



Texas Commission on Public School Finance
Expenditures Workgroup
August 9, 2018

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Foundation School Program Overview (FSP)

The FSP establishes how much state funding school districts and charter schools are entitled to receive. Formulas are set in statute (Chapters 41, 42, and 46), and they consider both student and district characteristics including the number and type of students enrolled, district size and geographic factors, and local taxable property values and tax rates.

Maintenance and Operations Funding		Facilities Funding
<u>Tier I – Formula Funding</u>	<u>Tier II – Enrichment Funding</u>	<u>Facilities Funding</u>
<i>Series of allotments, with local share determined by tax base and fixed tax rate</i>	<i>Equalized enrichment of Maintenance and Operations (M&O) Tax Effort</i>	<i>Equalized enrichment of Interest and Sinking (I&S) tax effort</i>
<ul style="list-style-type: none"> • Regular program allotment • Special education allotment • Compensatory Education Allotment • Bilingual Education Allotment • Career and Technology Education Allotment • Gifted and Talented Allotment • Transportation Allotment • New Instructional Facility Allotment • High School Allotment 	<ul style="list-style-type: none"> • Golden Pennies • Copper Pennies 	<ul style="list-style-type: none"> • Instructional Facilities Allotment • Existing Debt Allotment





Recommendations For Consideration

Property Values

Expert Recommendations

Property values are currently used to calculate the FSP allocations. Prior year property values are currently used in this portion of the formula. Advocates suggest that current year values would be more indicative of the rising property value growth across the state and provide a more accurate picture of the needs of Texas schools.

Recommendation	Notes	Cost Estimate	BA Effect
Use CURRENT year property values in FSP calculations ¹		FY20 – (1.9B) FY21 – (1.9B)	\$256 \$264
Use PRIOR year property values in FSP calculations ²	Currently in use.	none	

1. Equity Center, Senator West
2. Dan Casey

Funding Basics

Expert Recommendations

Experts recommended several changes to the formula that should be considered in tandem with the consideration of the General Appropriations Act and the mechanisms that surround it.

Recommendation	Notes	Cost Estimate
Fund pre-K at 100% ADA ¹	TEC 42.005(a)(4): pre-K enrollment is currently funded at ½ enrollment for ½ day pre-K	FY20 – 808M FY21 – 808M
Fund high quality pre-K programs at 100% ADA ²	About 75% of students are in high quality programs	FY20 – 603M FY21 – 603M
Change basis of funding from ADA to enrollment ³		FY20 – 1.9B FY21 – 2.0B
Apply full ASF distribution to each district's FSP amount ⁴	ASF would be the first dollars to count towards the entitlement	FY20 – (158M) FY21 – (335M)
Set minimum % for state contribution level ⁵	Currently no minimum is in place.	FY20 – 2.8B FY21 – 3.6B

1. Nicole Conley-Johnson, CPPP
2. Texans Care for Children, Raise Your Hand Texas
3. Nicole Conley-Johnson, EdBuild
4. Equity Center, Senator West
5. Irving ISD



Equalized Wealth Level (EWL)

- The first EWL is equal to the maximum school district property wealth per WADA provided by the basic allotment. This level applies to the tax effort up to a school district's compressed tax rate (CTR) and is currently \$514,000, which is tied to the basic allotment (\$5,140, which is **set in the General Appropriations Act (GAA)**).
- The second EWL is determined by the funding provided to Chapter 42 school districts for their tax effort that exceeds the CTR, up to six golden pennies (on which there is no recapture) that are used in Tier II. This EWL is tied to the Austin ISD yield per WADA per penny (\$99.41 in FY18, **also set in the GAA**).
- The third EWL is set in **TEC 41.002(a)(3)** at \$319,500 per WADA, and it applies to any tax effort that exceeds the "CTR plus six cents" and is tied to the copper pennies that are also used in Tier II.

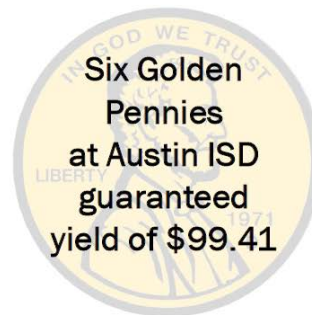
Tier I



RECAPTURE
LEVEL 1

Tier II

LEVEL 1



NO
RECAPTURE

Tier II

LEVEL 2



RECAPTURE
LEVEL 2

Equalized Wealth Level (EWL)

Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Transition to single tier system ¹	All pennies of tax effort would have the same yield	FY20 – (1.0B) FY21 – (1.3B)	(\$116) (\$146)
Increase the yield and EWL Tier II copper pennies to match Tier I yield and EWL ²		FY20 – 514M FY21 – 522M	
Consolidate 1 st and 3 rd EWLs and index to reflect property value growth ³	Cost estimate reflects only the reduction in recapture revenue, NOT the cost of raising the guaranteed yield	FY20 – 71M FY21 – 77M	
Increase yield and EWL for Tier II copper pennies to match the BA and compress Tier II tax rates in proportion ⁴	Decrease from 11 copper pennies to 6.8 Some loss of local revenue for districts with wealth per WADA under \$319,500 and taxing at \$1.17	FY20 – 44M FY21 – 48M	
Replace existing Tier II with allotment with guaranteed yield equal to Tier I ⁵	Golden pennies kept intact until BA is increased to adequate level	FY20 – 509M FY21 – 517M	

1. Equity Center, Senator West
2. Texas School Coalition
3. Nicole Conley-Johnson
4. Paul Colbert
5. Lynn Moak

Recapture

- Certain districts are required to reduce their EWL if its property wealth per student exceeds the levels mentioned on the previous slide.
- Recapture is a measure to ensure that constitutional equity requirements are met.
- Districts subject to recapture are referred to as **Chapter 41 Districts**
 - Provisions outlining the EWL reduction process are found in the TEC Ch. 41
- A district has five options available to reduce its property wealth per WADA:
 1. Consolidation with another district (TEC, §41.031)
 2. Detachment and annexation of property (TEC, §41.061)
 3. Purchase attendance credits from the state (TEC, §41.091)
 4. Education of nonresident students from a partner district (TEC, §41.121)
 5. Tax base consolidation with another district (TEC, §41.151)
- Many taxpayers complain about their tax dollar being diverted through this process, but it should be noted that 100% of districts choose option 3, leaving other options on the table.

Recapture

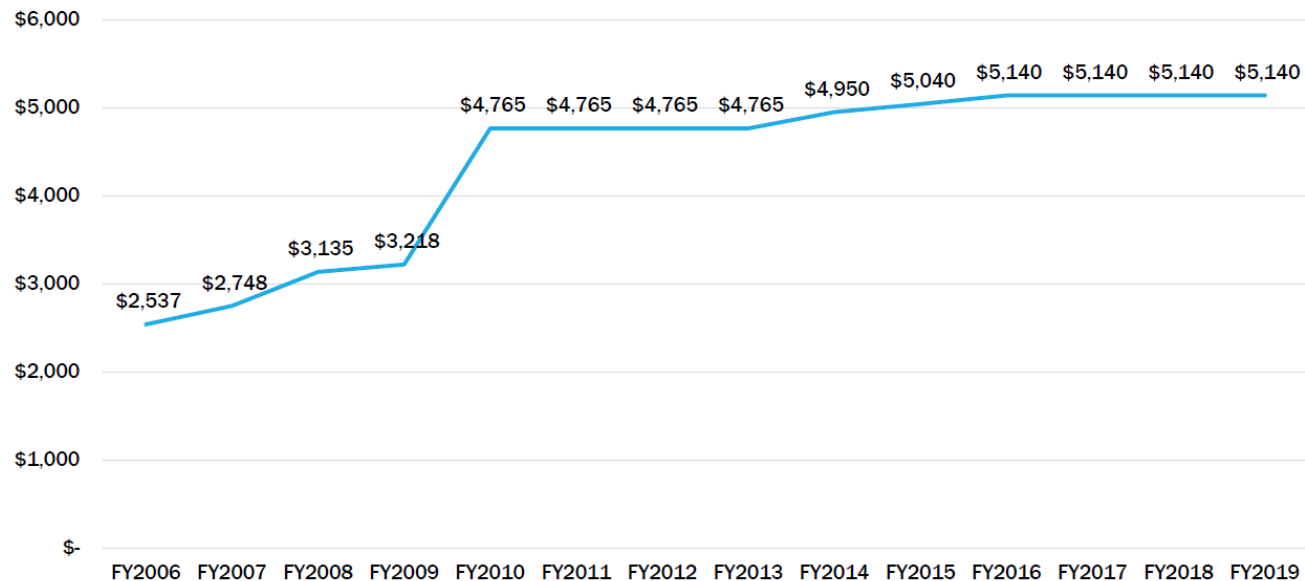
Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Increase from 6 golden pennies to 8 ¹	All pennies of tax effort would have the same yield Cost estimate does not include costs due to increased tax rates	FY20 – 431M FY21 – 472M	
Freeze recapture at current levels ²	Golden pennies kept intact until BA is increased to adequate level	FY20 – 545M FY21 – 1.2B	\$74 \$163
Allow for Ch. 41 districts to use transportation allotment as a credit against recapture ³		FY20 – 80M FY21 – 80M	

