

July 24, 2019 School Research Nexus



Overview of the 86th Legislative Session

	Bills Tracked by MCA	Bills Passed	Percent Passed
86th Legislative Session	1,093	131	12.0%
85th Legislative Session	1,032	117	11.3%

- 15+ House Public Education Committee meetings
- 15+ Senate Education Committee meetings
- Dozens of meetings in other committees
- Over 400 tracked bills heard in committee

Major Legislation Recap

Bill	Passage
State Budget (HB 1 by Zerwas & SB 500 by Nelson)	~
School Finance Reform (HB 3 by Huberty)	/
\$5,000 Teacher Pay Raise (SB 3 by Nelson)	X
Teacher Pension Fix (SB 12 by Huffman)	/
Property Tax Reform (SB 2 by Bettencourt)	/
Homestead Exemption Increase (SB 5 by Bettencourt)	X
Sales Tax Swap (HJR 3 by Huberty)	X
Severance Tax Swap (SJR 77 by Taylor)	X

Major Legislation Recap: Bonds & Ballots

Bill	Passage
Bond Propositions Grouped By Type (SB 30 by Birdwell)	\
Judicial Review of Ballot Language (SB 323 by Huffman)	X
Use of Unspent Bond Proceeds (HB 440 by Murphy)	/
Language Reqs. For Ballot / Voter Info. Document (HB 477 by Murphy)	~

Major Legislation Recap: Accountability

Bill	Passage
HB 22 Clean-up (HB 3904 by Huberty)	X
Assessment Reform (HB 3906 by Huberty)	~
STAAR Readability & Accountability Pause (HB 4242 by Bernal)	Readability study included in HB 3
STAAR Testing Contingent On Student Performance (HB 2983 by Huberty)	×
Accountability Fixes for Special Needs Campuses (HB 3452 by Dutton & HB 2797 by Hinojosa)	×

Major Legislation Recap: School Safety

Bill	Passage
School Safety Omnibus (SB 11 by Taylor)	/
Mental Health Consortium (SB 10 by Nelson)	(Incl. in SB 11)
Mental Health Training (HB 18 by Price)	/
Regional Mental Health Resource (HB 19 by Price)	/
Easing School Marshals' Weapon Carry Restrictions (SB 243 by Creighton & SB 406 by Birdwell)	×
Removing School Marshal Cap (HB 1387 by Creighton)	/
Traumatic Injury Response (HB 496 by Gervin-Hawkins)	/

Major Legislation Recap: Anti-Lobbying

Bill	Passage
Lobby Ban for Former Elected Officials (SB 13 by Creighton)	X
Ban Local Gov't From Joining Advocacy Groups (SB 29 by Hall)	×
Report Lobby Expenditures (HB 1495 by Toth)	✓

HB 3: Biennial Fiscal Impact

	2020-21 HB 3 Impact
Tax Compression	\$5.0 Billion
New Revenues to School Districts	\$6.5 Billion
Total Cost Above Current Law	\$11.5 Billion

Source: Legislative Budget Board

Percent Economically Disadvantaged	Percent Change of FSP Revenues
Under 10%	4.34%
10% to under 30%	4.59%
30% to under 50%	5.66%
50% to under 70%	8.29%
70% to under 90%	7.89%
90% and over	9.49%
Total	7.12%

Wealth per WADA Decile	Percent Change of FSP Revenues
0 – 10 th Percentile	8.95%
10 th - 20 th Percentile	8.15%
20 th – 30 th Percentile	10.60%
30 th – 40 th Percentile	8.88%
40 th – 50 th Percentile	8.26%
50 th – 60 th Percentile	6.85%
60 th – 70 th Percentile	6.17%
70 th – 80 th Percentile	4.79%
80 th - 90 th Percentile	5.00%
90 th – 100 th Percentile	9.27%
Total	7.12%

Enrollment Size	Percent Change of FSP Revenues
50,000 and over	6.40%
25,000 to 49,999	6.41%
10,000 to 24,999	6.31%
5,000 to 9,999	7.75%
3,000 to 4,999	9.17%
1,600 to 2,999	8.12%
1,000 to 1,599	9.28%
500 to 999	10.06%
Under 500	10.95%
Total	7.12%

