

Legislative Update

May 28, 2013

School Finance

Several bills that moved through the legislative process impacted school finance this session, including SB 1, the state's budget bill. Together, these bills:

- Added \$3.4 billion to formula funding, which is in addition to the amount included for enrollment growth;
- Set the Regular Program Adjustment Factor at 1.0 and increased the Basic Allotment from \$4,765 to \$4,950 in FY 14 and \$5,040 in FY 15;
- Increased the Student Success Initiative by \$24 million, bringing the total to \$60.5 million;
- Provided \$838.7 million for instructional materials;
- Authorized \$98.4 million for assessments;
- Provided a \$10 million increase for professional development;
- Increased Communities in Schools by \$11.5 million, for a total of \$40.7 million;
- Included \$330 million to fund the TRS transition aid for school districts for FY 15 per the passage of SB 1458 (next slide).

School Finance

SB 1458 as passed by the Senate:

- All current TRS members that are vested in the system would not be impacted by the changes in the retirement calculation
- Minimum age of 62 only for new hires and non-vested members (as of August 1, 2014)
- 5 percent per year early retirement reduction factor for all new hires and non-vested member
- Minimum age of 62 for TRS-Care 2 or TRS-Care 3 eligibility (Grandfather provision as of August 31, 2014: Rule of 70 or 25 years of service)
- 3 percent COLA increase for certain retirees who are retired 15 years or more, not to exceed \$100 per month

SB 1458 as passed by the Senate

- **Contribution Rate Changes**

- State contribution rate would increase from 6.4 percent to 6.8 percent
- Employee contribution rate would increase incrementally from 6.4 percent to 7.7 percent over several years (2014–6.4% 2015–6.7% 2016–7.2% 2017–7.7%)
- Creates a new school district rate set at 1.5 percent of minimum salary for any TRS participating employee for whom the district is not already contributing to Social Security in the second year of the biennium
- All three contribution rates would be linked together to ensure future rate decreases would be shared by all contributors

**Teacher Retirement System
Continued SB 1454**

Assessment and Accountability

HB 5

HB 5

Both chambers adopted the HB 5 conference committee report (Rep. Aycock) that made improvements to high school graduation programs and lessened the high-stakes nature of the current end-of-course exams, including the 15% requirement.

As adopted, HB 5:

- Reduces the number of required EOCs from 15 to 5, including English I and English II, Algebra I, biology, and U.S. history (ELA reading and writing tests are combined into one test).
- Eliminates the 15 percent requirement.
- Includes a foundation graduation plan of 22 credits: 4 ELA, 3 math, 3 science, 3 social studies, 2 foreign language, 1 fine art, 1 P.E., and 5 electives. Also, requires an endorsement in one of five areas: STEM, Business & Industry, Public Services, Arts & Humanities, or Multidisciplinary.
- Ensures that all high school graduates will be eligible to apply for admission to Texas public 4-year universities and eligible to receive TEXAS Grants.
- Provides that districts may administer Algebra II and English III EOC exams at their discretion for diagnostic purposes.
- Mandates that schools be evaluated on multiple measures, not just state standardized assessments.
- Establishes an accountability system that evaluates school performance on three components that include: academic performance, financial performance, and community engagement.

House Bill 5

Assessment and Accountability

HB 2836 (Rep. Ratliff) addresses the testing system in grades 3-8. Although the bill as filed would have reduced the number of state assessments in grades 3-8 to only those required by NCLB, the final version does not reduce the number of tests. However, the final bill does include other components that will improve the system. As adopted, the bill:

- Requires that only the STAAR “readiness” standard items count for accountability purposes and mandates that STAAR “supporting” standard items count for diagnostic purposes only (beginning with the 2015–16 school year).
- Requires the assessments be designed so that 85% of students in grades 3–5 can complete the tests within 120 minutes, and 85% of students in grades 6–8 can complete the tests within 120 minutes (allows a student an entire day to complete the test if needed).
- Requires the TEA and the SBOE to conduct a study involving the depth vs. breadth of the TEKS and how they are currently incorporated in the 3–8 STAAR tests (e.g. are too many TEKS included on STAAR tests?), and other questions pertaining to the TEKS and STAAR tests at these grade levels.