1. Texas School Coalition
2. Nicole Conley-Johnson
3. Texas School Coalition, Nicole Conley-Johnson

Basic Allotment

- The Basic Allotment (BA) is \$5,140 per student for the FY18-19 biennium and set in the GAA.
- The \$5,140 BA per student is increased for school characteristics:
 - Increased for the school districts' cost of education index
 - Increased if the school district qualified as a small or mid-size district
- Once the BA has been increased for school characteristics, it is used in a series of formulas that take into account student characteristics and then.



Basic Allotment (BA)

Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Increase the BA to adjust for inflation, and create process by which BA is adjusted annually ¹	CPPP – CPA can manage Moak – Account for inflation enrollment growth, and accountability changes	FY20 – 857M FY21 – 1.7B (assumes 2.2% inflation)	
Align BA increases to property tax value increases ²	Assumes 6.77% value growth	FY20 – 2.8B FY21 – 4.6B	
Increase the BA by reinvesting revenue from property growth into the FSP ³	Holds state percentage at FY19 level (46%)	FY20 – 771M FY21 – 1.5B	\$105 \$200

1. CPPP, EdBuild, Lynn Moak, Nicole Conley-Johnson
2. Raise Your Hand Texas, Nicole Conley-Johnson
3. TASBO



Basic Allotment (BA)

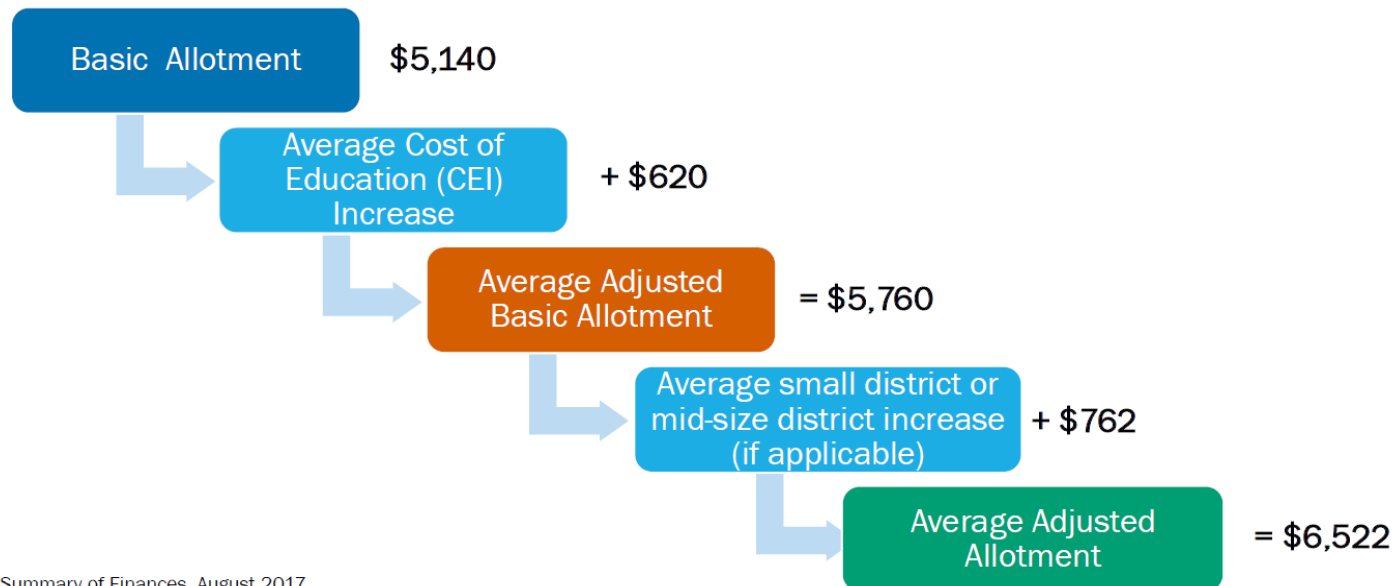
Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Index the BA based on the increase of statewide property value per student ¹	Includes discount for student growth of 1.6%	FY20 – 1.6B FY21 – 3.2B	\$260 \$533
Increase the BA by an amount equivalent to statewide property value growth and the increase in recapture revenue ²	Includes discount for student growth of 1.6%	FY20 – 1.6B FY21 – 3.2B	\$260 \$533
Use any increase in recapture revenue to increase the BA ³	Conley-Johnson - Alternatively, apply this increase to Comp Ed	FY20 – 491M FY21 – 1.1B	\$67 \$156
Increase BA with FY18-19 one-time expenditures ⁴	Hardship grants and rapid property value decline	FY20 – 188M FY21 – 188M	\$25 \$25

