

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

Updated April 4, 2019

Provisions	House Bill 3 by Huberty (Engrossed)	Senate Bill 4 by Taylor (As Filed)
Overall Funding for Public Education	Provides \$6.3 billion over the biennium of new investment to public education. Provides at least a 3 percent funding gain for schools compared to current law.	SB 4 (school finance) funding formulas yet to be determined. SB 1 (state budget) appropriates \$2.3 billion for formula funding. SB 3 (teacher pay raise) provides \$4 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 . Requires districts to use 25 percent of basic allotment increase on salary and wage increases for full-time employees other than administrators.	Increase in the basic allotment to be determined.
Full-Day Pre-Kindergarten	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. 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.	Requires districts to provide full-day pre-K to eligible 4-year-old students. Should provide sufficient funding for full-day pre-K through the Early Reading Allotment. Weights to be determined.
Teacher Incentive and Compensation	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. 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. Basic allotment increase does impact the minimum salary schedule.	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. District must submit request to Commissioner for state funding. Amount to be determined. \$5,000 across-the-board pay raise for teachers and librarians in SB 3 by Nelson.

<p>Golden and Copper Pennies</p>	<p>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. 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.</p>	<p>No longer links the golden penny yield to the Austin ISD wealth level. Amount to be determined.</p> <p>Increases the copper penny yield. Amount to be determined.</p>
<p>Recapture</p>	<p>The increase in the basic allotment and other formula changes will mitigate recapture by \$3 billion, or 38 percent, 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>Amount to be determined.</p>
<p>Blended Learning</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>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.</p>
<p>Property Tax Rate Compression</p>	<p>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.</p>	<p>Current law. No additional tax rate reduction specified. SB 1 provides \$2.7 billion for property tax relief.</p>
<p>Compensatory Education Allotment</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. Allows direct spending requirements for at-risk or educationally disadvantaged students.</p>	<p>Educationally-disadvantaged student means either an eligible student participating in the national free and reduced-price lunch program <u>or</u> economically disadvantaged in any manner that may reasonably impact educational achievement, as determined by the Commissioner. Weights to be determined.</p>
<p>Test-Based Funding</p>	<p>No test-based funding provisions in the final version passed by the House.</p>	<p>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.</p>

<p>Gifted and Talented Allotment</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 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>School Board Goals for Early Childhood Literacy and Postsecondary Readiness</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 three- and five-year plans for achieving the 60x30TX goals.</p>
<p>Efficiency Audits</p>	<p>School districts shall conduct an efficiency audit before seeking voter approval to adopt M&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>Other Weights and Allotments</p>	<p>Creates dyslexia 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-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. Small and mid-sized adjustments are stand-alone allotments, except for special education.</p>	<p>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.</p>
<p>Other Funding Issues</p>	<p>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.</p>	<p>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.</p>