

PUBLIC EDUCATION:

Texas Commission on Public School Finance – On December 19th, the Texas Commission on Public School Finance unanimously approved the following recommendations:

Establish a Statewide Goal of 60% or Higher Proficiency for Critical Pre-K-12 Outcomes by the Year 2030 - Consistent with the Texas Higher Education Goal of “60x30”, align public school board goals and interim progress measures with these outcomes:

- Student outcomes in the public PreK-12 school system should align with the current post-secondary achievement goals based on a desire for all Texas students to participate equally in the prosperity of the Texas economy while concurrently reducing the burden of social safety net and incarceration costs attributable to our educational failures.
- Ensuring that all Texas students have the opportunity to graduate from high school ready for college, a future career, or military service – and that they are supported in making that transition - should be the guiding principle around which a new school finance system is designed.

Reallocate \$3.5 Billion in Existing Annual Revenues to create more impactful, system-wide equitable investment, grow the basic allotment, and inject substantial new state contributions, beyond that needed for enrollment growth, to fund new strategic allotments and weights designed to significantly enhance the state’s ability to meet its 60x30 Goal – The Commission recommends that \$3.5 billion in select current annual allotments and outdated hold harmless provisions, be eliminated to free up monies to fund recommended strategies including most importantly an increase in compensatory education funding benefitting low-income students. In addition, the state’s current contribution percentage must cease its decline and an important first step is to ensure that the vast majority (if not all) of proposed new annual allotments for:

- Early literacy (estimated to be \$780 million),
- Outcomes Funding (estimated to be \$800 million),
- Educator Effectiveness Allotment (estimated to be \$100 million),
- Extended School Year Allotment (estimated to be \$50 million), and
- increases to Tier II yields represent new funding for public schools beyond that provided by existing formulas.

Any new resources injected into the school finance system for the 2020-21 biennium should come from diversified, reliable funding streams to ensure the sustainability of these reforms, with all existing and new funding not utilized for these reforms and other recommendations designated for needed statutory increases in the Basic Allotment in the 2020-21 biennium beyond its current level of \$5,140. Interim grants should be established for the 2020-2021 biennium to help districts impacted by a decline in per-pupil funding resulting from these

collective recommendations until such time as local taxing actions can be taken to address these circumstances.

Use Current Year District Property Values in the Foundation School Program formulas as opposed to prior year values; and **establish a Fast Growth**

Allotment - Making this property value change will create a one-time \$1.8 billion cost savings for the State and will eliminate what is known as the formula lag, which can cause a misalignment of state and local revenues if/when local district property value growth slows/falls in the future. To mitigate the impact of this change on and provide for the additional costs of districts experiencing fast enrollment growth, the commission recommends establishing a fast growth allotment for the top quartile growth districts, allocated on a per student basis, at a cost of approximately \$280 million.

All Funding Recommendations Should Be Formula Funded and Significantly Directed Toward Student Populations with the Greatest Needs

– All dollars should be formula funded to ensure transparency so that school leaders and boards have sufficient confidence that the funding will exist in subsequent years. Any recommendations for reallocations of existing funding or new investments should be prioritized toward low-income and English language learner students given that they are achieving only one-third to one-half of the recommended 60% statewide proficiency goal.

Focus Additional State Resources on Early Education to Substantially Increase 3rd Grade Reading Levels – The Commission recommends that every low-income or English language learner (ELL) student in grades K-3 receive an additional 0.1 weight (students who are both low-income and ELL would therefore receive a combined weight of 0.2 weight) to provide campuses with an estimated \$780 million of collective additional funding to improve critical early literacy levels. Public schools would be free to invest the dollars (specifically across Grades Pre-K - 3) at their discretion across a variety of strategies, including providing optional full-day Pre-K. In return for this funding, all districts offering optional Pre-K (87 percent of districts currently do so) will be required to offer it in a quality manner for any enrolled student, defined as:

- a full day offering for four-year-old Pre-K, and
- a classroom adhering to quality standards governing desired student/teacher ratios, etc.

