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# **TASA Midwinter Conference**

TASA Governmental Relations 86<sup>th</sup> Session Update

January 28, 2019

TASA 

# Elections & Politics

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- ▶ Republicans still hold all statewide offices and control both chambers of the legislature – but Rs lost some seats
- ▶ What does this mean for this session?
- ▶ More bipartisanship?
- ▶ January 9<sup>th</sup> – press conference
  - ▶ Governor, Lt Governor, Speaker
  - ▶ Discussed their priorities: school finance, property tax relief
  - ▶ Re-affirmed commitment to work together

# Elections & Politics, cont.

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## ▶ Texas House

- ▶ Speaker Dennis Bonnen (R) Angleton – unanimously elected
- ▶ 85<sup>th</sup> make up of the House – 95R – 55D
- ▶ 86<sup>th</sup> make up of the House – 83R – 67D
- ▶ Special election for 3 House seats being vacated
  - ▶ January 29 – Rep. Carol Alvarado’s seat and Rep. Joe Pickett
  - ▶ February 12 – Rep. Justin Rodriguez
- ▶ Committee assignments announced

# House Public Education

- ▶ Rep. Dan Huberty (R-Houston)
  - ▶ Chair
- ▶ Rep. Diego Bernal (D-San Antonio)
  - ▶ Vice chair
- ▶ Rep. Alma Allen (D-Houston)
- ▶ Rep. Harold Dutton (D-Houston)
- ▶ Rep. Ken King (R-Canadian)
- ▶ Rep. Morgan Meyer (R-Dallas)
- ▶ Rep. Gary VanDeaver (R-New Boston)
- ▶ Rep. Steve Allison\* (R-San Antonio)
- ▶ Rep. Trent Ashby (R-Lufkin)
- ▶ Rep. Keith Bell\* (R-Forney)
- ▶ Rep. Mary Gonzalez (D-Clint)
- ▶ Rep. Scott Sanford (R-McKinney)
- ▶ Rep. James Talarico\* (D-Round Rock)
- ▶ [First committee meeting on Jan. 30<sup>th</sup>](#)

# Other House Committees

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- ▶ House Appropriations – Rep. Zerwas, Chair
- ▶ House Calendars – Rep. Price, Chair
- ▶ House Pensions & Investments – Rep. Murphy, Chair
- ▶ House Ways & Means – Rep. Burrows, Chair
- ▶ Local & Consent – Rep. Morrison, Chair
- ▶ House Elections – Rep. Klick, Chair

# Elections & Politics, cont.

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## ▶ Texas Senate

- ▶ 85<sup>th</sup> make up of the Senate – 20R – 11D
- ▶ 86<sup>th</sup> make up of the Senate – 19R – 12D
- ▶ Do the dynamics change in the Senate?
- ▶ Committee assignments, pace
- ▶ Senate committees announced
- ▶ Senate Finance committee began hearings
- ▶ Article III – February 11<sup>th</sup> (Senate Finance)
  - ▶ TEA
  - ▶ TRS

# Senate Education Committee

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- ▶ Sen. Larry Taylor (R-Friendswood)
  - ▶ Chair
- ▶ Sen. Eddie Lucio, Jr. (D-Brownsville)
  - ▶ Vice chair
- ▶ Sen. Paul Bettencourt (R-Houston)
- ▶ Sen. Donna Campbell (R-New Braunfels)
- ▶ Sen. Bob Hall (R-Edgewood)
- ▶ Sen. Brian Hughes (R-Mineola)
- ▶ Sen. Pat Fallon\* (R-Prosper)
- ▶ Sen. Angelo Paxton\* (R-McKinney)
- ▶ Sen. Beverly Powell\* (R-Fort Worth)
- ▶ Sen. Kirk Watson\* (D-Austin)
- ▶ Sen. Royce West (D-Dallas)

# Other Senate Committees

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- ▶ Senate Finance – Sen. Nelson, Chair
- ▶ Senate Property Tax – Sen. Bettencourt, Chair
- ▶ Senate State Affairs – Sen. Huffman, Chair
- ▶ Senate Nominations – Sen. Buckingham, Chair



# Elections & Politics, cont.

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- ▶ Political focus on 2020 election cycle
  - ▶ Presidential election
- ▶ Redistricting in 2021
- ▶ Less focus on social issues this session?
- ▶ No legislation can pass either chamber for first 60 days unless emergency declared by the governor
  - ▶ Emergency = Governor decides

