

SUBJECT: Establishing provisions for educator compensation and school finance

COMMITTEE: Public Education — committee substitute recommended

VOTE: 10 ayes — Buckley, Allison, Cunningham, Cody Harris, Hefner,
Hinojosa, K. King, Longoria, Schaefer, Talarico

1 nay — Allen

1 absent — Dutton

1 present not voting — Harrison

WITNESSES: For —Ana Rush, Del Valle ISD; Greg Smith, Fast Growth School Coalition; Jean Mayer, Pflugerville ISD; Sharon McKinney, Port Aransas ISD and the Texas Association of School Administrators; Bob Popinski, Raise Your Hand Texas; Ellen Williams, Texas Association of School Boards; Andrea Chevalier, Texas Council of Administrators of Special Education; Chris Smith, Texas School Alliance and Katy ISD; Christy Rome, Texas School Coalition; Matthew Balter; Latoya Jackson (*Registered, but did not testify*: Julia Grizzard, Bexar County Education Coalition; Kyle Frazier, Fredericksburg Education Alliance; Frank Corte, International Leadership of Texas; Darryl Henson, Marlin ISD; Christine Yanas, Methodist Healthcare Ministries; Marc Rodriguez, North Texas Commission; Amanda List, Schulman, Lopez, Hoffer & Adelstein, LLP; Harold Oliver, Shulman Lopez Hoffer Adelstein; Mary Lynn Pruneda, Texas 2036; Stephanie Matthews, Texas Association of Business; Barry Haenisch, Texas Association of Community Schools; Raif Calvert, Texas Association of School Boards; John Litzler, Texas Baptists Christian Life Commission; Mark Terry, Texas Elementary Principals and Supervisors Association; Julia Grizzard, Texas Music Educators Association, Texas Arts Education Campaign; Suzi Kennon, Texas PTA; Bryce Adams, Texas Public Charter Schools Association; Dee Carney, Texas School Alliance; Erin Walter, Texas Unitarian Universalist Justice Ministry; Tiffany Patterson, United Ways of Texas; Amy Bruno, Upbring, and nine individuals)

Against — Monty Exter, Association of Texas Professional Educators (*Registered, but did not testify*: Jaime Clark, Lewisville ISD; Delaina Bishop; Lin Foster; Linda Guy; Kathryn Kizer; Susan Stewart)

On — Ray Pieniazek, Agriculture Teachers Association of Texas; Adrian Bustillos, Aldine ISD; Lynn Boswell, Austin ISD Board of Trustees; Mark Bosher, Career & Technical Association of Texas; Josh Sanderson, Equity Center; Chandra Villanueva, Every Texan; Kimberly Smith, Frisco ISD; Laura Yeager, Just Fund It TX; Leo Lopez, MoakCasey; Kelsey Kling, Texas American Federation of Teachers; Kayne Smith, Texas Association for Pupil Transportation; Paige Williams, Texas Classroom Teachers Association; Jonathan Feinstein, The Education Trust; Paul Colbert; Krystina Symington (*Registered, but did not testify*: Steven Aleman, Disability Rights Texas; Danny Stockton, Frisco ISD; Diana Long, Intercultural Development Research Association; Jodi Duron, Texas Association of Midsize Schools; Michael Lee, Texas Association Rural Schools; Von Byer, Matthew Holzgrafe, Eric Marin, Alastair Mckenzie, Jessica McLoughlin, Mike Meyer, Kelvey Oeser, James Terry, Texas Education Agency; Carrie Griffith, Texas State Teachers Association; Kate Hoffman, The Commit Partnership; Zenobia Joseph)

BACKGROUND: Education Code sec. 13.054 allows for a district that annexed an adjoining, poor-performance district to receive additional funding under certain circumstances.

Sec. 48.051 defines the basic allotment for school districts based on the average daily attendance students. The formula for the allotment is “ $A = \$6,160 \times TR/MCR$ ”, with:

- “A” representing the allotment;
- “TR” representing the district’s tier one maintenance and operations tax rate; and
- “MCR” representing the district’s maximum compressed tax rate.

DIGEST: CSHB 100 would establish or amend provisions in the Education and Tax

Codes that pertain to educator compensation and school finance.

