

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

Updated May 7, 2019

Provisions	House Version of HB 3	Senate Version of HB 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. Weight 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. Weight 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 in addition to what they would have earned under the 2018-19 salary schedule. 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. A district must submit a request to the Commissioner for state funding. Student performance can only comprise 35 percent of a teacher’s evaluation. Requires 90 percent of the allotment to be spent on the campus where the teacher is employed.</p> <p>Creates an Accelerated Campus Excellence Allotment for IR campuses. Adds an additional 0.15 to the basic allotment for students in qualifying schools.</p>

		Creates a mentor teacher allotment. Creates an interim study on equitable teacher compensation focused on differentiated pay based on teacher performance.
<b>Tax Rate Compression and Tax Relief</b>	Provides \$2.7 billion in uniform tax rate reduction for the biennium, <b>\$0.04</b> compression on Tier I Maintenance and Operations (M&O) tax rate (\$0.96 from \$1.00) and additional tax rate compression in copper penny tier due to increase in yield.	<p>Provides uniform tax relief for the biennium, <b>\$0.10</b> compression on Tier 1 M&amp;O (\$0.90 from \$1.00) and additional tax rate compression in copper penny tier due to increase in yield.</p> <p>A separate provision creates an additional automatic tax rate buy-down based on local school district property value growth (<b>2.5 percent</b> tax collections cap, with provisions to adjust for inflation). Tax relief using this provision is on a district-by-district basis and not uniform. The tax rate reduction creates an ongoing cost to the state.</p> <p>Creates the Tax Reduction and Excellence in Education Fund (TREE) for tax relief. Uses an estimated \$2.3 billion from a severance tax revenue diversion (SJR 77), \$300 million in sales tax revenue from the Wayfair court decision (HB 1525), and additional Available School Fund revenue (HJR 151).</p>
<b>Golden and Copper Pennies</b>	<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. 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. Prevents districts with a 2019 rollback rate greater than \$1.04 from having TRE in 2019.</p> <p>Increases the copper penny yield from \$31.95 to 80 percent of the basic allotment (\$47.04).</p>
<b>Recapture</b>	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.	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. Allows districts to pay the recapture amount owed to the state in one payment no later than August 15.
<b>Compensatory Education Allotment</b>	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 a Compensatory Education Allotment Committee.	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. Requires 90% of the allotment to be spent on the campus where funding is earned.

<b>Test-Based Funding</b>	No test-based funding provisions in the final version passed by the House.	<p>Creates a Third-Grade Language Arts Outcomes Bonus that funds third graders who meet grade-level on the STAAR or an alternative assessment. Requires the state to pay for the alternative assessment.</p> <p>Creates a College, Career, and Military Readiness Outcomes Bonus that funds students who achieve minimum standards on SAT, ACT, TSIA, or Armed Services exam.</p>
<b>Gifted and Talented Allotment</b>	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.	Maintains current law for the gifted and talented weight (does not repeal the allotment).
<b>Blended Learning</b>	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.	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 the Foundation School Program (FSP).
<b>School Board Goals for Early Childhood Literacy and Postsecondary Readiness</b>	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>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 boards to adopt an early childhood literacy plan providing K-3 phonics, professional development, and details on the implementation of the plan.</p>
<b>Efficiency Audits</b>	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.	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.
<b>Weights and Allotments</b>	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-Tech and New Tech programs. Provides funding for an enrollment decline of more	Small and mid-sized adjustments are current law formulas (does not create stand-alone allotment). Creates dyslexia (0.12) and dual language weights. Increases mainstream special education weight. Does not extend CTE program. Creates a Summer Career and Technology Education grant. Sets aside funding for P-Tech. Creates a fast-growth school district allotment.

	<p>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.</p>	
<p><b>Other Funding Issues</b></p>	<p>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 the 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. Creates an extended-year program for pre-K-5.</p>	<p>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 the transportation linear density calculation with a per-mile allotment. Provides hold-harmless expires at the end of the 2024-25 school year. Creates an extended year program for pre-K-5. Creates a dropout recovery school allotment. Creates a Special Education Allotment Advisory Committee. Allows Commissioner to reimburse schools for two years for student decline due to a disaster.</p>
<p><b>School Start Dates</b></p>	<p>No similar provisions.</p>	<p>Districts of Innovation must begin school on or after the third Monday in August.</p>
<p><b>Assessments</b></p>	<p>No similar provisions.</p>	<p>Requires all grade-level assessments 3 through 8 to include a writing component (currently just grades 4 and 7). Codifies and defines Approaches Grade Level, Meets Grade Level, and Masters Grade Level. Allows assessments to be administered in multiple parts over more than one day. Creates a technical advisory committee to advise the TEA and Commissioner on the development of academically appropriate, valid, and reliable assessment instruments.</p> <p>Requires a study to determine if the STAAR is written at the appropriate reading level for students.</p> <p>Requires TEA and districts to administer assessments electronically. Creates a pilot program and report to determine the feasibility of replacing STAAR with an integrated formative assessment.</p> <p>Requires students to complete a FAFSA prior to graduating high school. Requires districts to administer a kindergarten reading assessment. Provides college entrance exam reimbursement to districts.</p>