes and how to replicate them, including teacher compensation, early college high schools, and dual language programs
 - Property tax relief v. school finance reform
 - Redirecting funds towards the students that need them the most

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*The School
Finance
Commission
Published a
Report*

- Final Report, 35 recommendations focused on:
 - Creation of rebalancing state and local shares
 - Reallocating outdated or inefficient formula elements
 - Increasing the equity of the system to invest in underperforming and disadvantaged students
 - Reducing the growth rate of property taxes and the reliance on recapture
 - Encouraging adoption of best practices

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The School Finance Commission Published a Report

- Highlights of the recommendations
 - Eliminate CEI, chapter 41 hold-harmless recapture reduction, chapter 41 early-agreement credit, gifted-and-talented allotment, and high-school allotment
 - Move from use of prior-year to current-year values
 - Add low-income/ELL K-3 weight, 3rd grade reading incentive and CCMR outcomes funding, effective educator allotment, dyslexia allotment, extended-year incentive program, and fast-growth allotment

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The School Finance Commission Published a Report

- Specific recommendations, cont'd:
 - Changes to transportation, NIFA, and CTE funding
 - Changes to basic allotment, Tier II yields
 - 3 proposals to slow property tax and recapture growth
 - TTARA plan: recapture-funded tax compression
 - Governor's Plan: Comprehensive property tax and recapture reform
 - Share recapture plan: recapture dollars shared between school districts, taxpayers and the state

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The School Finance Commission Published a Report

- Gaps in specificity
 - Tier II copper-penny yield increases depend on an unspecified dollar amount for the basic allotment
 - Tier II golden-penny yield set to a new percentage of an unspecified basic allotment
 - No data on attendance for bilingual education changes as proposed
 - Unclear how the range of new compensatory education weights would be established
 - Small/mid-size allotment (in place of the current adjustment) is supposed to be revenue neutral. How is that achieved?

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The School Finance Commission Published a Report

- Gaps in specificity
 - Recommendation to equitably distribute ASF funds. How will that be achieved and how will that affect the determination of recapture?
 - How many schools will opt into the effective educator compensation program? How will that affect the distribution of the proposed \$100 M initial funding?
 - No clear adoption of a property tax relief plan

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The School Finance Commission Published a Report

- No bill reflecting these recommendations so far
- How will the State fund these changes?
 - Additional sales tax revenue growth
 - Redirect portion of sales taxes currently channeled to ESF
 - Expand sales tax base
 - BRE projection: 8.1% increase in GR-R revenue from 2018-19
 - Supplemental appropriations will take away from this revenue increase

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A New Speaker is in Town:

*Dennis Bonnen,
R- Angleton*



<http://www.tpr.org/post/texas-house-names-dennis-bonnen-new-speaker>

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A New Speaker is in Town

- 22 years in the House of Representatives
- Bonnen on the role of speaker: "It is the speaker's job to keep the members in the room and in the discussion...It is not the speaker's job to tell them the answer to the question. You might identify the question, but you don't provide the answer. You provide the leadership to ensure that we get to a solution."
- Priorities are 1. School Finance Reform 2. School Finance Reform and 3. School Finance Reform

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A New Speaker is in Town

- Matt Krause, R-Ft. Worth: "He's got that reputation of being this bulldog because they're fiercely loyal and sweet, but if you mess them up or mess with their owners, they get very protective and tough."
- Appeared with Lieutenant Governor Patrick and Governor Abbott at the onset of the session, speaking about their work together on school finance and property tax reform

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A New Speaker is in Town

- Speaker Bonnen does not endorse linking standardized tests to school finance
- Stocks members' lounges with these Styrofoam cups.



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Committees Named

- Senate Education Committee
 - Senator Larry Taylor, Chair
 - Senator Eddie Lucio, Jr., Vice-Chair
 - Members:
 - Senator Paul Bettencourt
 - Senator Donna Campbell
 - Senator Pat Fallon
 - Senator Bob Hall
 - Senator Bryan Hughes
 - Senator Angela Paxton
 - Senator Beverly Powell
 - Senator Kirk Watson
 - Senator Royce West

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*Senate
Education
Committee
Interim
Report*

- Hurricane Harvey
 - Legislation to support Mental Health initiatives in impacted districts
 - Legislation/Rule to include School Officials into Disaster Planning
 - Make additional Revenue available to ESCs and Districts in the impacted area