Article 1 – Changes effective for 2023-2024 school year

Highest annual salary. The bill, regardless of the passage of HB 11 or another bill passed by the 88th Legislature, would amend Education Code sec. 21.402(a) by removing the equation used to calculate the minimum monthly salary of a district employee. The bill would amend the section by replacing the “minimum monthly salary” with the “highest annual minimum salary.” The highest annual minimum salary would be based on a schedule applicable to the employee’s certification and years of experience. The highest annual minimum salary would be:

- \$35,000 for an employee with less than five years of experience who held no certification;
- \$37,000 for an employee with less than five years of experience who held a teacher intern, teacher trainee, or probationary certificate;
- \$40,000 for an employee with less than five years of experience who held another base certificate required for employment in the employee’s position;
- \$43,000 for an employee with less than five years of experience who held a designation under a local optional teacher designation system;
- \$43,000 for an employee with less than five years of experience who held a residency educator certificate or had successfully completed a residency partnership program;
- \$45,000 for an employee with at least five years of experience who held no certification;
- \$47,000 for an employee with at least five years of experience who held a teacher intern, teacher trainee, or probationary certificate;
- \$50,000 for an employee with at least five years of experience who held another base certificate required for employment in the employee’s position;
- \$53,000 for an employee with at least five years of experience who held a designation under a local optional teacher designation

- system;
- \$55,000 for an employee with at least 10 years of experience who held no certification;
 - \$57,000 for an employee with at least 10 years of experience who held a teacher intern, teacher trainee, or probationary certificate;
 - \$60,000 for an employee with at least 10 years of experience who held another base certificate required for employment in the employee's position; or
 - \$63,000 for an employee with at least 10 years of experience who held a designation under a local optional teacher designation system.

School staff compensation. A district would not be required to pay an employee who was employed as a classroom teacher, full-time librarian, full-time school counselor, or full-time school nurse the required minimum salary for the school year following a school year during which the district reviewed the employee's performance and found the employee's performance unsatisfactory.

The bill would remove the profession of speech pathologist from the commissioner rules specifying certain credentials for the purposes of minimum salary payment.

The bill would require a district to use at least 50 percent of the difference between what the district would have paid for salaries on January 1, 2023, and what the district would pay for salaries after September 1, 2023, to increase the average total compensation per district employee employed as a classroom teacher, full-time librarian, full-time counselor, or full-time nurse. In calculating average total compensation per district employee, a district could not include compensation paid to such an employee in a position added by the district for the current school year that increased the ratio of those employees to enrolled students for the preceding year. This provision would expire September 1, 2025.

A district that increased employee compensation in the 2023-2024 school year to comply with the provisions of the bill would be considered to be

providing compensation for services rendered independently of an existing employment contract applicable to that year and was not in violation of the Texas Constitution. A district that did not meet the requirement of the bill in the 2023-2024 school year could satisfy the requirements of this provision by providing an employee a one-time bonus payment during the 2024-2025 school year in an amount equal to the difference between the compensation earned by the employee during the 2023-2024 school year and the compensation the employee should have received during that school year if the district had complied with the requirements of the bill. This provision would expire September 1, 2025.

Notwithstanding the bill's minimum salary schedule, a district that increased the amount such employees were compensated during the 2023-2024 school year by at least \$8,000 more than the amount the employee was compensated during the 2022-2023 school year would be considered to have complied with the requirements of the bill for the 2023-2024 school year. This provision would expire September 1, 2025.

Rural Pathway Excellence Partnership program. CSHB 100 would require the commissioner of education to establish and administer the Rural Pathway Excellence Partnership (R-PEP) program to incentivize and support rural college and career pathway partnerships that would be multidistrict, cross-sector, and that would expand opportunities for underserved students to succeed in school and life while promoting economic development in rural areas. The program would enable an eligible district that lacked an economy of scale, as determined by commissioner rule, to partner with a least one other district to offer a broader array of robust college and career pathways. Each partnership would be required to offer college and career pathways that aligned with regional labor market projections for high-wage, high-demand careers and be managed by a coordinating entity that:

- had or would have had the capacity to effectively coordinate the partnership at the time students were served under the partnership;
- had entered into a performance agreement approved by the board of trustees of each partnering district that conferred to the

- coordinating entity the same authority as provided to an entity that contracted to operate a district campus;
- was eligible to be awarded a charter;
 - had been granted a charter by each partnering district; and
 - had on the entity's governing board, as either voting or ex officio members representatives of each partnering district and members of regional higher education and workforce organizations.

A performance agreement would be required to:

- include ambitious and measurable performance goals and progress measures tied to current college, career, and military readiness outcomes and longitudinal postsecondary completion and employment-related outcomes;
- allocate responsibilities for accessing and managing progress and outcome information and annually publishing that information on the website of each partnering district and the coordinating entity;
- authorize the coordinating entity to optimize the value of each college and career pathway offered through the partnership; and
- provide that any eligible student residing in a partnering district could participate in a college or career pathway offered through the partnership.