1. TASA
2. Texas School Coalition
3. Texas School Coalition, Nicole Conley-Johnson
4. Equity Center, Senator West

Adjusted Allotment (AA) & Charter Schools

- The AA is the amount of funding, per student, that a school district receives based on individual characteristics.
- Charter schools' Tier I allotments are calculated using the state average adjusted allotment of \$6,522
 - This average allotment is higher than that of many school districts because the small and mid-size district funding increases are already factored in when the average is computed.



TEA Statewide Summary of Finances, August 2017

Adjusted Allotment (AA) & Charter Schools

Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Move district based adjustments to same level as student based adjustments ¹		FY20 – (1.3B) FY21 – (1.4B)	\$183 \$189
Calculate AA for charters & ISDs in an identical manner ²	200M overall decrease to charter schools	FY20 – (197M) FY21 – (202M)	
Change charter funding to be based on: 1. Neighboring district's ADA; OR 2. State student average (instead of district average) ³	Charter schools could be allocated additional I&S revenue to match the \$1,300/ADA that districts receive mostly from local tax revenues for 350M, which would make this proposal almost cost neutral	FY20 – (346M) FY21 – (360M)	

1. EdBuild
2. Lynn Moak
3. Raise Your Hand Texas, Nicole Conley-Johnson

Cost of Education Index (CEI)

- The CEI:
 - created as the Price Differential Index (PDI) in 1984
 - updated (PDI → CEI) in 1991
- The CEI is assigned to each district to adjust for the cost of educating students in the district's particular region of the state.
- The CEI is based upon the principle that it is more expensive to provide education in some school districts than others.
- Each school district was assigned a unique CEI value in 1991. These values have not changed since 1991.
- CEI values range from a low of 1.02 to a high of 1.20. The average CEI value is 1.12.
- The average funding increase produced is \$620 for each student in ADA in each district, and the total formula amount produced for all school districts by the CEI is estimated to be \$2.7B for FY18.

Cost of Education Index (CEI)

Expert Recommendations - Elimination

Recommendation	Notes	Cost Estimate	BA Effect
<u>Eliminate</u> the CEI ¹	Includes both FSP reduction and recapture increase	FY20 – (2.9B) FY21 – (2.9B)	
<u>Eliminate</u> the CEI and apply the funds to increase the BA ²	Includes both FSP reduction and recapture increase	FY20 – (2.9B) FY21 – (2.9B)	\$400 \$400

1. EdBuild
2. Todd Williams

Cost of Education Index (CEI)

Expert Recommendations - Replacement

Recommendation	Notes	Cost Estimate
Create Tier II funding component that allows for local funding of regional cost differentials (entitlement and recapture credit) ¹	17 districts provide social security to all employees, another 30 just for auxiliary staff	FY20 – 150-300M FY21 – 150-300M
Create Tier II funding component that allows for local funding of social security (entitlement and recapture credit) ²		FY20 – 83M FY21 – 83M
Create alternative index (COLA) or regional parity factor that is multiplied against AA ³	All recent updates have resulted in much larger spreads in index values with significant costs	FY20 – billions FY21 – billions
Utilize Dr. Lori Taylor’s teacher compensation index (TCI) or something similar ⁴	All recent updates have resulted in much larger spreads in index values with significant costs	FY20 – billions FY21 – billions

1. Nicole Conley-Johnson
2. Nicole Conley-Johnson
3. Nicole Conley-Johnson
4. Dan Casey



Cost of Education Index (CEI)

Expert Recommendations - Updates

Recommendation	Notes	Cost Estimate
Apply 100% of CEI in the calculation of WADA ¹	Short term solution (60% of benefit goes to Ch. 41 districts)	FY20 – 528M FY21 – 584M
Apply CEI to 80% of the BA ²	Short term solution (60% of benefit goes to Ch. 41 districts)	FY20 – 324M FY21 – 358M
Update CEI to reflect current regional market differences ³	TSC – Also establish a methodology to keep the CEI up to date	FY20 – billions FY21 – billions
Redistribute districts along lines representing the factors that make up the current CEI (salaries, ADA, poverty), based on each district’s average values for the factors over last 3 years ⁴		FY20 – billions FY21 – billions

