

## Overview of the Conference Committee Report for HB 3646

Many of the provisions included in the conference report on HB 3646 will assist school districts and alleviate some of the pressures imposed by the current target revenue system. While few if any provisions will positively impact all districts, school districts across the state will likely benefit from the provisions that:

- Set the basic allotment to \$4,765 or 1.65 percent of the statewide average property value per WADA, whichever is greater, until state fiscal year 2014, when the basic allotment becomes \$4,765;
- Provide a minimum \$120/WADA increase to all districts;
- Allow districts to use 45 percent of the additional funds allocated for categorical programs to pay for indirect operating costs;
- Eliminate Comp Ed set asides;
- Use prior year property values for formula purposes;
- Extend the mid-size adjustment to Chapter 41 schools;
- Provide increased funding and facilitate district access to courses provided through the Virtual School Network;
- Establish a new state bond guarantee program for school districts by using the Foundation School Program (FSP);
- Provide a \$50/ADA allotment for students enrolled in certain CTE courses;
- Provide a \$650/ADA allotment, given available FSP funds, for each enrolled student who has a parent or guardian on active duty in the military and who has transferred to a campus in the school district as a result of a change in residence caused by a BRAC realignment;
- Allow districts to count all students attending dual credit courses for ADA purposes and proposes an interim study on the issue;
- Allow districts to adopt a tax rate based upon certified property value estimates released by the chief appraiser;
- Allow districts to lower their M&O tax rate one year, and subsequently return to the former higher rate without a rollback election;
- Create a special education grant program;
- Prioritize applications for both the Extended Year program and the Life Skills for Student Parents program, based on local need for each of these programs; and
- Require district compliance with the School Bus Seat Belt program only to the extent that the Texas Education Agency pays for the expenses incurred by the district in complying with this program.

The following provisions contained in the HB 3646 conference report may have a differential impact on school districts:

- The across-the-board educator pay raise valued at the greater of \$800 or \$60/WADA; and
- The collapse of the TEEG funds into the DATE incentive pay program.