Туре	Percent Change of FSP Revenues
Major Urban	7.48%
Major Suburban	5.53%
Other Central City	6.82%
Other Central City Suburban	7.58%
Independent Town	10.21%
Non-Metro: Fast Growing	7.65%
Non-Metro: Stable	9.44%
Rural	10.60%
Total	7.12%

Region	Percent Change of FSP Revenues
1	7.91%
2	6.84%
3	11.03%
4	7.08%
5	11.76%
6	6.52%
7	12.74%
8	13.77%
9	11.81%
10	4.61%

Region	Percent Change of FSP Revenues
11	4.57%
12	9.60%
13	7.78%
14	10.06%
15	9.46%
16	10.68%
17	7.62%
18	5.39%
19	7.98%
20	6.92%



School Finance: Tier 1

TEA's "HB 3 in 30" video on the Small and Mid-Sized Adjustment is scheduled to be released:

August 22nd

	House Bill 3
Basic Allotment	\$6,160
Cost of Education Index	Repealed
Small and Mid-Sized Adjustment	 Moves adjustment to stand-alone allotment. Includes allotment into special education allotment calculation. No separate formula based on ISDs square mileage.

	House Bill 3
Teacher Compensation	 When the basic allotment increases, districts must dedicate 30% of per student revenue gain compared to the prior year to compensation increases for non-administrative staff. 75% of that amount must be used for compensation increases to teachers, librarians, counselors, and nurses, prioritizing differentiated compensation for classroom teachers with more than 5 years of experience; The remaining 25% may be used as determined by the district for compensation increases for full-time employees.

Teacher Compensation (cont.)

What revenues should be included in the calculation for "funding under this chapter?"

- TEA has specifically stated that the formula transition grants, distributions from the ASF, and financial hardship grants (TEC Sec. 42.451) should count.
- However, there are many other examples of funding sources that are not sustainable sources of revenue, or are reimbursements for specific costs.
- Further rulemaking from TEA is expected on this topic.

Teacher Compensation (cont.)

If a district underestimates its gain related to compensation increases what remedies are available? Will there be any consequences to these districts?

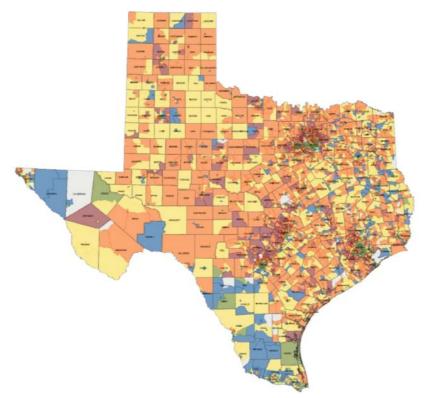
- TEA has indicated that if a "good faith effort" has been made, any deficiencies could be made up by an increase in expenditures the following year.
- TEA cited its enforcement of existing state spending requirements as a precedent for remedying any deficiencies in meeting the compensation increase requirement.
- TEA stated that "districts could include language in employee contracts that would allow for additional compensation increases pending the availability of newer estimates."

	House Bill 3
	 Replaces comp. ed. allotment with one based on the census block group in which the student resides, with weights ranging from 0.225 to 0.275.
Componentory	Requires Commissioner to establish an advisory committee to help determine appropriate weights.
Compensatory Education	 HB 3 specifies that the following demographic variables will be used to determine which weight is assigned to the specific block group: Median household income, Average educational attainment of the population, Percentage of single-parent households, Rate of homeownership, and Other criteria as determined by the Commissioner.

School Finance: Compensatory Education

Earlier this week, TEA released:

- A detailed methodology outlining how they assigned funding weights to Census block groups.
- A complete list of Census block groups with their comp. ed. funding tier, along with Census estimates of the variables required in HB 3.
- A list of all the campuses in the state with the corresponding Census block group.



Compensatory Education Methodology

- TEA relied on methodology developed primarily by San Antonio ISD.
- TEA assigned tiers based on data from the 2016 ACS. The 2017 ACS data was released Dec. 2018. TEA has not announced how regularly it will update these assignments.
- TEA gave equal weighting to the four demographic variables listed in HB 3.
- Each SES tier contains 20 percent of the state's school-age population (around 1.4 million children).

