



# News from the 81<sup>st</sup> Texas Legislature

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Sixteenth Annual Region 10  
School Finance Conference  
Richardson, Texas  
June 9, 2009

# Agenda

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- House Bill 3646 changes
  - Chapter 41 changes
  - Salary schedule/teacher pay raise
  - Textbook funding
  - Charter school funding
- Other changes in HB 3646
- Other legislative changes
- American Recovery and Reinvestment Act of 2009

Disclaimer: Information subject to change. Please check our website frequently for updates.

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# Chapter 41 Changes

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- Equalized wealth levels
  - First equalized wealth level
    - Based on compressed tax rate
    - Equivalent to yield provided by basic allotment at \$476,500
  - Second equalized wealth level
    - Set at Austin ISD yield
    - No limit if Chapter 42 districts receive Austin ISD yield on same tax effort
  - Third equalized wealth level = \$319,500 (unchanged)

# Chapter 41 Changes

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- Repeals efficiency credit
- Grandfathers existing agreements until September 1, 2011

# Salary Schedule/Teacher Pay Raise

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- Requires pay raise at greater of:
  - \$80/month (\$800/year) or
  - \$60/student in weighted average daily attendance (WADA), considering increased costs for social security and retirement
  
- Changes to minimum salary schedule related to formula increases not effective until FY 2012

# Textbook Funding

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- Textbooks –
  - State Textbook Fund
    - \$175.6 million – FY 2010
    - \$642.1 million – FY 2011
    - Total = \$817.8 million
  - Rider 8 - \$4.5 million set-aside for online college readiness materials in mathematics, science, and social studies
  - Total spending = \$812.8 million (after administrative costs)

# Charter School Funding

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- Revises funding formula to ensure that charter schools receive same benefit as school districts
  - 2009–10 revenue plus \$120 per WADA, or
  - Statewide average
- Repeals transition language and places all charters on statewide average formula

# Other Changes in HB 3646

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- Texas Virtual School Network
- Attendance changes
- State intercept programs
- Studies
- Special Education Grant
- Miscellaneous



# Texas Virtual School Network (TxVSN)

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- Funding based on successful course completion (SB 955)
  - Provider district receives \$400 for each course
  - Resident district receives \$80 for course
  - (Note: Students in grades 3-8 earn ADA)
- State may pay for courses exceeding normal course load, if funds available

# Attendance Changes

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- Funding for credit recovery (HB 1297)
  - Must participate in Optional Flexible School Day Program
- Dual credit attendance
  - Students may earn attendance regardless of whether they pay for tuition, fees, or textbooks

# Attendance Changes

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- Virtual school attendance
  - Student participation in TxVSN courses earns attendance funding for grades 3-8
  - Other courses paid for by allotment, based on course completion
  - Districts may charge fee for:
    - TxVSN courses offered in the summer
    - Classes taken in excess of normal course load

# State Intercept Programs

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- School district program (SB 1255)
  - Provides credit enhancement for general obligation bonds
  - Serves as backup to bond guarantee program
  - Backed by Foundation School Program (FSP) appropriation
  - Limited by one-half of funds due to school districts from FSP

# State Intercept Programs

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- Charter school program
  - Provides credit enhancement for charter school financing
  - Allocates up to 1% of FSP appropriation
  - Requires private matching funds
  - Includes repayment and default provisions

# Formula Study

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- Creates Select Committee on Public School Weights, Allotments, and Adjustments
  - Charged with comprehensive review of all weights, allotments, and adjustments
  - Required to conduct public hearings throughout the state—including one hearing at a school so that students may attend

# Formula Study

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- Includes 15 members
    - Four senators
    - Four representatives
    - Commissioner of education
    - Three persons employed at a public school
    - Three representatives of business community
  - Staff – employed by Texas Legislative Council
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# Formula Study

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- Includes review and identification of:
  - Methods to close achievement gap and define college/workforce readiness
  - Revisions to public accountability system
  - Methods for promoting efficient and effective support structures
- Report due December 1, 2010
- Authorization expires January 11, 2011

# Dual Credit Feasibility Study

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- Commissioner of education and commissioner of higher education shall collaboratively:
  - Recommend options for access to 12 hours of dual credit
  - Ensure efficient use of state resources
  - Promote access to quality courses
- Study may be consolidated with other study on dual credit programs

# TxVSN Study

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- Evaluate differentiated funding for different types of courses
  - Investigate feasibility of providing language acquisition courses through TxVSN
  - Investigate feasibility of developing courses for students in alternative education settings
  - Report due by January 1, 2011
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# Special Education Grant

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- To assist districts with cost of educating students with disabilities (SB 1488/HB 828)
    - Eligibility based on lack of sufficient funds to serve students with disabilities
    - Requires application for funds demonstrating lack of sufficient funds
    - Requires school districts receiving grant to serve students in least restrictive environment
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# Miscellaneous

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- Colocation of facilities (HB 350)
  - Allows joint projects between school district and institution of higher education
- Financial literacy curriculum
  - Authorizes pilot program (SB 197)
  - Requires that regional education service centers (ESCs) provide training in delivery of curriculum (SB 199)

# Miscellaneous

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- Vending machines (similar to SB 2308)
  - Requires adoption of local policies regarding use of funds from vending machines, gate receipts, rentals, etc.
  - Requires expenditures to be related to district's educational purpose and to provide benefit to district or its students
- Retirement contributions
  - Updates references to statutory minimum

# Other Legislative Changes - Signed by Governor

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- ❑ HB 772 – Internet broadcasts of SBOE meetings
- ❑ HB 2512 – Audio recordings of meetings/proceedings regarding grievance of school employee
- ❑ SB 90 – Interstate Compact on Educational Opportunity for Military Children

# Other Legislative Changes - Sent to Governor

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- HB 3 – Accountability
- HB 130 – Pre-K funding
- HB 136 – Pre-K awareness
- HB 709 – National board certification
- HB 1020 – Use of firearms in school-sponsored activities
- HB 2488 – Open-source textbooks

# Other Legislative Changes

## - Sent to Governor

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- ❑ HB 3643 – Pre-K eligibility definitions include stepparent in definition of *parent*, stepchild in definition of *child*
- ❑ HB 4294 – Instructional materials
- ❑ SB 300 – Repeal of unfunded mandates



# American Recovery and Reinvestment Act of 2009

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- Increased funds for Title I and IDEA
- Bond programs
  - Qualified School Construction Bonds – FY 2009 = \$538.6 million + \$466 million directly to 18 LEAs
  - Qualified Zone Academy Bonds – FY 2009 = \$37.9 million
  - Build America Bonds



# American Recovery and Reinvestment Act of 2009

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- State Fiscal Stabilization Funds (SFSF)
  - Funds formula increases in HB 3646
  - Requires application to be submitted by governor no later than July 1, 2009
  - Expect to receive response from U.S. Department of Education within 2 weeks of submission



# American Recovery and Reinvestment Act of 2009

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## Contingencies in HB 3646

- If commissioner determines that pay raise is not allowed under ARRA, requirement to provide raises is not effective
- If formula funding increases are not allowed, Art. XII of GAA includes provisions
  - Notification to LBB, governor, comptroller, and state auditor
  - Revised approach to be approved by governor and LBB



# Questions?

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