



87th Legislative Session Wrap Up

Equity Center

June 16, 2021

House Bill 3 Clean Up Bill

HB 1525

- As Introduced: \$65.4 million
- House Public Education Committee: \$333 million
- House: \$443 million
- Senate Education Committee: \$266 million
- Final Version: \$475.2 million
- As Introduced: 20 pages and 25 substantive Sections
- Enrolled: 66 pages and 51 substantive Sections

Small and Midsize Career and Technology Allotment

- \$298 million, minus \$38.9 million: \$260 million net gain
- Or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by:
- CTE funding is now tiered:
 - 1.1 for Courses that are not in an approved program of study
 - 1.28 for levels one and two
 - 1.47 for levels three and four

Surplus Tax Rates

- Prohibition from LEVYING a rate intended to create an M&O surplus for the purpose of paying debt service (Tax Swaps)
- Allows TEA to investigate and make determinations
- Corrective action plan
- Make reductions in state funding if non-compliant
- Only applies prospectively

Fast Growth Allotment

- Growth over 250 students over a six-year period
- Just funds new enrollment
- 0.48 for districts in the top 40%
- 0.33 for middle 30%
- 0.18 for bottom 30%
- \$320 million cap
- Hold harmless for 2022 of \$40 million 2021-22

Changes in Recapture


- Recapture After Review Notification added to next year's recapture
- Recapture netted against all allowable state aid
- ~~• Teacher Incentive Allotment funded twice for recapture districts with LOHE~~

Federal Funding

- One-Time Intensive Educational Supports for Overcoming COVID-19 Impact
 - P-TECH, Jobs and Education Program, Regional Pathways Network, supports for teachers, supplemental and accelerated instruction, extending instructional time, innovation in curriculum and instruction, diagnosing student mastery
- One-Time Grade Level Support and Reimbursements
 - \$208.35 for each enrolled student; and,
 - \$1,290 for each student not performing satisfactorily; BUT,
 - Netting the resulting amount out from ESSER II and III awards
- Allows Commissioner to increase state aid to maintain MoE as the result of receiving ESSER I, II, or III.
- One-time Technology Reimbursement: Made before Feb 28, 2021

Additional Content

- Recreated the Gifted and Talented Allotment: 0.07 weight, 5% cap, capped at \$100 million annually
- IMA can be used for distance learning
- Teacher Incentive Allotment
- Formula Transition Grant cap at \$400 million per year
- Creates Texas Commission on Special Education Funding
- PTA donations for educational staff positions
- Health Advisory Councils: Human Sexuality curriculum materials
- Reading Academies moved back to 2022-23



SB₁

State 2022-23 Budget

- Includes \$3.1 billion to cover enrollment growth; and,
- \$1 billion to pay for ongoing tax compression

District Property Values (DPV)

Under current law, DPV growth reduces the level of state aid needed to fund FSP entitlement.

Tax Year	CPA Projection	Budget Years Affected	2020-21 General Appropriations Act
Tax Year 2019	+ 10.17	Fiscal Year 2020	+ 5.76%
Tax Year 2020	+ 6.15%	Fiscal Year 2021	+ 4.01%
Tax Year 2021	+ 0.29%	Fiscal Year 2022	
Tax Year 2022	+ 3.92%	Fiscal Year 2023	

assumed increases in property values, and the estimates of local tax collections on which they are based, as estimated by the Comptroller of Public Accounts, of **1.84** percent for tax year **2021** and by **4.36** percent for tax year **2022**.

Student Growth

TEA projects an overall average daily attendance (ADA) growth rate of 0.71% annually in the 2022-23 biennium.

Fiscal Year	Number of Students	Rate of Growth
FY2018	29,421 ADA	0.59%
FY2019	15,467 ADA	0.31%
FY2020	42,777 ADA	0.85%
FY2021	36,013 ADA	0.71% (projected)
FY2022	36,269 ADA	0.71% (projected)
FY2023	36,527 ADA	0.71% (projected)

TEA projects higher growth for certain populations, including compensatory education (2.89%), career & technical education (6.12%), FTEs served in special education settings (5.55%), and special education mainstream ADA (4.3%).

Bills that Didn't Pass

- SB 27 – Virtual School Network
- SB 28 – Charter Expansion
- HB 1468 – Remote Learning
- HB 3270 – Accountability and Fiscal Management
- HB 3445 – Fund Balances
- HB 4465 - Disaster Relief Grants

Advocacy Prohibition

- SB 10: Prohibitions on municipalities → All entities collecting tax dollars, Public vote, disclosures, prohibition on engaging tax issues
- HB 749/SB 234: Full prohibition