TEA's "HB 3 in 30" video on these topics is scheduled to be released: September 5th

	House Bill 3
Special Education	Increases mainstream special education weight to 1.15.
Dyslexia	Creates new allotment for dyslexic students with a weight of 0.1 , and establishes certain criteria for the types of services that must be provided to be eligible for the allotment.

TEA's "HB 3 in 30" video on the Bilingual Allotment is scheduled to be released:

September 26th

	House Bill 3
Career and Technical Education	 Expands eligibility for CTE funding to grade 7. Creates additional advanced CTE allotment for students enrolled at a P-TECH or New Tech Network campus. Adds Technology Applications to funding weight – including all computer science
Bilingual Education	Creates additional dual language weights of 0.15 for ELLs and 0.05 for non-ELLs. Current bilingual weight of 0.1 is maintained for program other than dual-language.

July 18th

	House Bill 3
	 Full-day pre-K services must be provided to eligible 4 year-olds, districts may provide services to those under 4.
	No direct funding for additional Pre-K ADA.
Pre-K	 Creates new early education allotment with weight of 0.1 for each K-3 student that is educationally disadvantaged or LEP and enrolled in bilingual program. Students in both categories count twice.
	 Funds must be spent on improving reading and math performance in Pre- K through 3rd grade.
	Before a district builds or leases a facility for Pre-K, it must solicit proposals for partnerships with community-based childcare providers.
	Districts may receive up to two 3-year exemption from the Commissioner, if certain conditions are met (ex: consider partnership proposals).

	House Bill 3
Indirect Cost Allotments	At least 55% of the funds allocated for each of the following allotments must be used for the services for which the money is allotted: • Special education, • Bilingual education, • Compensatory education, • Career and technology education, • New CCMR outcomes bonus.
	Some special program spending requirements have been eased, particularly for comp. ed. Districts get one-year reprieve from comp. ed. and bilingual spending requirements.

School Finance: Tier 1

TEA's "HB 3 in 30" video on GT is scheduled to be released:

August 29th

	House Bill 3
Gifted and Talented Education	 Repeals allotment. Districts must certify that they have a GT program that meets certain requirements. Commissioner may reduce entitlement for non-compliant districts. Districts will need to reserve fund for a GT program that meets state standards.
High School Allotment	Repealed.

TEA's "HB 3 in 30" video on the Fast Growth Allotment is scheduled to be released:

August 1st

	House Bill 3
	 Creates a new Fast Growth Allotment with weight of 0.04 for districts in top quartile of growth rates over the preceding three years.
Other New Allotments	Creates a new Mentor Program Allotment.
	Creates a Dropout Recovery School and Residential Placement Facility Allotment.
Reimbursements	Creates a reimbursement to districts to offer one free college & one free industry entrance exam per student before they graduate

TEA's "HB 3 in 30" video on transportation funding is scheduled to be released:

November 7th

	House Bill 3
NIFA	Increases cap on appropriations from \$26 million to \$100 million per school year. Entitlement remains at \$1,000 per ADA.
	HB 1 appropriates \$100 million each year of the biennium.
	Uniform rate per mile per student as set by appropriation (\$1.00 per GAA for regular eligible ADA). Expanded to include homeless students .
Transportation	Expands CTE reimbursement to include transportation to work-based learning.
	Districts are also entitled to a per-mile reimbursement for the cost to transport a dual credit student to another campus in the district.

August 8th

	House Bill 3
Performance-Based Bonuses	Creates a new outcomes bonus based on the percent of graduates that are college, career or military ready. Districts would receive a bonus if their performance exceeded the 25th percentile in CCMR rates statewide for the following student sub-populations: • educationally disadvantaged, • non-educationally disadvantaged, and • special education.
	The bill does not include a bonus based on 3rd Grade reading performance. It instead creates reading standards and requires teachers and principals to attend literacy academies.

Check **TEA's State Aid Template** for their estimate of the number of eligible grads for your district.

Methodology for CCMR Performance-Based Bonus

- Rank order all districts based on the percent of grads demonstrating CCMR. Create three separate rankings for the three student subgroups listed in the bill.
- Identify the district at the 25th percentile in each ranking, and use that rate as the threshold for generating an allotment.
- Districts get a per-student allotment for each of their students that exceed that threshold:
 \$5,000 for educationally disadvantaged,
 \$3,000 for non-educationally disadvantaged, and
 \$2,000 for special education students.
- TEA has stated that every special education student that graduates CCMR would receive an allotment.