Should public schools currently have an insufficient number of seats, either directly or in partnership with private providers, such that the requirement to offer full-day Pre-K would result in less students being served, TEA waivers may be obtained by public schools until additional Pre-K seats can be constructed or located.

Texas's School Finance System Should Shift a Portion of its Focus Toward Outcomes-Based Funding targeting 2 critical Pre-K - 12 "Gates" reflecting current high levels of academic "Melt" – The Commission recommends providing \$800 million of outcomes-based funding (allocated and paid beginning in the 2019-20 school year based on current proficiency levels) to public schools to provide key resources and help ensure ongoing, strategic focus by school leaders on substantially increasing outcomes in two critical areas:

- Early literacy, where over 225,000 Texas 3rd grade children fail to meet the state standard in reading (estimated targeted funding of \$400 million); and
- Post-secondary access of career, military or higher education without the need for remediation, where over 200,000 high school graduates annually fail to achieve a post-secondary education within six years of graduation (estimated targeted funding of \$400 million).

All outcomes-based funding would be equitably distributed to provide campuses with much higher per student funding for their low-income students facing greater needs such that campuses with high concentrations of low-income students would receive total funding that is approximately 28 percent higher than campuses with no low-income students. As these initial resources are invested in key strategies to improve outcomes, campuses will be able to see their outcomes-based funding increase meaningfully as part of formula funding separate and apart from any increases in the basic allotment.

Creation of an Effective Educator Allotment for districts wishing to differentiate compensation to pay their strongest educators higher salaries sooner in their career – The Commission recommends creating an optional, effective educator allotment in formula funding for participating districts. Funding of this allotment would commence in the 2020-21 biennium at \$200 million (growing an additional \$200 million each subsequent biennium, reaching \$1 billion in the 2028-2029 biennium) to provide discretionary funding to districts wishing to implement locally-developed, multi-measure evaluation and compensation systems to enhance the retention and strategic staffing of their more effective educators across their districts. The state should set a goal to ensure that its top teachers have a realistic path to a \$100,000 annual salary. In addition to helping attract and keep their effective educators in the classroom, public schools implementing these systems would be able to identify their more effective educators and then provide incentives for them to teach at their most challenged campuses, increasing the equitable distribution of effective educators. This evaluation system would also enable districts to target professional development to individual teachers' needs and provide critical, much-needed feedback to teacher preparation programs to help them continuously improve their own training.

Create Optional Program for Districts to Offer Up to an Additional 30 Instructional Days by providing half-day funding (up to \$50 Million in Year 1) for each instructional day beyond the district's designated end of school year for high-needs students in grades Pre-K – 5th grade - Analysis indicates that more time on task for our younger, struggling learners, very often from low-income backgrounds, will notably increase the percentage of students who achieve the state's Meets-Grade-Level standard in 6th grade by up to 12-14 percent, while increasing annual pay for participating teachers by up to \$6,000 annually given the extra 30 days of teaching required. Should this initial program prove effective, we would encourage the funding of its scaling in subsequent years given the critical importance of ensuring a solid early foundation and eliminating the impact of "summer slide" for our low income populations.

Creation of Additional Allotments/Programs Targeting Early Learning –

Incentivize the use of dual language (vs. bilingual) strategies (these funds would be delivered through a funding weight of 0.15, above the current bilingual weight of .10) and support greater dyslexia identification and student supports. It is estimated that these recommendations would involve the estimated additional expenditure of up to \$150 million annually.

Change Existing Allotments and Formula Weights, the large majority of which are recommended to be equitably adjusted, including increased compensatory education funding to invest annually an estimated \$1.1 billion dollars additionally in supporting students with the largest needs.

Increase the Current Yields on Tier II Tax Rates to equal \$43.50 per penny and tie future increases to a fixed percentage of the basic allotment while initially compressing the rate to provide future taxing flexibility - Many school districts have provided local enrichment through tax ratification elections and have reached the statutory maximum \$0.17 Tier II tax rate. Increasing the initial yield of the last eleven pennies (“copper pennies”) to \$43.50 per penny and then tying that rate going forward to the percentage of the Basic Allotment established in 2019-20 school year should allow for some inflationary protection on a district’s Tier II yields. Initially compressing districts’ Tier II rates will provide taxpayers with immediate tax relief while providing districts with future capacity to seek approved increases in funding via a school board vote or a tax ratification election. Compressing the tax rates as values rise is essential to ensuring that districts maintain meaningful discretion over their enrichment tier tax rates.