1. Dan Casey, Lynn Moak, Nicole Conley-Johnson
2. Dan Casey
3. Texas School Coalition, Nicole Conley-Johnson
4. Paul Colbert



District Size Adjustments

- The small size adjustment (SDA):
 - Created in 1984
 - Updated in 2017 (six year phase in, HB 21)
- The mid-size adjustment (MDA) was:
 - Created in 1984
 - Updated in 1997
- The SDA and MDA provide for additional funding for some school districts.
- The SDA applies to districts with less than 1,600 students and has two formulas that provide differing levels of funding:
 - For districts < 300 square miles:
$$SDA = \left(1 + ((1600 - ADA) \times 0.00025)\right) \times \text{Adjusted Basic Allotment}$$
 - For districts > 300 square miles:
$$SDA = \left(1 + ((1600 - ADA) \times 0.00040)\right) \times \text{Adjusted Basic Allotment}$$
- The MDA applies to districts with less than 5,000 students.
$$MDA = \left(1 + ((5000 - ADA) \times 0.00025)\right) \times \text{Adjusted Basic Allotment}$$



District Size Adjustments

Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Eliminate the SDA/MDA and density adjustment in the TA; use funds to increase the BA and provide an expanded sparsity adjustment ¹	Assumes 100M increase to sparsity adjustment	FY20 – (750M) FY21 – (750M)	\$102 \$102
Update size adjustments to reflect actual costs of diseconomies of scale ²	Total cost of the SDA/MDA is 850M	Unable to determine if current adjustments do not cover actual costs	

1. EdBuild
2. Texas School Coalition

Weights



- The “weights” in the school finance formula additional, student-level adjustments to the AA that an LEA receives per student.
- The graph above shows the FY18 Tier 1 broken down by weight
 - The Total Tier I funding = \$37B



Special Education (SPED)

- The SPED allotment:
 - Created in 1984
 - Updated in 1993
- The SPED Allotment comprises 8.1% of Tier 1 funding
 - \$3B out of \$37B
- Funding is based on the amount of time that students with disabilities are served in their instructional arrangements.
- Students with disabilities assigned to the mainstream instructional arrangement also generate funding based on ADA.
- SPED student population ADA, contact hours and full-time equivalents (FTEs) are used along with the AA and a multiplier range depending on the instructional arrangement to calculate the SPED allotment.



Special Education (SPED)

$$SPED \text{ Allotment} = \left(\text{adjusted allotment} \left(\left(\frac{(\text{days present} \times \text{contact hr. mult.})}{(\text{days taught} \times \text{daily contact hrs.})} \right) (\text{instructional arrangement weight}) \right) \right)$$

$$Regular \text{ Program Allotment} = \left(\left(\text{adjusted allotment} \left(\left(\frac{(\text{days present})}{(\text{days taught})} \right) - \left(\frac{(\text{days present} \times \text{contact hr. mult.})}{(\text{days taught} \times \text{daily contact hrs.})} \right) \right) \right)$$

$$Total \text{ FSP Tier 1 Entitlement} = (SPED \text{ Allotment} + Regular \text{ Program Allotment})$$

Instructional Arrangement	Instructional Arrangement Wts.	Contact Hr. Multipliers
Homebound	5.0	1.000
Hospital Class	3.0	4.500
Speech Therapy	5.0	0.250
Resource Room	3.0	2.859
Self-Contained Mild & Moderate	3.0	2.859
Off Home Campus	2.7	4.250
Nonpublic Day School	1.7	n/a
Vocational Adjustments Class	2.3	5.500
Residential Care and Treatment	4.0	5.500
State Schools	2.8	5.500
Mainstream (ADA, not FTE)	1.1	n/a



Special Education (SPED)

Expert Recommendations

Recommendation	Notes	Cost Estimate
Revamp SPED Funding to be based on level of need or disability <i>and</i> use simple enrollment (remove contact hour multiplier) ¹	TCASE/DRT - include 504 students Estimate does not subtract SPED hours from regular program ADA	FY20 – 1.9B FY21 – 1.9B
Add separate weight for dyslexia ²	504 students Assumes 0.1 weight for 145,000 students	FY20 – 122M FY21 – 125M

1. TCASE, Disability Rights Texas, EdBuild
2. Nicole Conley-Johnson



Career and Technology Education (CTE)