# Major Issues this Session

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- ▶ State budget
- ▶ Hurricane Harvey
- ▶ School finance /recapture
- ▶ TRS – insurance (active & retirees) and pension
- ▶ Tax and property tax relief (tax caps)
- ▶ School safety
- ▶ Pre-K

# Major Budget Issues in 86th

- ▶ Comptroller raised revenue estimate - \$119 B available for GR
  - ▶ Cautioned lawmakers due to decreasing oil prices, increases in interest rates, a slowing global economy, and trade tensions
- ▶ Impact of Hurricane Harvey
  - ▶ General costs and property values
- ▶ Medicaid shortfall - \$2+ billion
  - ▶ Supplemental budget looking at \$5 billion
  - ▶ Deferrals of state payments from last session
- ▶ RDF/ESF expected to be \$15 billion by end of 2019-2020 if no appropriations

# Governor Abbott's Plan

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- ▶ Target additional state resources to data-proven strategies to improve student outcomes
- ▶ Pay the best teachers more, especially when teaching in more difficult classrooms
- ▶ Focus additional state resources on “early childhood” education
- ▶ Reward the districts that achieve targeted student outcomes, especially when achieved among low-income students
- ▶ Promote equity by removing outdated formula elements and using these funds to increase the basic allotment

# Coalition seeks tax caps, etc.

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- ▶ Texas Public Policy Foundation leading a group to:
  - ▶ Eliminate the franchise tax
  - ▶ Limit property tax increases to 2.5% annually unless voter approved
  - ▶ Impose state spending caps and divert savings to school districts
- ▶ 2017 House had a bill to cap at 6%, Senate 4%
  - ▶ HB 2 died during special session
  - ▶ Applied only to cities, counties and special taxing districts
- ▶ Governor plan includes 2.5% tax cap for school districts
  - ▶ Selling it as tax relief – won't stop until always require local election

# House & Senate Base Budgets

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- ▶ Both base budgets include:
  - ▶ \$2.4 billion for enrollment growth
  - ▶ \$2.2 billion to increase the Guaranteed Yield
- ▶ HB 1
  - ▶ \$9 billion for increasing the state share, enhancing school district entitlement, reducing recapture, and providing property tax relief
  - ▶ TEA's request for new money for special education (\$50.5 million) and school safety (\$54.4 million)

# House & Senate Base Budgets, cont.

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## ▶ SB 1

- ▶ \$3.7 billion - \$5,000 per classroom teacher salary increase above any local increases

  - ▶ SB 3 –for classroom teachers only – no other employees included

- ▶ \$2.3 billion for property tax relief and reducing recapture

## ▶ SB 500 (supplemental appropriations)

- ▶ \$100 million for school safety and hardening, \$905.5 million for costs to schools related to Hurricane Harvey, and \$300 million for TRS, among other items

# TEA LAR

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- ▶ TEA's Legislative Appropriations Request included:
  - ▶ \$3.5 B decrease in state GR funds due to property value growth
  - ▶ \$280 M decrease in state funding for facilities due to value growth
  - ▶ \$2.3 B increase in recapture payments to the state (total \$6.9 B)
  - ▶ \$1.28 B drop in all funds
  - ▶ Assumes property value increase of 6.8% each year
  - ▶ Assumes student growth at 168k for biennium
  - ▶ \$10 million carve out of Technology & Instructional Materials Allotment
  - ▶ No request for funding teacher incentive pay



# TEA LAR, cont.

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- ▶ TEA Exceptional Items (commissioner's priorities)
  - ▶ \$54 M for Safe and Healthy Schools Initiative
    - ▶ Mental health supports
    - ▶ Positive school culture
    - ▶ Facility safety
    - ▶ Emergency response coordination
    - ▶ Matching grants funding mechanism
  - ▶ \$50 M for Special Education Supports
    - ▶ To address corrective action plan from feds
    - ▶ Grants by TEA scored on a rubric to evaluate an LEA's need
    - ▶ Unexpected and unfunded costs related to IDEA

# Comptroller Report: School Finance

- ▶ *Texas School Finance: Doing the Math on the State's Biggest Expenditure*
- ▶ Key Findings:
  - ▶ Public education = 38.9% of state's budget
  - ▶ Formulas work to count local tax revenue first, then state
  - ▶ The local share of funding and recapture payments continue to rise
  - ▶ The state's formulas do not respond to inflationary costs
  - ▶ Recapture accounts for a growing portion of overall school district funding
  - ▶ Significant change in current funding patterns require changes to FSP formulas

# Comptroller Report, cont.

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## ▶ Key Findings, cont.