Substantially Reduce the Growth in Recapture – Recapture growth should be substantially reduced by a variety of methods. In addition to any increases in the Basic Allotment, the legislature should also consider other strategies including potentially compressing Tier 1 tax rates. In considering the compressing of local Tier 1 tax rates annually, local district entitlement must be unaffected and compression can only affect the local share of required funding, with the state providing the remaining resources needed from overall general revenue.

Special Education - All students deserve to have their educational needs met. As the Commission examined the special education weight, it became clear that the Texas special education system is undergoing significant reform. Given this rapid change, the commission deemed it prudent to wait to implement special education formula changes until the Corrective Action Plan, having been approved by the Department of Education, can be fully implemented. Focusing on improving student outcomes for all students is the aim of the commission and conversations about outcomes for students with severe disabilities should be ongoing and prioritized.

Governor Greg Abbott said, “This session, we have an opportunity to solve one of Texas’ most pressing challenges by reforming our broken school finance system and developing a model that creates a brighter and more promising future for our children. Texans expect and deserve for their leaders to solve this critical issue. The school finance commission report made clear that the state must reform the broken Robin Hood system and allocate more state funding to education. This session, we will do just that.”

The Texas School Coalition released a statement saying, "We are grateful that the commission takes seriously the growing burden that Robin Hood has put on taxpayers in hundreds of school districts across Texas. School districts are sending away \$2.6 billion in Robin Hood payments this year, and we believe the Commission is sincere in its desire to stem the growth of Robin Hood before it gets even further out of control. We are concerned that some of these recommendations merely shift existing dollars around and could cause some districts to lose funding. We hope the Legislature will instead make the meaningful investment needed to help all students succeed. Property tax relief is needed and important, but Texas students are more important. Those students should be the priority. Hopefully, the Legislature will build upon these recommendations and make the substantial investment in public schools that Texans expect and our students deserve. The best way to reduce Robin Hood and improve education is to significantly increase state funding for education. We appreciate the Commission's work. Now it's time for the Legislature to act."

GOVERNOR:

Governor Greg Abbott's School Finance & Property Tax Reform Plan:

Goal 1: Improve Student Outcomes

- Put the best teachers in the earliest grades on the toughest campuses and pay them more – the best teachers are placed in the most difficult classrooms where their skills can yield the greatest impact; high-quality teachers are placed in grades Pre-K through 5, when socioeconomic barriers can best be overcome; and teacher pay reflects the quality and expectations of these vital professionals.
- Reward districts that achieve targeted student outcomes – that children are reading at grade level by 3rd grade; and college, career, and military readiness rates for high school students.
- Increase state resources for early childhood education.

Goal 2: Make the Formula More Efficient & Equitable

- Use a spectrum-based approach to effectively address student need – for compensatory education, the need would correlate with the level of poverty, meaning that children in more severe poverty would receive a larger compensatory education weight; and the spectrum weights would then compound the outcomes bonuses outlined in Goal One, ensuring that achievement for students with the most need is rewarded to an even greater extent.
- Give administrators spending flexibility to focus resources as they deem necessary to meet outcomes goals.

Goal 3: Ease Reliance on Property Tax

- Cap annual property tax revenue increases to promote housing affordability and economic development.
- Compress ISD Maintenance & Operation tax rates as property values rise and use state revenues to ensure ISD's receive their full entitlement.

Goal 4: Reduce "Robin Hood" Recapture Payments

- Reduce recapture's projected growth keeping more tax dollars local –

compressing tax rates as property values rise is one of multiple strategies that can slow the growth of future recapture payments.