A more in-depth analysis of HB 2836 will be provided later by TASA. The study of the depth and breadth of the TEKS, called for in HB 2836, aligns with the work of the Texas High Performance Schools Consortium, pursuant to HB 2824, which also passed.

HB 2824 allows the Texas High Performance School Consortium to continue their work. Some highlights of the bill as passed include:

- Allows in-depth teaching with a concentration on the “readiness” standards (focus on quality vs. quantity).
- Provides R&D innovation with a third-party evaluation that will address the impact of digital learning, multiple assessments, and the reliance on local control.
- Calls for more targeted assessments.
- HB 2824 will enable the districts in the Consortium to develop recommendations that can be considered in future legislative sessions to transform our current high-stakes testing and accountability system to one that is student-centered.

Charter Schools

The House and Senate both adopted the conference committee report for SB 2 (Patrick), the charter expansion bill. SB 2 would, among other things:

- Allows the number of charters for open-enrollment charter schools to incrementally increase to 305 by September 1, 2019.
- Requires the board of trustees of a school district that intends to sell, lease, or allow use of an unused or underused district facility to give an open-enrollment charter school the opportunity to make an offer first before offering it to any other entity. A board of trustees does not have to accept an offer made by an open-enrollment charter school.
- Strengthens the authority of the commissioner of education to revoke a charter for failing to meet academic and financial standards.
- Allows a board of trustees of a school district or the governing body of a home-rule district to grant a district charter to a campus that has received the lowest performance rating.

- Authorizes the granting of a charter for schools primarily serving students with disabilities.
- Provides that a charter can be renewed for a 10-year period.
- Requires that a majority of the members of the governing body of an open-enrollment charter school be qualified voters.
- Requires principal and teachers of an open-enrollment charter school to hold a baccalaureate degree.
- Requires the salary of the superintendent, educational leader, or chief executive officer to be posted on the school's Internet website.
- Requires students on each campus to recite the pledge of allegiance to the United States and Texas flags.

School Marshals

House Bill 1009 (Villalba) would create a new category of law enforcement officer who is designated as a school marshal. As adopted, the bill:

- Allows the board of trustees of a school district or the governing body of an open-enrollment charter school to appoint not more than one school marshal per 400 students in average daily attendance per campus.
- Provides that an applicant for a school marshal must be an employee of the school district or open-enrollment charter school.
- Allows a school marshal to carry or possess a handgun on the physical premises of a school specified by the board of trustees or governing body and in a manner provided by written regulations.
- Prohibits a school marshal from issuing a traffic citation.

Truancy Prevention

Senate Bill 1234 (Whitmire) would require school districts to adopt truancy prevention measures to intervene before a student commits the Education Code offense of failure to attend school. As adopted, the bill:

- Removes the requirement that a school district employ a case manager to provide services in cases involving juvenile offenders before a court.
- Prohibits a school district from revoking the enrollment of a person on the day on which the person is physically present at school.
- Requires a school district to issue a warning letter to person after the third unexcused absence stating that a person's enrollment may be revoked for the remainder of the school year if the person has more than five unexcused absences in a semester.
- Allows a school district to impose a behavior improvement plan in lieu of revoking a person's enrollment.
- Allows a school district to impose a behavior improvement plan or school-based community service or refer the student to counseling, community-based services, or other in-school or out-of-school services aimed at addressing the student's truancy.
- Requires a school district to employ a truancy prevention facilitator or to designate an existing employee to implement the truancy prevention measures required by law and any other effective truancy prevention measures as determined by the school or campus.
- Requires the establishment of a committee in Bexar County to recommend a uniform truancy policy for each school district.