These students would generate a bonus.

25th Percentile – –

These students would not generate a bonus.

October 10th

	House Bill 3
Extended Year Incentive	 Half-day ADA funding for up to an additional 30 days of instruction (i.e. days 181 to 210) for grades Pre-K through 5th.
	Not effective until 2020-21.
	 TEA has announced these additional instructional days are not subject to compulsory attendance.

July 25th

School Finance: Tier 1/Tier 2

	House Bill 3
Recapture	Redefines recapture to be local share in excess of entitlement at each tier.
	Districts can pay all recapture in August.
	TEA estimates that recapture for school year 2019-20 is reduced from \$3.55 billion to \$1.95 billion (45%)

August 1st

School Finance: Tier 1/Tier 2

	House Bill 3
Current/Prior Year Values	Moves to current year to calculate local share of FSP, as well as EDA/IFA.

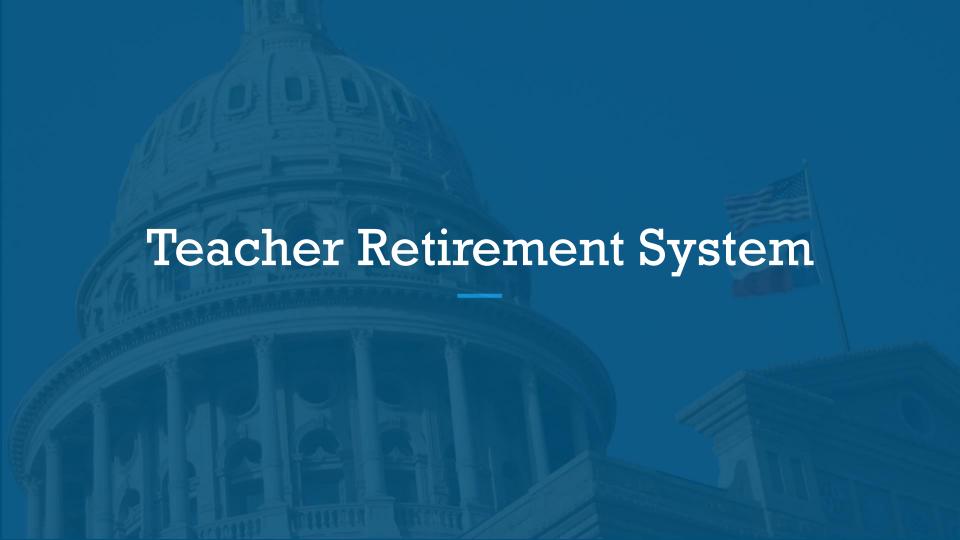
	House Bill 3
Golden Pennies	Max. number of pennies = 8 Golden penny yield = Greater of: • Yield per penny per WADA for the district at the 96th percentile of wealth per WADA, or • \$98.56 (1.6% of the Basic Allotment)
Copper Pennies	Max. number of pennies = 9 Copper penny yield = \$49.28 (0.8% of the Basic Allotment)

School Finance: Additional Funding

	House Bill 3
Formula Transition Grant	 Establishes a revenue target, based on the lesser of 103% of prior law revenue per ADA in 2019-20, or 128% of the state average of prior law revenue per ADA in 2019-20.
	 In even numbered years, use the 2019-20 prior law revenue as the target, and in odd numbered years, use the 2019-20 or 2020-21 revenue, whichever is greater.
	Formula transition grant expires at the end of the 2023-24 school year.

School Finance: Additional Funding

	House Bill 3
Equalized Wealth Transition Grant	Annual allotment based on the benefit from the Chapter 41 1992-93 revenue level hold harmless that the district received in the 2018-19 school year Reduced by 20 percent each year until fully phased out by the end of the 2023-24 school year.