- The CTE allotment:
 - Created in 1984
 - Updated in 2003
- The CTE allotment comprises 6.0% of Tier 1 funding
 - approx. \$2B out of \$37B
- CTE is funded on an FTE basis, similar to SPED
 - The contact hour multiplier is directly correlated to hours per day (on a scale of 1-6hrs)

Instructional Arrangement	Contact Hr. Multipliers
Regular CTE	1.35
Advanced CTE	\$50/class (when a student is enrolled in 2 or more advanced CTE classes)

$$CTE \text{ Allotment} = \left(\left((adjusted \text{ allotment}) \left(\frac{(days \text{ present} \times contact \text{ hr. mult.})}{(days \text{ taught} \times daily \text{ contact hrs.})} \right) (1.35) \right) + \left((\$50) \left(\frac{(days \text{ present} \times contact \text{ hr. mult.})}{(days \text{ taught} \times daily \text{ contact hrs.})} \right) \right) \right)$$

$$Regular \text{ Program Allotment} = \left(\left(adjusted \text{ allotment} \left(\left(\frac{(days \text{ present})}{(days \text{ taught})} \right) - \left(\frac{(days \text{ present} \times contact \text{ hr. mult.})}{(days \text{ taught} \times daily \text{ contact hrs.})} \right) \right) \right) \right)$$

$$Total \text{ FSP Tier 1 Entitlement} = (CTE \text{ Allotment} + Regular \text{ Program Allotment})$$



Career and Technology Education (CTE)

Expert Recommendations

Recommendation	Notes	Cost Estimate
Expand CTE funding to include 8 th grade ¹	Assumes 10% participation 1 st year, then increasing 2.5%/yr	FY20 – 16.7M FY21 – 20.9M
Expand CTE funding to include 6 th -8 th grade ²	Assumes 10% participation 1 st year, then increasing 2.5%/yr	FY20 – 50.3M FY21 – 62.8M
Expand use of CTE funds to include: 1. Middle grade courses that generate HS credits; AND/OR 2. Career counselors ³		None
Realign CTE Funding to support only those courses that lead to skills & credentials that align with regional workforce needs ⁴		None

1. Arlington ISD
2. Nicole Conley-Johnson
3. TASBO
4. Todd Williams



Compensatory Education (Comp Ed)

- The Comp Ed allotment:
 - Created in 1984
 - Updated in 1989
- The Comp Ed allotment comprises 10.4% of Tier 1 funding
 - around \$4B out of \$37B
- The primary calculation for Comp Ed funding involves student eligibility for the Free and Reduced Price Lunch program, administered by the Texas Department of Agriculture.
- Examples of allowable uses of funds:
 - Supplemental cost for equipment and other supplies
 - supplemental staff expenses to reduce class size or provide individualized instruction for at-risk students
 - Supplemental Stipends and extra-duty pay

Instructional Arrangement	Funding Weight
Economically Disadvantaged	0.2
Pregnancy Related Services	2.41



Compensatory Education (Comp Ed)

Expert Recommendations

Recommendation	Notes	Cost Estimate
Change basis of Comp Ed funding from F/R Lunch to alternative poverty factors ¹	ATPE – take severity of need into account EdBuild – use safety net enrollment	None; to be cost neutral, weights would possibly need to be adjusted
Increase Comp Ed Weight from 0.2 to 0.25 ²		FY20 – 1.2B FY21 – 1.2B
Create a new weight for districts in which the % economically disadvantaged students exceeds a certain threshold ³		FY20 – 1.4B FY21 – 1.4B
Include a concentration factor, ranging from 0.225 to 0.275, based on the % economically disadvantaged students ³		FY20 – 1.3B FY21 – 1.3B
Expand definition of “at-risk” to increase number of student eligible for Comp Ed services ⁴	To ensure more students get preventative services	none
Expand uses of Comp Ed funding ⁵		none

1. ATPE, EdBuild, Nicole Conley-Johnson
2. Teach Plus
3. EdBuild
4. Lynn Moak
5. TASBO, Nicole Conley-Johnson
6. TASBO



Bilingual Education (BE)

- The BE allotment:
 - Created in 1984
 - Updated in 1984
- The BE allotment comprises 1.4% of Tier 1 funding
 - around \$500M out of \$37B
- BE is funded on an ADA Basis
- Examples of allowable uses of funds:
 - Bilingual thesauruses and dictionaries.
 - Salary supplements for certified bilingual and ESL teachers such as stipends, and one time hiring bonuses, extra duty pay that are approved in employment contracts and local policy.