- ▶ Increases in enrollment, especially of low-income and other disadvantaged students increases pressure on funding needs
- ▶ Funding sources for school finance must take into account their inherent volatility and long-term ability to grow with funding needs
- ▶ Any standard for the relative state and local shares of funding should consider the characteristics of all funding sources
- ▶ decline in the state share of funding public education from 54.4 percent in 2000 to 36 percent in 2018
- ▶ Suggests increasing the state share to 40% as a starting point (\$5b)

# School Finance Commission Report

## ► Recommendations

- 60 percent at meets standard for critical prek-12 outcomes by the year 2030
- Reallocate 3.5 billion in existing revenue
- Current Year values
- All recommendations should be formula funded
- Early education funding
- Outcomes based funding for early literacy and postsecondary access of career, higher ed, or military
- Effective educator allotment
- Offer an additional 30 days of instruction via grant program
- Dual language and dyslexia funding weights
- Increase current Tier II yields to equal 43.50 per penny and decouple from Austin. Tied to basic allotment
- Reduce Recapture

# Reallocate \$3.5 billion

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- ▶ Remove and reallocate CEI – \$2.9 billion
- ▶ Reallocate Chapter 41 1993 Hold Harmless – \$30 million
- ▶ Reallocate Chapter 41 early agreement credit funds – \$50 million
- ▶ Reallocate GT funds (not intended to discontinue) - \$165 million
- ▶ Reallocate HS Allotment (comp ed or CTE) – \$400 million
- ▶ Move from Prior Year to Current Year values (Fast Growth Allotment) – \$1.8 billion

# Educator Effectiveness Allotment

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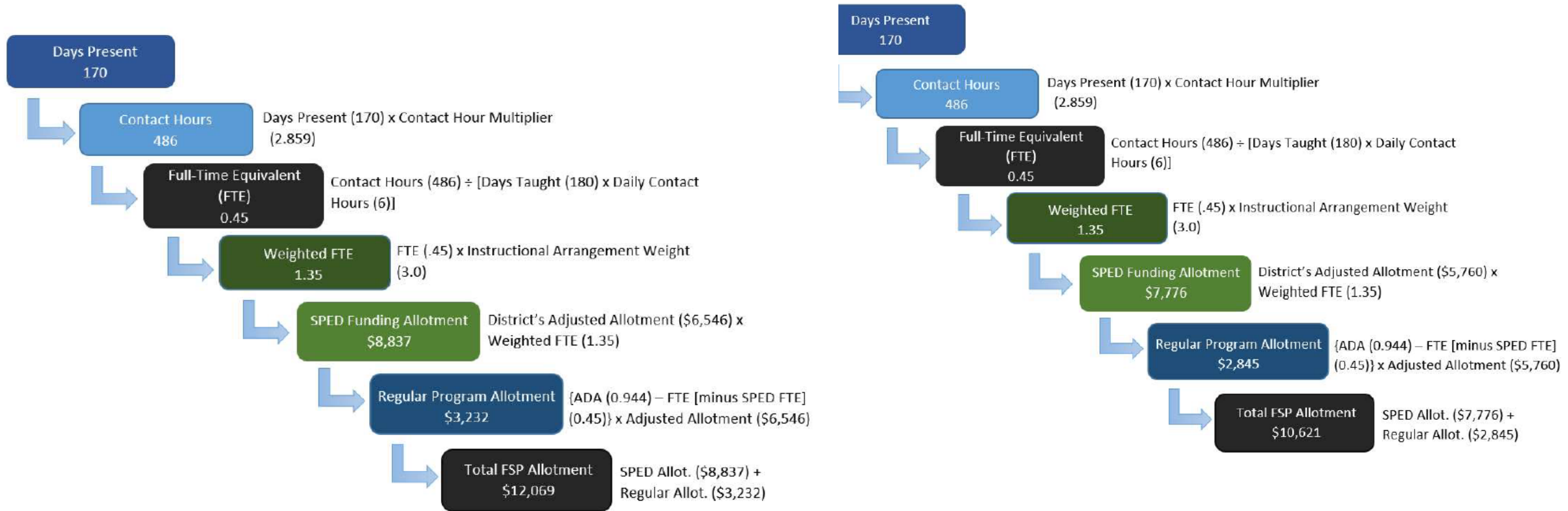
- ▶ Provide optional funding via weights
- ▶ Phase in over 10 years
- ▶ Preference to high poverty and IR/F Campuses
- ▶ ACE – Dallas Model
- ▶ Provides guidelines for “multiple-measure evaluation system”

