PLANO INDEPENDENT SCHOOL DISTRICT

Legislative Remedies

88th Legislative Session

Remedies #1 – Convert Copper Pennies to Golden Pennies

Plano ISD Benefit: $6 million

Request that two copper pennies be converted to golden pennies for Chapter 49 districts. Many districts were not eligible for the formula transition grant that was intended to reduce the impact of tax rate compression. As golden pennies are not subject to Recapture, converting copper pennies into additional golden pennies will shield more M&O revenue to alleviate the negative impact of Recapture and provide “meaningful discretion” to districts to help manage the effects of inflation and offer locally determined programs.

Background: To provide property tax relief, in 2006, the legislature passed HB 1 and HB 2 which required school districts to compress their M&O tax rates, whereby the M&O tax rate of$1.50 was compressed to $1.00, with an additional $0.17 available to the school board to provide “meaningful discretion” during the tax rate setting process. By the 2018-19 school year, 422 school districts (or approximately 38%) had reached the new M&O rate cap of $1.17. At that time, there were 6 golden pennies available in the Tier II, Level 1 enriched programs and 11 copper pennies available in the Tier II, Level 2 enriched programs.

The Legislature appropriated a total of $5.0 billion in the 2020-21 biennium for formula transition grants to fund the tax compression in HB3. So far, school district tax rates have been compressed by an additional $.1792 (18 cents) since HB3. This change in law converted 2 copper pennies into golden pennies so there are now 8 golden pennies available in the Tier II, Level 1 enriched programs and 9 copper pennies available in the Tier II, Level 2 enriched programs.

Remedies #2 – Add Inflation Index to Funding Formula

Plano ISD Benefit: $32 million

The basic allotment should be indexed to inflation to provide school districts sufficient revenue to fund operations in times of increasing inflation.

Background: August 2022 consumer prices have increased by 8.3% over the year ended August 2021, representing one of the largest 12-month increases since the period ending December 1981. Inflation is predicted to remain at 8.3% for September 2022. The largest impact is seen in energy costs, food, and housing. Many of the third-party agreements (e.g., electrical provider, custodial services, and property/casualty insurance) by which the district is held contractually, have inflation provisions that periodically increase the district’s cost. School districts must have revenue sufficient to provide employee raises to retain personnel in a competitive market.

Relatedly, when HB3 was enacted into law, the Cost of Education Index (CEI) was repealed. Plano ISD lost $17.6 million annually from the repeal of CEI.

Remedies #3 – Early Recapture Payment Discount

Plano ISD Benefit: At least $4.9 million

Request the reinstatement of a discount for early payment of local revenue in excess of entitlement recaptured from local taxpayers.

Background: When HB3 was enacted into law, the long-standing provision for a discount upon the early payment of Recapture was available to districts who made their payment in a lump sum, prior to the due date.

Remedies #4 – Put Excess Recapture Collection in Basic Allotment

Plano ISD Benefit: $9 million

Background: In recent years, during each biennium, the State collected approximately $3 billion in recaptured local taxes. Of the approximate total $6 billion of local taxes recaptured during the previous biennium, $1.4 billion, or 23% of the funds, went into the Supplemental Appropriations Bill and were not necessarily spent on K-12 public education, but rather used to pay for things like health care, human services, and transportation. Local taxpayers expect their school district property tax dollars to fund local schools, but unfortunately, it is not determinable where the excess recaptured local taxes were spent.

Remedies #5 – Use Enrollment rather than ADA for Funding Formulas

Plano ISD Benefit: $18 million

Request the use of enrollment data, weighted with existing enrollment trend data, to calculate the State's formula for district funding.

Background: Funding based on ADA, or Average Daily Attendance, is not the same as enrollment-based funding. Enrollment is the total number of students signed up to attend the school. ADA reflects how often enrolled students actually go to school. ADA is currently used by only six states within the U.S. and is perhaps the most inequitable methodology in determining school funding. ADA risks undercounting attendance, particularly the highest-need portion of a district's enrolled students. For example, districts with more low-income students, English language learners, foster youth students, and students experiencing homelessness and, relatedly, uncertain transportation, are more detrimentally impacted by ADA funding. The consequence of undercounting students is an underfunded school district.

In contrast, many states fund based on ADM, or Average Daily Membership, which is the average number of students enrolled in the district over a determined period of time.

With ADA funding, schools lose funding when a student is absent. However, regardless of attendance, the school is obligated to pay for teacher and staff salaries in addition to costs associated with operating and maintaining schools.

Remedies #6 – Create Local Discretion for State-Mandated Program Percentages

Request districts be given local discretion in deploying State funding received through program allotments.

Background: House Bill 3 (HB3), as passed by the 86th Texas Legislature, provided allotments based on the district's provision of various student services, such as:

- compensatory education for educationally disadvantaged students
- dyslexia services

- special education services
- bilingual services
- career & technical education services
- early education services
- gifted & talented education services
- bonus for students who attained CCMR credit

Local school districts best know the specific needs of their student population and are best able to deploy funding where it has the most impact on student outcomes.

Remedies #7 – Create Incentives that Lead to Expansion of Teacher Workforce

Request funding to promote growth in Texas' teaching workforce, including alternative teacher certification programs, to address the growing teacher shortage in Texas.

Background: Texas' shortage in teacher workforce can be addressed with a sustainable investment that provides incentives for paraprofessionals and other employees already in the field of education or college freshman who are pursuing degrees in education. This ensures in the long term, all students in a state where population continues to grow, will have access to highly qualified and dedicated teachers.

Texas Education Code Sec. 54.363, enacted in 1997, already provides one mechanism that includes scholarships to qualifying educational aides. The Legislature may utilize this statute to appropriate funds for grants to fulfill the scholarships to promote essential growth in Texas' teacher workforce.