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*Senate
Education
Committee
Interim
Report*

- Teacher Compensation
 - Opportunities for districts to receive state funding for strategies to put best teachers in schools/classrooms with most need
 - Legislation to ensure Teacher Preparation and Certification programs are rigorous and produce quality teachers
 - Legislation to explore and define classroom supports necessary for teacher success

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*Senate
Education
Committee
Interim
Report*

- **Mandate Relief and Innovation**
 - Create a new definition of Homeless in Ed Code Chapter 5.
 - Let SBEC collect Teacher Perseverance instead of TRS
 - Repeal auto-injection reporting (EPIPEN)
 - Repeal outdated list of SBOE Authority
 - Exempt schools from definition of “Governmental Entity” in Gov’t Code 2265.001(a). Reports on metered electricity, water, natural gas
 - Repeal outdated list of duties for SBEC
 - Repeal Health and Safety Code 114.002 and 114.005 (Interagency Obesity Council and Dept. of Agriculture ineffective programs

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*Senate
Education
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Interim
Report*

- **Mandate Relief and Innovation**
 - Repeal TX Ed Code 7.009 – Best Practices Clearinghouse
 - Repeal TX Ed Code 39.233 – High School Allotment
 - Repeal TX Ed Code 44.903 – light bulbs
 - Repeal TX Ed Code 31.103(b) – requisition textbooks by June 30
 - Repeal TX Ed Code 39.401-07,39.411, 39.415 High School Completion and Success Council (dormant since 2008)
 - Repeal TX Ed Code 45.208(e) – local depository contract reporting
 - Repeal TX Ed Code 29.007 – Commissioner approval shared services contracts

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*Senate
Education
Committee
Interim
Report*

- **Mandate Relief and Innovation**
 - Repeal TX Ed Code – 38.0081 Steroid Information
 - Repeal TX Ed Code – 38.101-103 – Fitness Gram Reporting
 - Require UIL to develop extracurricular activity safety training
 - Require notice of TEC 12.1101 to Superintendent also and extend time from 4-6 months to 18 months for new charter applications.
 - Consolidate language in TEC 21.410-13 to provide grant flexibility for Master Teacher Certificate
 - Repeal 21.0453 and 21.044(g) and enact all new reporting provisions for Educator Prep Programs

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*Senate
Education
Committee
Interim
Report*

- **Classroom Conduct**
 - Legislation to promote most effective disciplinary methods in the classroom
 - Clarify the role of on campus law enforcement
 - Monitor and measure Research Based Program Implementation.
 - Explore additional metrics to report in PEIMS for discipline.

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*Senate
Education
Committee
Interim
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- High Quality Education Programs
 - Grants to expand ACE programs across state
 - Incentivize Innovation Models that offer choice to parents
 - Additional Resources to Open Enrollment Public Schools that are nearing seat capacity
 - Explore Partnerships under SB 1882 to include ACE like programs.

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*Senate
Education
Committee
Interim
Report*

- Virtual Education in the 21st Century
 - Explore legislation to update funding models for students enrolled in online courses
 - Review requirements that a student be enrolled in a public school for one year prior to enrolling in TX Virtual School Network
 - Explore alternatives to Course Mastery in all areas

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Senate Education Committee Interim Report

- Dual Credit
 - Authorize a study to determine cost of dual credit to institutions of Higher Education, Local ISDs, parents and students.
 - Legislation to require student to file a degree plan after 15 Hours.
 - Study and Evaluate whether Dual Credit CTE courses are aligned with Workforce Certification Pathways.

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Senate Education Committee Interim Report

- Monitoring Charges
 - 7A E-rate – continue to monitor progress in connecting all Texas classrooms
 - 7B Improper Relationships and P-TECH
 - Legislation to create a “Do Not Hire” registry
 - Clarify duty to report when investigation show no inappropriate conduct
 - Clarify when a resignation puts someone on the “Do Not Hire” list
 - Monitor SB 22
 - 7C Prohibition of Monitoring Indicator based solely on percentage in SPED
 - Monitor speed of implementation of TEA Corrective Action Plan

