

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

Updated April 29, 2019

Provisions	House Bill 3 by Huberty (Engrossed)	Senate Committee Substitute for House Bill 3
<p><b>Basic Allotment</b></p>	<p>Increases the current \$5,140 basic allotment to <b>\$6,030</b>. Requires districts to use 25 percent of basic allotment increase on salary and wage increases for full-time employees other than administrators.</p>	<p>Increases the current \$5,140 basic allotment to <b>\$5,880</b>.</p>
<p><b>Full-Day Pre-Kindergarten</b></p>	<p>Requires districts to provide full-day pre-K to eligible 4-year-old students but they may seek a waiver to the requirement for up to six years if seat availability is an issue.</p> <p>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.</p>	<p>Requires districts to provide full-day pre-K to eligible 4-year-old students but they may seek a waiver to the requirement for up to six years if seat availability is an issue.</p> <p>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.</p> <p>A child of an educator employed by a school district is eligible for enrollment in pre-K.</p>
<p><b>Teacher Compensation, Incentives, and ACE Programs</b></p>	<p>25 percent of the basic allotment increase must be used to provide a salary or wage increase for full-time district employees other than administrators.</p> <p>Creates an Educator Effectiveness Allotment of 0.012 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 must use a collaborative process to identify effective teachers.</p>	<p>\$5,000 across-the-board pay raise for teachers and librarians. Also provides additional funding to cover benefit increases.</p> <p>Creates a Teacher Incentive Allotment to provide additional salary increases to educators based on an evaluation of the effectiveness of the educator. Provides an additional increase for those in high-needs or rural districts. District must submit a request to the Commissioner for state funding.</p> <p>Creates an Accelerated Campus Excellence Turnaround Allotment for IR campuses. Adds an additional 0.1 to the basic allotment for students in qualifying schools.</p>

<p><b>Golden and Copper Pennies</b></p>	<p>No longer links golden penny yield to the 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 (\$96.48.) Allows for 8 golden pennies beginning in FY 2020. Prevents districts with a 2019 rollback rate greater than \$1.04 from having TRE in 2019 unless a district adopted a strategic plan prior to January 1, 2019.</p> <p>Increases the copper penny yield from \$31.95 to 80 percent of the basic allotment (\$48.24).</p>	<p>No longer links the golden penny yield to the Austin ISD wealth level. Yield is 160 percent of the basic allotment (\$94.48). Allows for 6 golden pennies.</p> <p>Increases the copper penny yield from \$31.95 to 80 percent of the basic allotment (\$47.04).</p>
<p><b>Recapture</b></p>	<p>The increase in the basic allotment and other formula changes will mitigate recapture by an estimated <b>\$3 billion</b> over the next biennium. Allows districts to pay the recapture amount owed to the state in one payment no later than August 15.</p>	<p>The increase in the basic allotment and other formula changes, including the teacher pay raise, will mitigate recapture by approximately <b>\$3 billion</b> over the next biennium.</p>
<p><b>Blended Learning</b></p>	<p>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.</p>	<p>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 set-aside \$6 million per year from FSP.</p>
<p><b>Tax Rate Compression and Tax Relief</b></p>	<p>Provides \$2.7 billion in uniform tax rate reduction for the biennium, <b>\$0.04</b> compression on Tier I Maintenance and Operations (M&amp;O) tax rate (\$0.96 from \$1.00) and additional tax rate compression in copper penny tier due to increase in yield.</p>	<p>Increases the homestead exemption from \$25,000 to \$40,000. Contingent on voter approval.</p> <p>Provides \$2.7 billion in uniform tax relief for the first year of the biennium, <b>\$0.08</b> compression on Tier 1 M&amp;O (\$0.92 from \$1.00).</p> <p>Provides additional compression to \$0.85 for a total of <b>\$0.15</b> in the second year of the biennium. Contingent upon voter approval of the sales tax constitutional amendment provision. If the constitutional provision fails, all tax compression would revert to \$1.00 in the second year.</p> <p>Starting in year three, a separate provision creates an additional automatic tax rate buy-down based on local property value growth (<b>2.5 percent</b> tax collections cap). Tax relief using this provision is on a district-by-district basis and not uniform. The state would be required to hold districts harmless for this additional tax rate reduction.</p>