HOUSE:

Dennis Bonnen Staff Announcements – The presumed next House Speaker, Representative Dennis Bonnen (R-Angleton), has made several staff announcements including:

- **Transition Team Chair** – Texas State University System Chancellor Brian McCall
- **Chief-of-Staff** – Gavin Massingill
- **Speaker’s Office Director** – Shera Eichler
- **Policy Director and General Counsel** – Gardner Pate
- **Communications Director** – Gene Acuna
- **Director of Finance** – Andrew Blifford
- **Special Advisor** – Former State Representative Robby Cook
- **Parliamentarians** – Sharon Carter and Hugh Brady

Speaker’s Policy Advisors:

- **Lana Abduldaem** – Policy Office Coordinator
- **Kyler Arnold** – Health and Human Services
- **Oscar Garza** – Transportation and General Government
- **Amanda Lopez** – Tax and Financial Institutions and Assistant General Counsel
- **Will McAdams** – Business and Regulated Industries
- **Shakira Pumphrey** – Criminal Justice, Law Enforcement, and Veterans’ Affairs
- **Andrea Sheridan** – Education
- **Jesse Sifuentez** – Insurance and Civil Law

HIGHER EDUCATION:

Dual Credit – On December 19th, Senator Paul Bettencourt (R-Houston) announced the filing of **SB 251** to expand dual credit opportunities for students throughout Texas. SB 251 would modify the Education Code to allow a high school student to enroll in a dual credit course at any public junior college that has entered into an agreement with the student’s school district to offer the course. Senator Bettencourt said, “Dual Credit courses are the perfect hybrid between lower-ed and higher-ed. When college-ready students are able to graduate high school in some cases with an associate’s degree that is a tremendous advantage for Texas students. Nothing says you are college ready like graduating high school with a degree. This saves money for taxpayers too.”

2018 INTERIM STUDY RECOMMENDATIONS

PUBLIC EDUCATION:

Senate Education Committee – The Senate Education Committee has released its interim committee report. Here are its interim charges and recommendations:

Hurricane Harvey - Assess and make recommendations for state and local K-12 hurricane recovery efforts.

- Examine the crisis management response of the Texas Education Agency and identify changes to the Education Code that would expedite the state response to school districts and public charter schools in the aftermath of any disaster.
- Determine the impact on school finance of possible state actions such as, but not limited to, changes to student enrollment calculations or property valuation.
- Assess student displacement caused by Hurricane Harvey and consider actions the Commissioner of Education may take to adjust attendance levels or calculations in the wake of a disaster.
- Make recommendations for legislative action including potential changes to the process and timeliness of payments to districts by private insurers, FEMA and the state.

The committee recommended:

1. Consider legislation to support mental health initiatives in districts impacted by the hurricane. Support TEA's work in forming partnerships between higher education institutions and local school districts to provide direct mental health services at schools.
2. Incorporate school officials into local disaster planning meetings. Build off the success of school districts serving as shelters by incorporating schools into community disaster planning, in order for schools to receive much-needed supplies and supports earlier.
3. Recommend the legislature consider making additional revenues available to Education Service Centers and school districts affected by Hurricane Harvey to assist in facility maintenance and recovery services.

Teacher Compensation - Study current local, state, and/or national compensation strategies for classroom teachers and make recommendations to elevate the teaching profession as well as comprehensive policies to attract, retain, and reward teachers. The committee recommended:

1. Expand opportunities for school districts to receive state funding for strategic staffing initiatives that encourage high quality teachers to enter districts and schools with the most needs.
2. Explore legislation to ensure teacher preparation and certification programs are rigorous and implemented with fidelity to ensure teachers are equipped and prepared for success once they enter the classroom.