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Committees Named

- House Public Education Committee
 - 13 members, up from 11
 - Rep. Dan Huberty, Chair
 - Rep. Diego Bernal, Vice-Chair
 - Members
 - Rep. Alma Allen
 - Rep. Steve Allison
 - Rep. Trent Ashby
 - Rep. Keith Bell
 - Rep. Harold Dutton
 - Rep. Mary Gonzalez
 - Rep. Ken King
 - Rep. Morgan Meyer
 - Rep. Scott Sanford
 - Rep. James Talarico
 - Rep. Gary VanDeaver

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House Committee on Public Education Interim Report

- Mental Health and Well Being
 - Require character education in TEKS, increase focus on mental health
 - Consider ways to encourage LEAs to adopt trauma informed, PBIS, and restorative discipline practices
 - Require all school personnel to participate in MHFA training
 - Ensure LEAs in rural areas have financial resources to participate in TWITR or other programs
 - Encourage LEAs to work with providers (CIS) to increase mental health services
 - Establish a statewide resource on student mental health and well-being to create ESC resources and best practices clearinghouse

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House Committee on Public Education Interim Report

- Mental Health Professionals
 - Provide additional financial resources for LEAs to increase the number of school mental health professionals
 - In collaboration with HHSC and LMHAs, the ESCs should establish mental health crisis intervention teams

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House Committee on Public Education Interim Report

- Planning and Training
 - Should provide the TSSC with additional resources for oversight and audit purposes
 - Ensure confidentiality for school safety certification system.
 - Require TSSC to recommend parties for SSSCs
 - Authorize TEA to collect information regarding the type frequency of training related to school safety provided by LEAs
 - CJD should continue to support additional training opportunities for school personnel
 - Require EOPs to include training and drills geared to improving parental notification response times

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House Committee on Public Education Interim Report

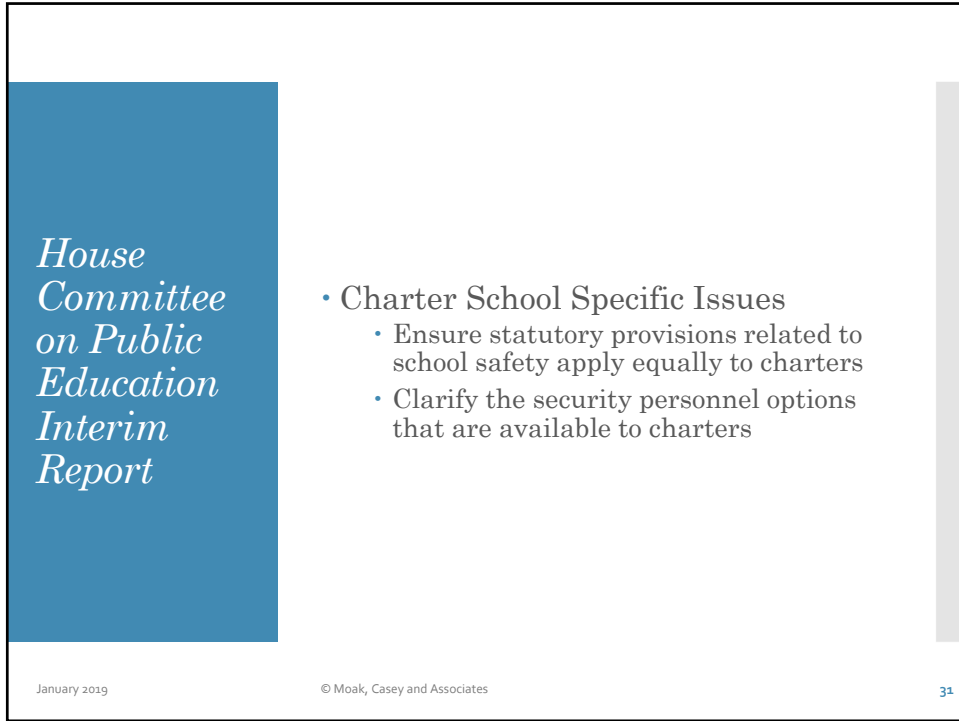
- **Infrastructure**
 - Provide TSSC with resources to conduct a communications interoperability study
 - Planning for safety retrofits should center around available research
 - If resources are allotted it should be on actual need for safety improvements and LEA financial need
 - Allow any possible resources to be used in a flexible manner

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House Committee on Public Education Interim Report

- **Law Enforcement Resources**
 - Consideration given to overwhelming testimony regarding benefits of increased law enforcement officers
 - Consider giving small districts option to create joint police departments
 - Require LEAs to adopt policies that prohibit law enforcement officers from being involved in student discipline.
 - LEAs should have decision making authority in any app or program used for reporting purposes