Additional Incentives may include:

- To expand the number of prospective teachers who are eligible for scholarships, amend qualifications in existing statute for tuition scholarships paid in pursuit of a required degree and teaching certification through accredited colleges and universities or in an accredited alternative certification program.
- Funding to school districts to provide stipends to pay student teachers for their required year(s) of student teaching.
- Funding to school districts to provide stipends for student teacher advisors employed in the school district that provide guidance and support to the student teachers.
- Funding for school districts whose human resources departments actively provide progress-monitoring and support to the student teachers employed in their district who are degree candidates in the partner programs.
- Reimbursements to school districts for amounts paid to program partners on behalf of employees in the pursuit of required degree and teaching certification.

Remedies #8 – A-F Accountability and CCMR

Support an accountability system that offers a fair assessment of school district performance and has an accurate accounting of holistic school quality where periodic system changes (1) do not have an immediate impact on a district's accountability rating, without a phase-in or hold harmless period, and (2) do not use accountability metrics for students no longer in the district.

Background: In January 2023, the Texas Education Agency (TEA) announced it is updating the A-F Accountability System, six months into the nine-month academic year, and intends to rate schools and districts in Fall 2023 using standards that are still being modified. It is February, and all of these new rules are not yet finalized. These changes include a redesign of the STAAR exam, new Industry-Based Certification (IBC) rules and a change in cut score for the College Career and Military Readiness (CCMR) indicator from 60 to 88.

Most impactful, the initial proposed changes to the CCMR indicator mean that high school campuses will be rated in Fall 2023 using data for students who graduated in Spring 2022, which is more than a year before the updated A-F Accountability rules will be finalized.

TEA's purported intent in increasing cut scores is to provide a goal to strive for improved student performance and increase the number of students who meet CCMR targets. However, employing such a drastic change in the target when the data was gathered using a different set of rules seems punitive, rather than the perceived intent to serve as a collaborative effort to improve student performance and increase student participation.

Data: To illustrate the immediate negative impact and conflicting messages that will be communicated to our community by these changes, we have taken the raw scores from the 2022 accountability system and applied the proposed rules, resulting in markedly different ratings, despite NO change in actual performance. School districts face a drop in accountability rating by an entire letter grade or more, which seems punitive in nature and will provide misleading results.

The proposed changes will have an immediate negative impact on the overall accountability rating of Plano ISD, as well as many other school districts, and will elicit a disingenuous accountability rating. Without an understanding of this drastic change in the measurement approach, parents and taxpayers will assume a significant drop in performance based on the drop in letter grade—and that is simply untrue.

CCMR Scores: This illustration shows the letter-grade results of proposing new scale scores, without any actual change in actual performance.

The letter-grade results for 2022 using existing scale scores are all A's. Using the exact same outcomes, but applying the projected new scale scores, the resulting letter grades are now one B and three C's, or from 5-8 points lower with no difference in performance.

Letter Grade	2022 Scale	Plano Senior HS	Plano East Senior HS	Plano West Senior HS	Academy High School	2023 Scale
A	60 100	65% = 91 A	71% = 93 A	77% = 94 A	80% = 95 A	88 100
B	48 59				B 82	78 87
C	39 47	C 71	C 75	C 79		64 77
D	26 38					51 63
F	0 28					0 50

Overall Accountability Ratings: This illustration shows the overall letter-grade results from all domains (STAAR, CCMR and graduation rates), considering proposed new CCMR scale scores, without any actual change in actual performance.

	District		Plano Senior HS		Plano East Senior HS		Plano West Senior HS		Academy High School	
Comparison	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
STAAR 40%	90	90	92	92	93	93	94	94	93	93
CCMR 40%	93	75	91	71	93	75	94	79	95	82
Graduation 20%	90	90	90	90	90	90	95	95	100	100
Overall Scale	91 - A	84 B	91 - A	83 B	92 - A	85 B	94 - A	88 B	95 - A	90 A

What remedy is sought?

The accountability system should have clear and transparent rules that are provided in advance, not toward the end of the school year, so districts can properly prepare and plan. Any CCMR indicator or methodology changes should begin with the next incoming 9th-grade class to ensure that changes are not applied retroactively.

Targets or cut scores should not be changed and applied to students who have already graduated (lagging data). Districts and boards adopt improvement goals for each year in the fall. With TEA's proposal, the rules are changing midstream and a moving target is simply unfair and will yield unreliable data.

Districts should be held harmless with a "transition year" to account for the adjustment associated with implementing STAAR Redesign and A-F Accountability Reset inclusive of the new CCMR cut scores. A "transition year" for 2023 A-F ratings would allow school districts to make adjustments to the new rules. This relieves educators of any stress related to school ratings and enables them to focus on understanding the learning needs of their students.

Additionally, CCMR cut scores should be applied to the incoming 9th-grade students for the 2023-24 school year to allow districts to adequately plan and prepare students as part of each student's graduation plan. Changing the cut scores midstream is problematic and unfair as the change would be applicable to students that have already graduated from high school, or are current seniors. Districts need to know the final rules and have time to implement them properly.

Therefore, if TEA proceeds with this implementation (of new cut scores), districts and schools should be permitted to receive a "better of 2022 or 2023" rating for this academic year.

Superintendents and School Boards support TEA's goal to strive for rigor, fairness and transparency. CCMR accomplishments of students are a culmination of a rigorous 9-12 or K-12 education system. School districts are putting systems in place to ensure that all students are graduating CCMR-ready and preparing students to be life-ready. Building our future workforce pipeline is a priority for all districts.