3. Consider legislation to explore and define the classroom supports necessary for teacher success.

Mandate Relief/Innovation - Review, modify, or abolish chapters of the education code. Specifically, study cost-drivers, unnecessary mandates, reduction/elimination of inefficiencies, focus on policies or opportunities targeted to improving student outcomes, and better utilization of taxpayer resources. The committee recommended:

1. Create a new definition for “homeless” in the Texas Education Code Chapter 5 that references the definition in 42 U.S.C. § 11302; change all the above references in Texas statute to cross-reference the new definition in Chapter 5.
2. Strike reference to the Teacher Retirement System from Texas Education Code § 21.0452(b)(8), and instead permit the State Board of Educator Certification to collect teacher perseverance data through PEIMS.
3. Repeal Texas Education Code § 38.209(a)(3), which requires districts to report auto-injection information to the Commissioner of Education.
4. Repeal outdated lists of State Board of Education authority (7.102(c)(9)) over charters Texas Education Code § 7.102(c)(9).
5. Exempt public school districts from the definition of “governmental entity” under Texas Government Code § 2265.001(a).
6. Repeal outdated list of State Board of Educator Certification (SBEC) duties (21.040(1), (2) and 7)) involving the former SBEC executive director, budget, and contracting; and repeal Texas Education Code § 21.040(1)-(2), (7).
7. Repeal Texas Health & Safety Code §§ 114.002 and 114.005 dealing with Interagency Obesity Council and review of Texas Education Agency and Department of Agriculture programs as ineffective.
8. Repeal Texas Education Code § 7.009 dealing with Best Practices Clearinghouse (Sunset recommendation).
9. Repeal Texas Education Code § 39.233 dealing with high school allotment recognition.
10. Repeal Texas Education Code § 44.903 dealing with lightbulbs - State law requires school districts to purchase and use in their instructional facilities certain light fixtures, namely the most cost-effective lightbulbs using the fewest watts per light output.
11. Repeal Texas Education Code § 31.103(b)) dealing with requirement to requisition textbooks by June 30.
12. Repeal Texas Education Code §§ 39.401-07, 39.411, 39.415 dealing with High School Completion and Success Council as it has been dormant since 2008.
13. Repeal Texas Education Code § 45.208(e), submission of local depository contracts to TEA.
14. Repeal Texas Education Code § 29.007 relating to the requirement for Commissioner of TEA approval of shared service arrangement.
15. Repeal Texas Education Code Section 38.0081.
16. Repeal Texas Education Code Section 38.101-38.103.

17. Require UIL to develop an extracurricular activity safety training program instead of the Commissioner.
18. Include required notice under Texas Education Code 12.1101 to be given to superintendents.
19. Change application timeline notice requirements under Texas Education Code 12.1101 from 4-6 months to 18 months to allow districts and charters time to prepare for changes and impact.
20. Consolidate the language in Texas Education Code §§ 21.410-13 pertaining to Master Teacher Certificate grants to a single statutory provision applying to all Master Teacher Certificate programs providing grant administration flexibility.
21. Repeal Texas Education Code 21.0453 and 21.044(g) and enact new all-purpose reporting provision containing all information reporting requirements for educator prep programs

Classroom Conduct and Teacher Support - Examine current student discipline mandates in code, study best practice models to reduce classroom discipline issues, and provide direct support for students and classroom teachers Regarding its interim charge on classroom conduct and teacher support. The committee recommended:

1. Consider legislation promoting the most effective student disciplinary methods that both protect students' rights and opportunities to be educated as well as promote effective discipline in the classroom.
2. Consider legislation clarifying the role of on-campus law enforcement to prevent peace officers from being used to serve in daily disciplinary administration.
3. Monitor and measure the use of research-based programs to ensure schools are implementing programs which are proven to work.
4. Explore reporting metrics through PEIMS that may offer better insight to student behavior and discipline while monitoring the performance of different programs in addressing these issues.

Expand High Quality Education Opportunities - Examine high quality campus/programs in Texas and other states and make recommendations on incentives to expand high-performing campuses and programs. Review should include but not be limited to:

- program and course variety,
- unique public school models,
- transfer or open-enrollment policies within a district,
- collaboration between districts or public charters,
- online learning, and
- whether children with special educational needs, children of military families, and student populations in chronically high poverty areas should have additional options to meet their unique educational needs.

The committee recommended:

1. Consider legislation creating grant programs that support districts in implementing ACE models for low performing campus turn around.

2. Continue to incentivize innovative models that offer public education choice to parents and students.
3. Consider providing resources to open-enrollment public schools which have greater demand than available seats.
4. Explore options for partnerships through SB 1882 (85 R) to include Dallas ISD's ACE model or similar teacher retention programs.