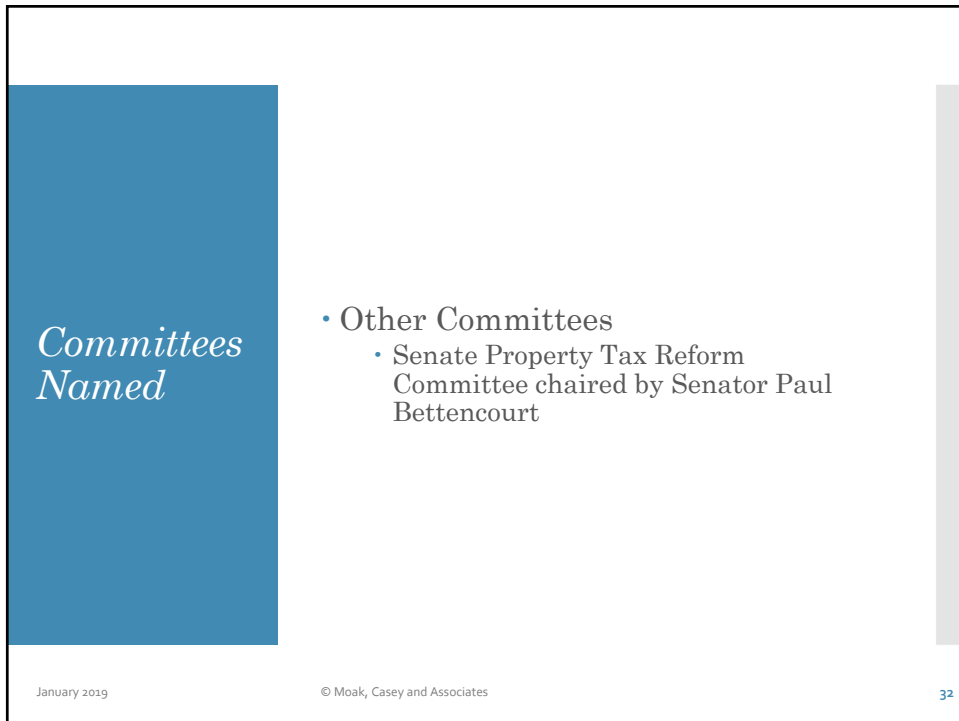
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*House
Committee
on Public
Education
Interim
Report*

- Charter School Specific Issues
 - Ensure statutory provisions related to school safety apply equally to charters
 - Clarify the security personnel options that are available to charters

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*Committees
Named*

- Other Committees
 - Senate Property Tax Reform Committee chaired by Senator Paul Bettencourt

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There's Money to Spend:

Biennial Revenue Estimate

January 2019

BIENNIAL REVENUE ESTIMATE A CLOSER LOOK

The Texas Comptroller provides the Biennial Revenue Estimate (BRE) at the beginning of every regular legislative session. The estimate outlines how much state revenue is available for lawmakers to spend on programs for Texans through the 2020-21 biennium.

Revenue Available for General Purpose Spending		2018-19	2020-21
<small>In Billions of Dollars</small>			
Original Revenue Request (GR-R)	+	\$99.27	\$107.32
Tax Collections	+	\$14.55	\$14.16
Total GR-R Revenue	=	\$113.82	\$121.48
Regulatory Balance	+	\$1.94	\$4.18
Total GR-R Revenue & Fund Balances	=	\$115.77	\$125.67
Revenue Reserved for Transfers to the Economic Stabilization and State Highway Funds	-	\$5.57	\$6.34
Amounts Allocated for Transfers to the Texas Transportation Fund*	-	\$0.00	\$0.21
Total Revenue Available for General Purpose Spending	=	\$110.20	\$119.12

General Revenue-Related Revenue

TOTAL TAX REVENUE

Motor Vehicle Sales & Rental Taxes	6.1%
Oil Production Tax	5.1%
Franchise Tax	5.0%
Natural Gas Production Tax	2.7%
Mine Fuel Taxes	2.2%
All Other State Taxes	10.2%
Sales Taxes	54.5%

OTHER REVENUES

Fees, Assessments & Other Non-Tax Revenues	11.7%
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Annual Sales Tax Collections / All Funds

*The program, authorized by general purpose state program program in 2006, is used to fund certain infrastructure projects. The amount allocated to the program is based on the program's authorized amount.

