



BIG WEEK FOR PUB ED FUNDING AT THE TEXAS LEGISLATURE

After a week of delays due to the historic winter storm, legislators returned to the Capitol this week for dueling hearings on Article III, the part of the state budget that focuses on public education financing, including the Teacher Retirement System.

Both the Senate Finance Committee and House Appropriations Committee heard testimony from Texas Education Commissioner Mike Morath and Teacher Retirement System (TRS) Executive Director Brian Guthrie. Though the Senate Finance Committee began its hearings on the budget-writing process earlier this month, this week marked the official start of the House Appropriations Hearings.

IN THE SENATE...

Chair Nelson began the meeting restating the commitment to public education and promise to maintain funding for HB 3.

Commissioner of Education Mike Morath gave a presentation to the committee and overviewed additional funding requests, beyond what is laid out in SB 1, by the Texas Education Agency. These requests include funds to accelerate existing teacher training initiatives and supplement campus-level supports to reduce the impacts of the COVID pandemic on learning loss. Included in SB 1 is additional money designated to support the administration of the teacher incentive allotment. TSTA has repeatedly lobbied against funds being used to compensate a small percentage of teachers ahead of a meaningful, across-the-board salary increase.

TEA also requested additional funding to upgrade state data warehouse and improve data security. The Senate Finance Committee pushed back pretty hard on the Agency's current cybersecurity protocol, questioning in particular the lack of an independent review. TEA currently only self-assesses its data security.

Naturally, much of the questioning centered around COVID-related issues including the administration of the STAAR test, learning loss, virtual learning, the ways in which the CARES Act 2 federal funds will be spent, and vaccinating teachers.

Some senators questioned whether or not the costs associated with implementing the STAAR test might be better spent implementing programs to help students recover from the pandemic and "reintegrate" students back to on-campus environments. Morath maintained that there would be no way to adequately measure learning loss without the test.

Senators West, Lucio and Whitmire all asked that teachers be prioritized for the vaccine, but Morath wouldn't take a position other than to say that the decision was not up to him.

During the presentation by TRS, Guthrie thanked the committee for fully funding last session's SB 12 and relayed positive details about the pension fund, which for the first time in a decade does not need a supplemental appropriation to stay solvent. Despite its strong investment performance and the fact that the primary issue with the affordability of health insurance has been the Legislature's unwillingness to properly fund the program, the agency's practices were called into question, specifically large incentive bonuses for the agency's investment management team, executive's high salaries, and the cost of its London office.

Although oral testimony has been limited to members of the public willing to be present in person, TSTA and the other three statewide teacher organizations sent a joint letter ahead of yesterday's meetings detailing short- and long-term spending priorities that would best serve Texas educators.

IN THE HOUSE...

The recently appointed new Chairman Greg Bonnen (R-Friendswood) kicked off the meeting with an introductory address to the committee as a whole followed by Vice Chair Mary González (D-Clint) followed with her own remarks before the committee began hearing testimony.

<https://house.texas.gov/committees/committee/index.php?committee=C030>

Much like the first meetings of Senate Finance, the committee spent time on general matters before the State Comptroller Glenn Hegar provided an overview of the State Comptroller's Biennial Revenue Estimate and updates on the Economic Stabilization fund. While most of Hegar's presentation mirrored the remarks that he provided to Senate Finance previously, new questions arose in the house regarding what kind of impact last week's winter storm will have on the state's budget. Hegar generally stated that after the storm, we need to continue moving forward to make sure Texas is where people want it to be. Though the Comptroller repeatedly stated that he could not know the impact of the storm with absolute certainty, he referred to the aftermath of Hurricane Harvey as a reference point. According to Hegar, after Harvey, there was an immediate drag on the economy followed by an uptick in spending as people rebuilt. Eventually, around year 4, the Hurricane ironically ended up increasing the GDP — though Hegar carefully noted that the natural disaster was clearly not a good thing for Texans.

Next, the Legislative Budget Board presented its recommendations to the Committee and answered legislators' questions. https://www.lbb.state.tx.us/Summary_Recommendations.aspx?Session=87&Type=House Notably, when asked, the LBB stated that the base budget as filed would have the state covering 41.5% of Maintenance & Operations and funding, with districts covering the remainder. Additionally, the LBB predicted that the state's property tax compression that was implemented last session would cost the state close to a billion dollars over the next biennium.

Last session, the Legislature restricted how much districts could increase school property taxes and without a hold harmless funding or significant federal money allocated directly to districts, districts may have a difficult time covering these costs.

After recessing, part two of Monday's hearing started with a budget presentation from Commissioner Morath similar to that which he gave to the Senate earlier in the day. Committee members overwhelmingly focused on questions related to STAAR testing and COVID-19. Morath implied that he does not expect federal stimulus dollars to be distributed until close the end of Session in May, though the decision on the extension of the hold harmless will be made much sooner.

After receiving harsh criticism in the Senate, TRS' executive director faced the House and aside from pointed questions, his presentation ran fairly smoothly. Gene Wu (D-Houston) honed in on the need to fix harsh penalties

who return to work part-time and oftentimes unknowingly exceed work time limits. Members also noted that TRS-Care is an issue with one member stating that the state has failed its retirees when it comes to healthcare. Finally, members acknowledged that while the fund may be doing well financially compared to other states, the agency must do more to advocate for retired educators.

The House Appropriations Subcommittee on Article III will begin meeting this Thursday, February 24th, and continue meeting through next week.

<https://house.texas.gov/committees/committee/index.php?committee=C012>.