A coordinating entity employee that managed a partnership would be eligible for membership in and benefits from the Teacher Retirement System (TRS) if the employee would be eligible for membership and benefits by holding the same position at a partnering school district.

For accountability purposes, a student enrolled in a college or career pathway would not be considered to have dropped out of high school or failed to complete the curriculum requirements for high school graduation until the sixth anniversary of the student's first day in high school.

A district that proposed to enter into a performance agreement would be required to notify the commissioner of education of the district's intent to enter into the agreement. The commissioner would establish procedures

for a district to notify the commissioner. The commissioner would notify the district whether the proposed agreement was approved or denied not later than the 60th day after the date the commissioner received the notification of the proposed agreement and all other required information. If the commissioner failed to notify the district within the prescribed period, the proposed agreement would be considered approved.

From money appropriated for that purpose, the bill would require the commissioner to establish a grant program to assist in the planning and implementation of a partnership under the program. The commissioner could award a grant only to a coordinating entity that had entered into an approved performance agreement. The commissioner could use no more than 15 percent of the money appropriated for the grant program to cover the cost of administering the grant program and to provide technical assistance and support to partnerships.

The commissioner would be required to adopt necessary rules to implement the R-PEP program, including rules establishing:

- requirements for a coordinating entity and a performance agreement with the entity;
- the period for which a partnership could operate after commissioner approval before renewal of approval was required; and
- standards for renewal of approval for a partnership.

The bill would not prohibit an agreement between a school district and another entity for the provision of services at a district campus. The commissioner could accept gifts, grants, and donations from any source for the program. A private or nonprofit organization that contributed to the program could receive the Employers for Education Excellence Award.

Allotments. CSHB 100 would establish or amend provisions for various education-related allotments.

Basic Allotment. CSHB 100 would amend the basic allotment formula for

the per student in average daily attendance allotment. The bill would replace \$6,160 in the formula with the variable “B.” “B” would be the base amount, which would be equal to the greater of \$6,250, an amount equal to the district’s base amount for the preceding school year, or the appropriated amount.

The bill would revise the method of calculating the allotment. Under the provisions of the bill, during any year for which the value of “A” or the sum of the value of “A” and the small and mid-sized district allotment to which the district was entitled was greater than the value of “A” or the sum of the value of “A” and the small and mid-sized allotment for the preceding school year, a district would be required to use at least 50 percent of the amount that equaled the product of the average daily attendance of the district multiplied by the amount of the difference between the district’s funding per student in average daily attendance for the current school year and the preceding school year to increase the average total compensation per relevant district employee. In calculating average total compensation per employee, a district could not consider compensation paid to a district employee employed in a position added by the district for the current school year that increased the ratio of those employees to the students compared to the preceding school year. The bill would remove the funding percentages that were required to be used to increase compensation to certain employees.

If a district increased employee compensation in a school year to comply with the provisions of the bill, the district would be considered to be providing compensation for services rendered independently of an existing employment contract applicable to that year and would not be a violation of the Texas Constitution. A district that did not meet the requirements of the bill during a school year could satisfy the requirements by providing an employee a one-time bonus payment during the following school year in an amount equal to the difference between the compensation earned by the employee and compensation the employee would have otherwise received if the district had been compliant.

Fine arts allotment. For each student in average daily attendance in a fine

arts education course approved by the Texas Education Agency (TEA) in grades 6 through 12, the bill would entitle a district to an annual allotment equal to the basic allotment, or the sum of the basic allotment and the small and mid-sized district allotment, multiplied by 0.008. TEA would approve fine arts education courses that qualify for the allotment. The approved courses would be required to include fine arts education courses that:

- were authorized by the State Board of Education;
- provided students with the knowledge and skills necessary for success in fine arts; and
- required a student in full-time attendance to receive no less than 225 minutes of fine arts instruction per week.

TEA would annually publish a list of approved courses.

R-PEP allotment and outcome bonus. For each full-time equivalent student in average daily attendance in grades 9 through 12 in a college or career pathway offered through a partnership under the R-PEP program, the bill would entitle a district to an allotment equal to the basic allotment, or the sum of the basic allotment and the small and mid-sized district allotment, multiplied by:

- 1.15 if the student was educationally disadvantaged; or
- 1.11 if the student was not educationally disadvantaged.

Each year, the commissioner of education would determine for each district the minimum number of annual graduates of a college or career pathway who would be required to demonstrate college, career, or military readiness for the district to qualify for an outcomes bonus. In addition to the allotment per graduate who demonstrated college, career, or military readiness, a district would be entitled to an annual outcomes bonus of:

- \$2,000 if the annual graduate was educationally disadvantaged;
 - \$1,000 if the annual graduate was not educationally disadvantaged;
- and

- \$2,000 if the annual graduate was enrolled in a special education program.