Virtual Education in the 21st Century - Review the Texas Virtual School Network (TVSN) and recommend methods of updating and improving the system to boost online virtual education. The committee recommended:

1. Explore legislation to update funding models for students enrolled in on-line courses. Appropriate funds to ensure that TEA is able to meet the requirements.
2. Review the requirement that a student be enrolled in a public school for one year prior to enrolling in a Texas Virtual School Network.
3. Explore alternatives to course completion to demonstrate student mastery of a content area.
4. Review current statute on the virtual school network and examine updating the framework to ensure high-quality providers meet the education needs of online learners.

Dual Credit - Review dual credit opportunities throughout the state, examining the impact of HB 505 (84th Legislature) on students in particular. Look at the outcomes of statewide studies completed in Texas regarding dual credit, and examine the current rigor of dual credit courses, as well as how to improve advising for students in dual credit. (*Joint Charge with Senate Higher Education*)
The committees recommended:

1. The Legislature should consider authorizing a study or survey to determine the cost of dual credit to institutions of higher education, independent school districts, as well as students and families, including contact hour, success point and property tax revenue support.
2. The Legislature should require students to file a degree plan upon completion of 15 semester credit hours of academic or career and technical dual credit earned and incentivize additional advising for dual credit students.
3. The Legislature should study and evaluate whether CTE dual credit provides workforce certification pathways when possible.
4. The Legislature should consider requiring TEA and THECB to develop a map of HB 5 endorsements which best align to individual dual credit courses, including Fields of Study Curriculum for academic dual credit and Programs of Study for CTE dual credit, in an effort to better inform students.

Monitoring - Monitor the implementation of legislation addressed by the Senate Committee on Education and make recommendations for any legislation needed to improve, enhance, and/or complete implementation. Specifically, monitor the following:

E-Rate Matching Program – Monitor the state matching of the federal E-rate program (SB1). The committee recommended:

1. The legislature should continue to monitor the progress made in connecting all Texas classrooms to high-speed Internet and determine whether any future legislative action is necessary.
2. The Legislature should also monitor the level at which districts and schools leverage the state and federal investment in broadband infrastructure in offering innovative alternatives to students and parents.

Improper Relationships – Monitor implementation of SB 7 (85th) related to improper relationships between educators and students and reporting of educator misconduct. The committee recommended:

1. Consider legislation creating a "do not hire" registry of educators and school personnel who have been terminated or who have resigned as the result or initiation of an investigation relating to an inappropriate relationship with a student.
2. Include access of the registry and reporting requirements to private schools, Districts of Innovation, and charter schools so educators or personnel who have been terminated or vacated a position as a result of an investigation by school districts are unable to gain future employment.
3. The registry should be maintained by TEA for non-certified personnel and the State Board for Educator Certification for certified teachers.
4. Clarify the duty to report when a district has completed an investigation and determined that an educator did not engage in misconduct. If a completed investigation determines that the educator did not commit an act of misconduct, the superintendent or director is not required to notify the State Board for Educator Certification or TEA to prevent false allegations from adversely affecting the career of accused individuals.
5. Consider legislation clarifying the circumstances by which resignation of a district, charter, or private school employee while pending an investigation shall be reported to the "do not hire" registry. Resignation should not terminate an investigation into the circumstances of an allegation.

P-TECH – Monitor implementation of SB 22 (85th) related to the establishment of a Pathways in Technology Early College High School (P-TECH) and workforce pathways. The committee recommended continued monitoring of the implementation of SB 22.

Special Education - Monitor the implementation of SB 160 (85th) prohibiting monitoring system performance indicator based solely on the number or percentage of students receiving special education services. The committee recommended:

1. The Legislature should continue to monitor the implementation of SB 160 (85R), and determine whether any future legislative changes are necessary. In particular, monitor the speed at which TEA implements items mentioned in their corrective action plan.
2. Ensure districts have the financial resources necessary to evaluate and identify students who are entitled to special education services.