# Proposed Changes to Existing Allotments

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- ▶ Increase compact
- ▶ Transportation by mileage
- ▶ Recreate small and mid-size adjustments
- ▶ NIFA increase to \$100 million per year

# Small and Mid-size





# Outcomes, outcomes, outcomes

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- ▶ Repeated theme
- ▶ Third grade (early childhood) outcome funding
  - ▶ \$3,400 per economically disadvantaged student who meets standard
  - ▶ \$1,450 for non-economically disadvantaged student who meets standard
- ▶ Must be spent on third grade and below

# Outcomes, outcomes, outcomes...

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- ▶ College, Career, and Military Readiness (CCM-R)
  - ▶ Incremental funding above basic allotment for every student who does not have to attend remediation (ACT, SAT, TSIA, or ASVAB) and either:
    - ▶ Enrolls in post secondary institution;
    - ▶ Graduates high school with an industry accepted certificate, or;
    - ▶ Enlists in the military.
  - ▶ Additional \$5,380 for eco. dis. And \$2,015 for non-eco dis.

# TIMA

## STATE TECHNOLOGY AND INSTRUCTIONAL MATERIALS FUND:

*We hang a lot on this Christmas Tree.*

State Board of Education sets aside 50% of distribution from Permanent School Fund. Other 50% remains in Available School Fund.

State Technology and Instructional Materials Fund pays for:



# TIMA

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From funds appropriated above in Strategy B.2.1, Technology and Instructional Materials, ~~\$1,078,839,560~~1,101,430,204 from the Technology and Instructional Materials Fund is allocated in the ~~2018-19~~2020-21 biennium for instructional materials and technology.

- ▶ IMQE Review and Portal – \$10 million
- ▶ Tech Lending Grant – \$20 million
- ▶ Open Education Resources – \$20 million

# TASA Legislative Priorities for TIMA

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- ▶ Advocate for increased funding for the TIMA to ensure districts can provide adequate technology and instructional materials to meet higher standards for students.
- ▶ Oppose any carveouts from TIMA that decrease the amount of funds to school districts.
- ▶ Oppose any state level “quality” tier rating of materials if the rating system restricts a district’s use of its TIMA.

# TIMA

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- ▶ HB 199 (Rep. Bernal) –
  - ▶ Allows for money to be spent on professionals who are directly involved in student learning; or addressing the social and emotional health of students.
  - ▶ Line Item Purchasing – all products must be all available a-la-carte
  
- ▶ HB 396 & 397 (Rep. VanDeaver) – Changes intrastate shipping standard and allows expenditure on inventory software

# Bills of Interest

- ▶ HB 736 – Rep. Landgraf – Removes high stakes from STAAR (DOES NOT ELIMINATE STAAR)
- ▶ HB 671 – Rep. Ken King – Does remove EOCs and allows accountability to be based upon a norm-referenced exam such as TSIA, ACT, SAT, etc.
- ▶ SB 213 Sen. Seliger, HB 851 Rep. Huberty, HB 677 Rep. Guillen – removes sunset date for Individual Graduation Committees and makes them permanent
- ▶ HB 953 – Rep. Ken King – open enrollment charter school contributions to TRS
- ▶ SB 280 – Sen. Bettencourt – Allows boards to add two members who can be selected by a mayor and/or county judge.
  - ▶ Allows boards to impose term limits and four year terms.
  - ▶ Allows for the removal of a board member with two-thirds vote of other members.
  - ▶ Allows for recall of a board member (15% of registered voters in a single member district)
  - ▶ Overall rating of D or F forces all positions on the board to be filled at next election.
- ▶ Bus Driver Shortage
- ▶ Retire/Rehire Legislation