Instructional Arrangement	Funding Weight
Bilingual Education	0.1

$$\text{Bilingual Allotment} = \left((\text{adjusted allotment}) \left(\frac{(\text{days present})}{(\text{days taught})} \right) (0.1) \right)$$

$$\text{Total FSP Tier 1 Entitlement} = (\text{Bilingual Allotment} + \text{Regular Program Allotment})$$



Bilingual Education (BE)

Expert Recommendations

Recommendation	Notes	Cost Estimate
Increase BE weight from 0.1 to 0.25 ¹	EdBuild – did not specify an amount	FY20 – 977M FY21 – 1.1B
Fund BE using a graduated weight based on % of ELL students in the district (0.15 to 0.25) ²	over 20% = 0.15 over 30% = 0.2 Over 40% = 0.25	FY20 – 526.7B FY21 – 536.1B
Fund BE using a graduated weight based on number of years students spend in the program ³		none
Only fund BE programs that are proven to be successful ⁴	Ex. transitional BE taught through academic content	none
Encourage use of dual language programs in districts with the capacity to do them ⁵		FY20 – 157M FY21 – 157M
Remove BE expenditure restrictions that prohibit districts from paying teacher salaries in order to reduce class sizes. ⁶		none

1. EdBuild, Teach Plus
2. Lynn Moak
3. Elvira Reyna
4. Elvira Reyna
5. Elvira Reyna
6. TASBO, Nicole Conley-Johnson



Facilities

- Comprised of the:
 - Existing Debt Allotment (EDA),
 - Instructional Facilities Allotment (IFA), and
 - New Instructional Facility Allotment (NIFA)

- EDA:
 - created in 1999
 - updated in 2017
 - **lesser** of \$40 per ADA per penny on interest and sinking fund (I&S) taxes levied by school districts to pay the principal of and interest on eligible bonds, **or** an amount that would result in a \$60 million increase in state aid from the previous yield of \$35.
 - currently limited to \$0.29 cents of tax effort.
 - The yield for the 2018-19 school year is estimated to be less than \$37.
 - not limited to the construction of instructional facilities
 - Charter Schools:
 - Beginning in FY19, certain charter schools will be eligible to receive an EDA allotment calculated using the state average debt service tax rate for districts (estimated at 19.9 cents) or a rate which will deliver \$60 million in additional funding (6.9 cents) multiplied by the estimated EDA guaranteed yield (~\$37) multiplied by the charter school's ADA.



Facilities

- IFA:
 - created in 1997
 - updated in 1997
 - provides assistance to districts in making debt service payments on qualifying bonds
 - only for the construction of instructional facilities
 - requires application on the part of the district
 - guaranteed yield of \$35 per student in ADA per penny of tax effort

- NIFA:
 - created in 1999
 - updated in 2017
 - increased max funding from \$250/student to \$1000/student (for FY18, allocations are \$235)
 - makes up less than 0.5% of Tier 1 allotment
 - rule currently being created for eligibility

	2016-17 Expended	2018-19 HB 1	Difference
State Aid for Facilities (in millions)	\$1,280.7	\$1,207.2	(\$73.5)

NOTE: Figures above exclude the New Instructional Facilities Allotment (NIFA). House Bill 1 as Introduced includes \$47.5 million for NIFA in the 2018-19 biennium, which represents level funding from 2016-17 biennial appropriations.



Facilities

Expert Recommendations

Recommendation	Notes	Cost Estimate
Consolidate IFA and EDA into new SFA, with a higher yield indexed to property wealth assumptions in the GAA ¹	<ul style="list-style-type: none"> - Increases the max tax rate eligible from 0.29 to 0.40 - Increases the yield to \$37 (FY20) and \$40 (FY21) 	FY20 – 18M FY21 – 92M
Increase IFA & EDA yields to the same as BA ²	<ul style="list-style-type: none"> - Compress I&S tax rates and remove 29 cent cap on EDA - ASAHE funding is reduced from 80M to 40M as a result 	FY20 – 545M FY21 – 482M
Increase per ADA allocation of NIFA to \$500 by increasing biennial appropriation to 200M ³		FY20 – 76M FY21 – 76M
Increase per ADA allocation of NIFA to \$500 by making this 0.1 weight in the FSP formula ⁴		FY20 – 36M FY21 – 36M

1. Dan Casey
2. Paul Colbert
3. Fast Growth School Coalition
4. Fast Growth School Coalition



General Repeals

Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Repeal high school allotment ¹	Funds to BA	FY20 – (403M) FY21 – (410M)	\$55 \$56
Repeal 1992-93 hold harmless ²	Funds to BA	FY20 – (32M) FY21 – (30M)	\$4 \$4
Repeal staff allotment ³	Funds to BA	FY20 – (145M) FY21 – (145M)	\$20 \$20
Repeal gifted and talented allotment ⁴	Funds to BA; retain requirements to provide programs	FY20 – (168M) FY21 – (170M)	\$23 \$23
Repeal public education grant allotment ⁵	Funds to BA	FY20 – (3M) FY21 – (3M)	\$0.44 \$0.44

