

Side-by-Side Comparison of 2019 Texas School Finance Proposals

March 29, 2019

Provisions	House Bill 3 by Huberty (school finance)	Senate Bill 4 by Taylor (school finance)
Overall Funding for Public Education	Provides \$6.3 billion over the biennium of new investment to public education.	SB 4 (school finance) funding formulas to be determined. SB 1 (state budget) appropriates an additional \$2.3 billion for public education. SB 3 (teacher pay raise) provides \$4.0 billion in funding for the biennium for \$5,000 teacher and librarian pay raise.
Basic Allotment	Increases the current \$5,140 basic allotment to \$6,030 .	Increase in the basic allotment to be determined.
Full-Day Pre-Kindergarten	Districts required to provide full-day pre-K for eligible four-year-old students, but may waive the requirement for up to 6 years if seat availability is an issue. Provides sufficient funding for full-day pre-K through the Early Education Allotment. Weights for each economically disadvantaged and/or Limited English Proficiency student in K-3 is 0.1.	Districts required to provide full-day pre-K for eligible four-year-old students. Should provide sufficient funding for full-day pre-K through the Early Reading Allotment. Weights to be determined.
Property Tax Rate Compression	Provides \$2.7 billion in uniform tax rate reduction for the biennium, \$0.04 compression on Tier I Maintenance and Operations (M&O) tax rate (\$0.96 from \$1.00) <u>and</u> additional tax rate compression in copper penny tier due to increase in yield.	Current law. No additional tax rate compression specified. SB 1 provides \$2.7 billion for property tax relief.
Golden and Copper Pennies	No longer links golden penny yield to Austin ISD wealth level. Yield is greater of a school district at the 96th percentile of wealth per Weighted Average Daily Attendance (WADA) or 160 percent of basic allotment. Increases the copper penny yield from \$31.95 to 80 percent of the basic allotment.	No longer links the golden penny yield to the Austin ISD wealth level. Amount to be determined. Increases the copper penny yield. Amount to be determined.

Recapture	The increase in the basic allotment and other formula changes will mitigate recapture by \$3 billion , or 38 percent, over the next biennium.	Amount to be determined.
Blended Learning	Establishes a grant program to assist school districts and open-enrollment charter schools in developing and implementing effective blended learning models. Priority is given to schools with a higher enrollment of economically disadvantaged students.	Commissioner shall develop a list of professional development materials for use by school districts in implementing blended learning. The materials must be based on best practices for blended learning.
Teacher Incentive and Compensation	<p>Creates an Educator Effectiveness Allotment of .012 for each student at a campus in the highest-need census block or any rural district campus. The allotment could be used to incentivize teachers to move to those high need schools or to other areas of critical shortage. Districts have to use a collaborative process to identify effective teachers.</p> <p>HB 3 does not specify salary increase for teachers or support staff. Basic allotment increase does impact the minimum salary schedule.</p>	<p>Creates an Educator Effectiveness Program that could provide merit salary increases to educators based on an evaluation of the effectiveness of the educator under a multi-measure system developed by the district in partnership with stakeholders and the district's educators within state limits. Amount to be determined.</p> <p>\$5,000 across-the-board pay raise for teachers and librarians in SB 3 by Nelson.</p>
Test-Based Funding	No test-based funding provisions in the final version passed by House Public Education Committee.	Creates a Third-Grade Reading Allotment that funds economically disadvantaged third graders who perform satisfactorily on one of two third-grade reading multidimensional assessments chosen by the Commissioner.
Compensatory Education Allotment	Directs Commissioner to create an index for a compensatory education allotment based on census blocks. The index must contain five tiers categorized according to the relative severity of economically disadvantaged students. Weights range from 0.225 to 0.275.	Educationally-disadvantaged student means either an eligible student participating in the national free and reduced-price lunch program or economically disadvantaged in any manner that may reasonably impact educational achievement, as determined by the commissioner. Weights to be determined.
Gifted and Talented Allotment	Repeals gifted and talented allotment to increase the basic allotment. Each school district shall annually certify it has a program for gifted and talented students. Allows Commissioner to reduce funding if a district has failed to comply.	Repeals gifted and talented allotment to increase basic allotment. Requires a report to ensure the number of students identified as gifted and talented does not decline for any school year.
School Board Goals for Early Childhood Literacy and Postsecondary Readiness	Requires local school boards to develop a five-year early childhood literacy and mathematics proficiency plan. Schools must set annual and quantifiable goals for student performance.	Requires local school boards to develop three- and five-year plans for achieving the 60x30TX goals.

Efficiency Audits	School districts shall conduct an efficiency audit before seeking voter approval to adopt M&O tax rate. School district must pay for the costs and choose from an approved list of auditors.	No similar provision.
Other Weights and Allotments	Creates dyslexia and dual language weights. Extends the Career and Technical Education (CTE) program to 6th grade. Increases appropriations for New Instructional Facility Allotment (NIFA) to \$100 million per year. Small and mid-sized adjustments are stand-alone allotments, except for special education.	Creates dyslexia and dual language weights. Extends CTE program to 8th grade. Creates a fast-growth school district allotment. Requires an interim study on the cost of NIFA. Small and mid-sized adjustments are stand-alone allotments.
Other Funding Issues	Repeals Cost of Education Index, High School Allotment, staff allotment. Phases out 1993 Chapter 41 hold harmless and early agreement credit. Replaces transportation linear density calculation with a per-mile allotment.	Repeals Cost of Education Index, High School Allotment, staff allotment, 1993 Chapter 41 hold harmless and early agreement credit. Replaces transportation linear density calculation with a per-mile allotment. Uses current-year values instead of prior-year values, providing a potential \$1.8 billion savings to the state.