<p><b>Compensatory Education Allotment</b></p>	<p>Directs the 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. Creates Compensatory Education Allotment Committee.</p>	<p>Directs the 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.</p>
<p><b>Test-Based Funding</b></p>	<p>No test-based funding provisions in the final version passed by the House.</p>	<p>Creates a Third-Grade Reading Outcomes Allotment that funds third graders who perform satisfactorily on STAAR or alternative assessment.</p> <p>Creates a College, Career, and Military Readiness Outcomes Allotment that funds students who achieve minimum standards on SAT, ACT, TSIA, or Armed Services exam.</p>
<p><b>Gifted and Talented Allotment</b></p>	<p>Repeals the 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 the Commissioner to reduce funding if a district has failed to comply. Each school district shall adopt a policy regarding the use of funds to support the district's gifted and talented program.</p>	<p>Repeals the 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.</p>
<p><b>School Board Goals for Early Childhood Literacy and Postsecondary Readiness</b></p>	<p>Requires local school boards to develop and post online a five-year early childhood literacy plan, a mathematics proficiency plan, and a college, career, and military readiness plan. Schools must set annual and quantifiable goals for student performance.</p>	<p>Requires local school boards to develop 60X30 goals and at least three student outcomes goals with five-year targets for achieving each goal.</p> <p>Requires local school boards to adopt an early childhood literacy plan providing K-3 phonics, professional development, and details on implementation of plan.</p>
<p><b>Efficiency Audits</b></p>	<p>School districts shall conduct an efficiency audit before seeking voter approval to adopt M&amp;O tax rate. The LBB shall develop guidelines identifying the scope of the audit. Requires charters to conduct efficiency audits prior to revision to the school's charter or expansion.</p>	<p>No similar provision.</p>
<p><b>Weights and Allotments</b></p>	<p>Small and mid-sized adjustments are stand-alone allotments, except for special education. Creates dyslexia (0.1) and dual language weights. Increases mainstream special education weight. Creates school safety allotment based on appropriations. Extends the Career and Technical Education (CTE) program to 6th grade. Provides a \$50 per-student allotment for</p>	<p>Small and mid-sized adjustments are stand-alone allotments. Creates dyslexia (0.12) and dual language weights. Increases mainstream special education weight. Does not extend CTE program. Sets aside funding for P-Tech. Creates a fast-growth school district allotment.</p>

	P-Tech and New Tech programs. Provides funding for an enrollment decline of more than 4 percent (400 ADA or less). Creates additional supplemental allotment for students with dyslexia. Increases appropriation for New Instructional Facility Allotment (NIFA) to \$100 million per year.	
<b>Other Funding Issues</b>	Repeals the High School Allotment, staff allotment, and the Cost of Education Index. Phases out 1993 Chapter 41 hold harmless and early agreement credit. Replaces transportation linear density calculation with a per-mile allotment. Provides hold harmless funding and at least a 3 percent gain compared to current law funding.	Moves to the use of <b>current-year property values</b> for determining FSP entitlement. Repeals the High School Allotment, staff allotment, and the Cost of Education Index (provides for a study on geographic costs due December 2020). Phases out 1993 Chapter 41 hold harmless and early agreement credit. Replaces transportation linear density calculation with a per-mile allotment. Provides hold harmless funding that expires at the end of 2024-25 school year.
<b>School Start Dates</b>	No similar provisions.	Districts of Innovation must begin school on or after third Monday in August.
<b>Assessments</b>	No similar provisions.	<p>Requires all grade-level assessments 3 through 8 to include a writing component (currently just grades 4 and 7). Allows assessments to be administered in multiple parts over more than one day.</p> <p>Creates technical advisory committee to advise the TEA and Commissioner on the development of valid and reliable assessment instruments.</p> <p>Requires TEA and districts to administer assessments electronically.</p> <p>Creates a pilot program and report to determine feasibility of replacing STAAR with an integrated formative assessment.</p> <p>Requires students to complete a FAFSA prior to graduating high school.</p> <p>Requires districts to administer a kindergarten reading assessment.</p> <p>Provides college preparation assessment reimbursement to districts.</p>