Teacher Retirement System

SB 12 by Huffman

Makes the following **changes** to TRS contribution rates

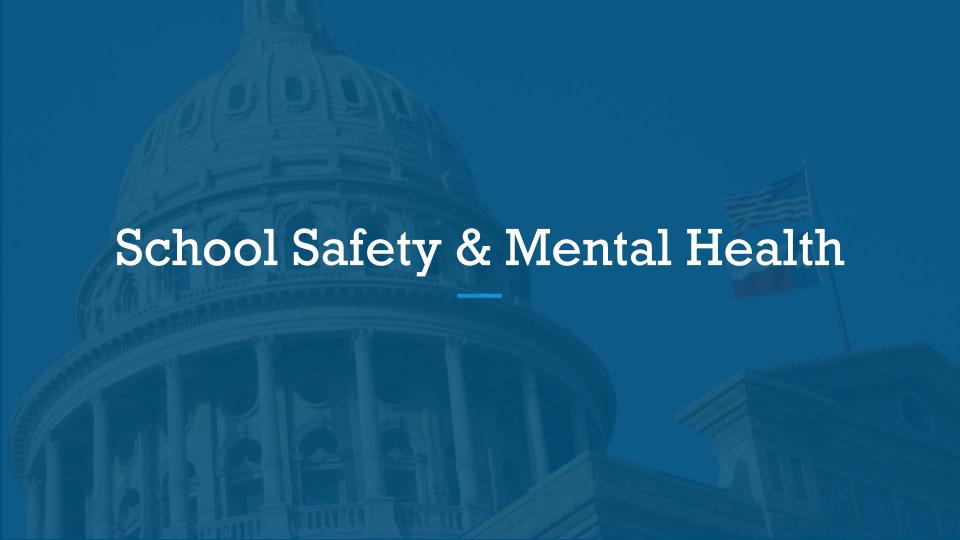
Year	State	Employee	District
2019-20	7.50%	7.70%	1.50%
2020-21	7.50%	7.70%	1.60%
2021-22	7.75%	8.00%	1.70%
2022-23	8.00%	8.00%	1.80%
2023-24	8.25%	8.25%	1.90%
2024-25 and beyond	8.25%	8.25%	2.00%

Provides for a 13th check for eligible beneficiaries **up to \$2,000** (expected to be sent in early fall 2019).

Teacher Retirement System

SB 12 by Huffman

- Bill will reduce employee and district contribution rates 0.1% for each 0.1% that the state contribution dips below the rate required by statute.
- Requires districts who pay into social security to now pay into TRS at the same rate as districts who do not participate in social security.
- Over the 2020-21 biennium, SB 12 increases state costs for contributions by \$435.8 million and district costs for contributions by \$77.9 million.



SB 11 by Taylor

SB 11 revises and adds to Education Code requirements regarding school safety. The bill does the following:

- Revises & increases requirements for school multi-hazard emergency operations plans;
- Includes substitute teachers among educators to receive safety training;
- Requires districts to establish threat assessment teams to incorporate best practices for school safety and school climate;
- Requires districts to integrate **trauma-informed practices** in the school environment;
- Requires the TEA Commissioner to adopt standards for safe and secure school facilities;
- Establishes a **school safety allotment** (\$9.72 per ADA) for districts to use in improving security and providing mental health personnel; and
- Establishes Texas Child Mental Health Care Consortium (provisions from SB 10).

- **HB 2195**: Schools must have a multi-hazard emergency operation plan in place for responding to an **active shooter emergency**. A district peace officer or resource officer must complete an approved active shooter response training program.
- **SB 1707:** School districts can enter into MOUs with a local law enforcement agency for the **provision of school resource officers** for security purposes.
- **SB 2135:** Law enforcement agencies are required to provide the superintendent with **student-related information** requested for the purpose of conducting a threat assessment or preparing a safety plan related to the student.

HB 18 & HB 19 by Price

HB 18 is a wide-ranging bill that includes the following provisions:

- Adds the study of mental health conditions, substance abuse, relationship management and responsible decision making to the K-12 enrichment curriculum.
- Adds certain mental-health related topics to the continuing education requirements for teachers, principals and counselors.
- Requires school counselors to implement a comprehensive school counseling program that meets best practice standards.
- Requires **district improvement plans** to include a plan to implement a comprehensive school counseling program and positive behavior interventions.

HB 19 requires ESCs to coordinate with local mental health authorities to employ a **non-physician mental health professional** to serve as a mental health and substance use resource for school districts located in the region.