1. Lynn Moak, Equity Center, Senator West
2. Equity Center, Senator West
3. Equity Center, Senator West
4. Equity Center, Senator West
5. Equity Center, Senator West

General Repeals

Expert Recommendations

Recommendation	Notes	Cost Estimate	BA Effect
Repeal transportation allotment ¹	Funds to BA	FY20 – (386M) FY21 – (390M)	\$53 \$53
Repeal ½ cost of local option homestead exemption (LOHE) to Ch. 41 districts ²	Funds to BA	FY20 – (101M) FY21 – (105M)	\$14 \$14
Repeal recapture discount ³	Funds to BA	FY20 – (51M) FY21 – (62M)	\$7 \$8
Use amounts gained from repeals to increase other weights ⁴	Comp Ed, SPED, Bilingual	none	

1. Lynn Moak
2. Equity Center, Senator West
3. Equity Center, Senator West
4. TCSA



Cost Studies

Expert Recommendations

Recommendation	Notes	Cost Estimate
Update funding weights to reflect the true cost differential necessary to meet student needs ¹		400K
Conduct a “cost of education” study to set funding weights according to current costs and expected student outcomes ²		400K
Study FSP funding elements each biennium to ensure that they reflect the actual/current cost of providing services ³	Could focus on just one or two per biennium	400K

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1. Texas School Coalition
 2. Nicole Conley-Johnson
 3. TASBO

Staffing

Expert Recommendations

Recommendation	Notes	Cost Estimate
Study, formulate and fund a comprehensive teacher compensation system designed to recruit and retain a high quality workforce ¹	*study only	FY20 – 400K* FY21 – 0
Competitively compensate effective teachers, prioritizing those that work in high need areas or with special populations. (ex. Dallas ISD's TEI) ²	Estimate based on \$1,300/ADA cost of ACE.	FY20 – 1.0B FY21 – 1.0B
Make children of teachers eligible for free pre-K ³		FY20 – 50M FY21 – 50M
Increase BA to provide funding to improve mental health services by: 1. Hiring more counselors, social workers, LSSPs; AND 2. Providing teachers with trauma informed training ⁴	Suggested increase to BA = \$100	FY20 – 735M FY21 – 735M

1. ATPE
2. Teach Plus
3. Melissa Martin
4. Teach Plus

Staffing

Expert Recommendations

Recommendation	Notes	Cost Estimate
Increase state contribution from: 1. From 75 to 150/month; AND 2. Continue increases until state/local combined fully covers employee-only coverage (beyond FY20-21) ¹	To ensure that individual coverage is provided at no cost to the employee (like ERS)	FY20 – 641M FY21 – 651M
Provide equity in TRS contributions from all LEAs by not charging districts for TRS costs for salaries above minimum schedule ²		FY20 – 302M FY21 – 302M
Provide equity in TRS contributions from LEAs by charging charters the same as districts (use CEI of the district in which the charter is located) ³		FY20 – (16M) FY21 – (16M)

1. Senator West
2. Nicole Conley-Johnson
3. Nicole Conley-Johnson

Other

Expert Recommendations

Recommendation	Notes	Cost Estimate
Create a funding incentive for districts to offer more instructional days, by providing optional half day funding for every day from 181-210 for students in grades PK-5. ¹		FY20 – none FY21 – up to 180M
Remove 10% limitation on hazardous route funding in the transportation allotment ²		FY20 – 9M FY21 – 11M
Place certain student weights on a spectrum that better allocates resources according to student need. ³	Could be designed to be cost-neutral	None
Eliminate expenditure restrictions on allotment funding (ex. Comp Ed, CTE, etc) ⁴		none
Require disclosure of property sale prices ⁵	For reference, 1% increase in property value would increase local tax collections by \$227 million and save the state \$213 million	Unknown
Remove requirement for districts to use state bidding rules when purchases exceed 50K “in the aggregate” ⁶	Only require for single purchases exceeding 50K	none
Increase review of legislation to better understand local costs ⁷		none

1. Representative Huberty
 2. TASBO
 3. Todd Williams
 4. TCSA, Lynn Moak

5. Senator West
 6. TASBO
 7. TASBO