Blue bars represent the amount of funding.

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Comparing Biennia

	2018-19	2020-21	% Chg
Sales Tax	\$60.501	\$66.261	9.5%
Motor Vehicle Sales	\$9.798	\$9.841	0.4%
Other Taxes	\$28.975	\$31.220	7.7%
Licenses, Fees, Fines	\$2.820	\$2.876	2.0%
Lottery	\$2.897	\$2.885	(0.4)%
Other Non-Tax Revenue	\$8.834	\$8.400	(4.9)%
Balances	\$1.940	\$4.182	
Reserve for ESF, Highway Transfers, Other	(\$5.567)	(\$6.551)	
Total Available for Certification	\$110.197	\$119.115	8.1%

Amounts in Billions

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*There's Money to Spend:
Biennial Revenue Estimate*

- BRE
 - \$119.1 billion general revenue available
 - \$4 billion likely needed from some source for supplemental appropriations
 - SB 500 appropriates \$1.6 billion

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House Appropriations Bill

- \$9 billion of additional funding for property tax relief/reduction, formula reform
 - “contingent on enactment of legislation supporting school districts and charter schools by increasing the state share of the Foundation School Program, enhancing district entitlement, reducing recapture, and providing local property tax relief, while maintaining an equitable system of school finance. Options may include, but are not limited to, increasing the Basic Allotment and providing additional funding for early childhood education, special education, and teacher compensation.”

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*Senate
Appropriations
Bill*

- \$2.3 billion for property tax relief
 - “contingent on enactment of legislation providing property tax relief and reducing reliance on recapture paid by school districts,”
- \$3.7 billion for \$5,000 teacher pay raise
 - “contingent on enactment of legislation providing a classroom teacher salary increase”

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*School
Finance
and
Property
Tax Relief*

- SB3 by Nelson - \$5,000 teacher pay raise
- HB 443 by Meyer - Permits a district to retain enough M&O tax revenue to pay the district’s average M&O costs per student adjusted for inflation prior to paying recapture.

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*School
Finance
and
Property
Tax Relief*

- HJR 24 / HB 462 by Geren
 - Comptroller certification of appropriations bill withheld if state does not appropriate enough to cover 50% of the cost of public education
 - Imposes a duty on the Legislature to set the basic allotment and guaranteed yield to accomplish that

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*School
Finance
and
Property
Tax Relief*

- HB 89 by Gonzalez / SB 136 by Rodriguez
 - Sets the basic allotment for 2019-20 to \$5,440, and \$5,840 for 2020-21
 - Adds a minimum inflation adjustment of 1% or the CPI, whichever is greater
 - Raises the compensatory education and bilingual education allotment weights to 0.25, and limits indirect cost for those allotments to a maximum of 25%
 - Repeals the public education grant and the high school allotment

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School Finance and Property Tax Relief

- **HB 89 by Gonzalez / SB 136 by Rodriguez, cont'd**
 - Indexes the "golden penny" yield to the greater of the 95th percentile of wealth per weighted student or the Austin Yield
 - Indexes the "copper penny" yield to the basic allotment yield
 - Removes the available school fund distribution from the financing of Tier 1, and changes the basis of the distribution to weighted ADA
 - Calls for TEA to perform another comprehensive review of weights, allotments, and adjustments, and to study the impact of legislation on the fiscal neutrality of the finance system

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School Finance and Property Tax Relief

- **HB 664 by King**
 - Limits recapture to 60% of the district's tax collections in a given year
- **HB 665 by King**
 - Changes the property values used in the calculation of local shares of FSP allotments to current tax year values as determined by the Comptroller's value study

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Santa Fe Demands School Safety Solutions

- HB 734 by Huberty - Provides a school board member or superintendent, who has fired a concealed handgun in defense at a school board meeting, defense against prosecution
- SB193 by Perry - Waives handgun renewal fee for school marshals
- SB 243 by Creighton - Permits marshals to carry handgun on campus and to use deadly force when necessary for defense


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Santa Fe Demands School Safety Solutions

- SB 244 by Creighton - Allows each campus to have at least one school marshal on the campus regardless of its size
- SB 372 by Campbell - Expands a charter school's ability to have security personnel

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*Let the Fun
Begin!*



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