HB 496 by Gervin-Hawkins

The bill requires districts to:

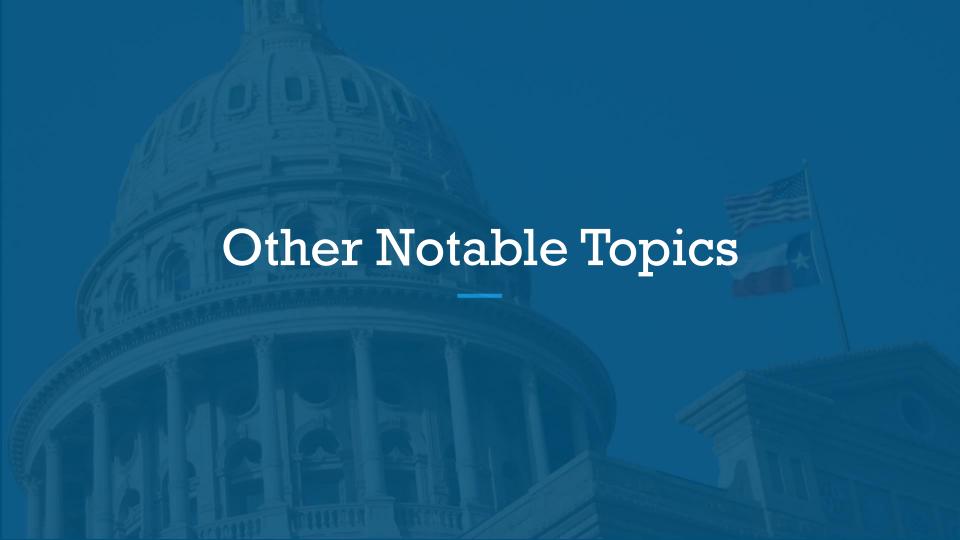
- Ensure that bleeding control stations are located in easily accessible areas of campuses.
 These stations must include specific medical equipment to stop blood loss in the event of traumatic injury;
- Ensure that certain district personnel such as peace officers and school resource officers are trained on the use of the bleeding control stations; and
- Annually offer training to students in grade 7 and higher on how to use the bleeding control kits.

The bill protects from liability the school district and school district personnel who use the bleeding control station in a "good faith" effort.

- **HB 76:** Districts must inform student participants in UIL athletics about **sudden cardiac arrest**, & their option to request an **electrocardiogram**.
- **HB 111:** The bill would require that existing **child abuse training** must also include information on maltreatment of students with significant cognitive disabilities.
- **HB 1143:** Districts cannot regulate the manner in which **handguns or firearms are stored** in a vehicle, as long as not in plain sight.
- HB 1387: Eliminates limit on number of school marshals.

School Safety & Mental Health: **Discipline**

- **HB 65:** Updates **reporting requirements** for out-of-school suspensions.
- **HB 692:** Prohibits districts from placing a **homeless student** in out-of-school suspension.
- **HB 811:** Schools must consider whether **a student is homeless or under State protection** when determining disciplinary consequences.
- **HB 2184:** Provides specificity for **transition plans** for students transitioning from an AEP back to general ed.
- **HB 3012:** Suspended students must be **provided course work missed** as a result of the suspension, to include an option that does not require use of the Internet.
- **SB 2432:** Requires **removal from a classroom** and assignment to a DAEP of students who commit harassment against a district employee.



Curriculum

- HB 1026: The SBOE is required to integrate positive character traits into the K-12 TEKS.
 School districts must adopt a character education program that includes positive character traits.
- HB 2984: The SBOE is required to adopt K-8 TEKS that include coding, computer
 programming, computational thinking, and cybersecurity, and must review the tech. apps.
 curriculum every 5 years to make sure it aligns with current or emerging professions.
- SB 1374: A school district may allow a student to enroll concurrently in Algebra I and Geometry to satisfy the HS diploma curriculum requirements for math.

Special Education

- **HB 165:** A student who is enrolled in a special education program can earn an **endorsement** on their transcript by successfully completing, with or without modifications, all curriculum requirements for an endorsement provided that the curriculum, as modified, is sufficiently rigorous as determined by the student's ARD committee.
- SB 522: The bill adds flexibility to the process of developing an IEP of a student with a visual impairment.
- **SB 712:** The bill limits the types of **behavioral interventions** that schools and contractors can use for students that receive special education services. These intervention prohibitions include practices that cause physical or emotional pain, any extreme measures used as a means to change student behavior, or denying students access to adequate facilities.