# The House Committee on Public Education Interim Report

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- ▶ Covers eight interim charges including: Hurricane Harvey, teacher compensation, student assessment, students with disabilities, charter schools, implementation of legislation, educator preparation programs, and school safety
- ▶ The committee recommendations “set the stage” for the education bills that are filed in the 86<sup>th</sup> Legislature



# The House Committee on Public Education Interim Report- Charters

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- ▶ Highlights the problematic issues surrounding enrollment growth and expansion of charter schools
  - ▶ Notifications
  - ▶ Enrollment of students with disabilities
  - ▶ Enrollment and expulsion of students with disciplinary issues
- ▶ Highlights funding disparities between charter schools and school districts including FSP calculations, facility funding, and TRS contributions

# House Public Ed Interim Report Recommendations re: Charters

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- ▶ Require expansion requests notices be sent to districts at least 12 months prior to a new charter campus opening
- ▶ Reconsider provisions that allow charters to exclude students based on disciplinary history
- ▶ Ensure charters understand their responsibilities regarding students with disabilities before authorization of those charters
- ▶ Reduce funding disparities between charters and districts in state averages in FSP calculations, facility funding, and state contributions to TRS

# House Pub Ed Report Implementation of HB 22

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- ▶ “In some cases, TEA’s actions could be characterized as going beyond the intent of the legislation and rule-making process”
  - ▶ Last minute addition of “forced failure” rule to Accountability Manual
- ▶ “It is difficult to conceive any rationale for this emphasis beyond the desire to circumvent the provisions of the bill regarding the delay of the campus A-F ratings.”
  - ▶ TEA’s release of numerical scores on campus report cards when statute states they were only to receive “Met Standard” or “Improvement Required”

# House Pub Ed Report

## Implementation of HB 22

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- ▶ “The Texas Education Code and General Appropriations Act make it clear that costs associated with the state assessment system must be paid by the state.”
  - ▶ The House’s response to TEA’s proposal in rule that school districts pay for an ESSA requirement that students in middle school who take Algebra I, English I or English II EOCs in middle school must take an ACT or SAT in high school for federal accountability purposes.
- ▶ Initial costs are estimated at 109,000 students statewide at \$5.4 million across all LEAs.

# House Pub Ed Interim Report

## Assessment Recommendation Examples

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- ▶ Monitor & support the SBOE in its efforts to streamline the TEKS
- ▶ Limit STAAR to Readiness TEKS only
- ▶ Remove the sunset date on IGCs
- ▶ Limit state tests to only those required by ESSA
- ▶ Split STAAR tests for earlier grades into subtests that could be administered on separate days w/in normal class periods
- ▶ Provide funding to continue Rep. VanDeaver's Writing Assessment Pilot Program

# RYHT' Public Education Perceptions Poll

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- ▶ Top three education priorities this legislative session are:
  1. School funding
  2. Teacher pay
  3. High-stakes standardized testing
  
- ▶ Most Texans believe the Governor and Legislature bear the greatest responsibility for improving public education, above any other federal or local group.

# RYHT' Public Education Perceptions Poll

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- ▶ Texans think the state needs to invest more in public education, and they don't believe funding should be tied to a standardized test.
- ▶ More than 70 percent oppose high-stakes standardized testing as a measure of accountability for public schools.
- ▶ Nearly 80 percent oppose tying public school funding increases to student performance on standardized tests, where higher test scores mean more money for a school.

# RYHT' Public Education Perceptions Poll

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- ▶ Most Texans mistakenly believe the state covers a significantly larger share of education funding than it actually does.
- ▶ A majority (54.3 percent) think state and local property taxes cover equal shares or the state covers the majority of funding.
- ▶ In actuality, the state is projected to only cover 38 percent of school funding in 2019, while local property taxes are projected to cover 62 percent.



# RYHT' Public Education Perceptions Poll

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- ▶ Most Texans support full-day pre-K for at-risk students, and believe the state should fund it.
- ▶ A supermajority (82.5 percent) of respondents believe pre-K levels the playing field for school readiness.
- ▶ Nearly 80 percent believe at-risk students should have access to full-day pre-K, rather than half-day pre-K.
- ▶ More than 70 percent say the state, rather than local communities, should fund full-day pre-K.

# TASA GR Contact

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