Training Requirements

• HB 293: The bill eliminates the investment training requirement (once in a two-year period) for the treasurer, chief financial officer, or investment officer of a school district or municipality if the district or municipality: (1) does not invest district or municipal funds; or (2) only deposits those funds in: (A) interest-bearing deposit accounts; or (B) certificates of deposit.

The treasurer, CFO or investment officer annually must submit to TEA a sworn affidavit identifying the applicable criteria that exempt them from the investment training.

HB 403: The bill states that the SBOE shall require trustees of a school district to have one
hour of training, every two years, on identifying and reporting potential victims of sexual abuse,
human trafficking, and other maltreatment of children. The bill also requires superintendents to
receive 2 1/2 hours of training, every five years, on the same subject matter.

Training Requirements

HB 684: The bill creates new requirements for school districts regarding students with a
seizure disorder. Bill requires school nurses, as well as a district employee in regular contact
with a student with a seizure disorder to take an online course on managing students with
seizure disorders.

The bill also extends liability protections to those assisting students with seizure disorders.

 HB 2424: The bill would establish "micro-credentials" that educators could earn. TEA would approve continuing education providers to offer micro-credential courses. These credentials would be recorded in the agency's Educator Certification Online System.

Counseling

- HB 114: Requires school counselors to provide information regarding the availability of college credit awarded by institutions of higher education to those active in the military services.
- **SB 1276**: School districts and institutions of higher education are required to adopt common advising strategies and terminology related to **dual credit** and college readiness; provide for the alignment of **endorsements** and dual credit courses; and identify tools to assist counselors, students, and families in selecting endorsements offered by the district and dual credit courses.

Other: **Do-Not-Hire Registry**

- **HB 3** includes provisions that requires TEA to create and maintain a state-wide registry of persons not eligible for employment in public schools.
- Districts must report ineligible persons to TEA.
- Districts would be required to fire/refuse to hire applicants included in the registry.

Other

- **HB 391:** Requires a district to provide **instructional materials** to a student in a printed format if he or she does not have reliable access to technology at home.
- **HB 539**: Institutions of higher education are required to admit a student that graduated as the valedictorian of their high school in one of the two school years preceding the year for which the student is applying for **higher education admission**.
- HB 548: Creates additional reporting requirements in PEIMS regarding truancy.
- HB 638: Allows schools to award HS diplomas to students posthumously.

Other

- SB 1679: A child who is eligible for **enrollment in a Pre-K class** at the age of three and enrolls in Pre-K at the age of three remains eligible for enrollment in Pre-K for the following school year.
- **HB 1734:** The bill adds **new requirements for districts suing** over the defective design, construction, or renovation of a district facility.
- **SB 1746:** A student who has been **incarcerated** or has a parent or guardian who has been incarcerated is included in the list of "students **at risk** of dropping out of school."
- **HB 4310:** Curriculum **scope & sequence** must provide adequate time for teachers to teach and students to learn, and provides for **teacher discretion**.



HB 3 Implementation Process

TEA has a massive amount of rulemaking to get through and guidance to provide in order to implement HB 3. Some things on the agencies long to-do list:

- Revise its data collections processes to reflect new requirements under the bill.
- · Create numerous advisory boards and committees.
- Provide new resources to school districts such as a student geocoder tool and a do-not-hire registry.
- · Create new standards for various new programs/allotments.
- Establish new grant programs.
- Resolve any "unintended consequences."

As a result, it will be **very important** to stay up-to-date with all of the information put out by the agency over the next few months.

87th Legislature Could Get Messy

- Lawmakers will be taking up redistricting, which is always a heated political fight.
- Medicaid 1115 Waiver expiring in 2021-22 (\$6.2 billion per year).
- Cost of property tax relief in HB 3 will start putting real pressure on the state budget. Will likely be expectations of additional property tax relief.
- Current budget relies on an **18.6%** jump in oil production tax revenues resulting from increased pipeline capacity. Revenue growth less than this will result in a budget shortfall.





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