The bill would entitle a district to each outcomes bonus for which an annual graduate qualified. A district could receive funding for a student for this allotment or any other allotment for which the student qualified.

Transportation allotment. The bill would amend the provisions regarding eligibility for districts and counties for a transportation allotment. The bill would include the entitlement for each district or county operating a regular transportation system to an allotment based on a rate of \$1.54 per mile per regular eligible student or a greater rate set in the General Appropriations Act. The bill would entitle a district or county that provided special transportation service for special education students to a state allocation at a rate of \$1.28 per mile or a greater appropriated amount. The bill would remove the requirement for such an allotment to be paid on a previous year's cost-per mile basis and the requirement for the rate per mile to be set by appropriation based on data gathered from the first year of each preceding biennium.

Allotment for advanced mathematics pathways and certain programs of study. A district would be eligible to receive an allotment if the district offered through in-person instruction, remote instruction, or a hybrid of both:

- an advanced mathematics pathway that began with Algebra I in grade eight and continued through more advanced courses from grade nine through 12;
- a program of study in cyber security or computer programming and software development; and
- a program of study in a specialized skilled trade, such as plumbing, welding, and aviation maintenance, among others.

Notwithstanding the prior allotment, a district would be eligible for the allotment for students of a high school that did not offer an eligible program of study if:

- high school students who resided in the attendance zone of the high school could participate in the program of study by enrolling in another school that provided transportation and was in the district or a neighboring district, was assigned the same or a better campus overall performance rating as the student's original high school, offered the program of study; or
- students enrolled in the high school were offered instruction for the program of study at another location and received transportation to and from the location.

An eligible district would be entitled to an annual allotment of \$10 for each student enrolled at a district high school that offered a pathway or program of study in advanced mathematics, cybersecurity or computer programming and software development, and a specialized skilled trade if:

- each student enrolled at the school took a progressively more advanced mathematics course each year; and
- for each of those pathways or programs of study, at least one student enrolled at the school completed a course in the pathway or program.

A district that received such an allotment and a small and mid-sized district allotment would be entitled to receive an additional allotment in an amount equal to the product of 0.1 and the district's allotment for each student for which the district received a pathway or program allotment. A charter school would not be eligible for such an additional allotment. TEA could reduce the amount of a district's allotment if TEA determined that the district had not complied with any provision.

Tier two allotment. The bill would amend the tier two allotment calculation method by removing references to the existing basic allotment formula and replacing such references with the basic allotment formula as established by the bill.

Salary transition allotment. In the 2023-2024, 2024-2025, and 2025-2026

school years, a district would be entitled to receive an annual salary transition allotment equal to the difference between the amounts calculated in the following subsections: (b) and (c).

For subsection (b), TEA would calculate a district's value by determining the difference in the amount the district would be required to pay in compensation to employees on the minimum salary schedule, as amended by the bill, from the amount paid in compensation to employees on the minimum salary schedule as effective in the 2022-2023 school year, less the difference between:

- the amount of employer contributions the district paid in the 2022-2023 school year for employees on the minimum salary schedule; and
- the amount the district would have paid in employer contributions in the 2022-2023 school year for employees on the minimum salary schedule if the changes made by the bill had been in effect.

For subsection (c), TEA also would calculate a district's value by determining the total maintenance and operations (M&O) revenue for the current school year less the total M&O revenue that would have been available to the district using the basic allotment formula and the small and mid-sized allotment formulas as each allotment formula existed on January 1, 2023.

Before making a final determination of the amount of an allotment to which a district was entitled, TEA would be required to ensure each district had an opportunity to review and submit revised information to TEA for the purposes of calculating the aforementioned values.

A district would be entitled to an allotment in an amount equal to:

- two-thirds of the value determined under the previous annual salary transition allotments for the 2026-2027 school year; and
- one-third of the value determined under the previous annual salary transition allotments for the 2027-2028 school year.

A district would not be entitled to such an allotment in the 2028-2029 school year or a later school year. The salary transition allotment provisions would expire September 1, 2029.

Charter school allotment amendment. The bill would amend the calculation of a per student in average daily attendance allotment for open-enrollment charter schools. The calculation of such an allotment would be an amount equal to the difference between the:

- product of the quotient of certain funding and student attendance numbers; and
- \$500, raised from \$125 by the bill.

Additional funding for districts that annexed adjoining districts.

The bill would amend provision related to funding for districts that annexed adjoining districts by requiring the commissioner of education to provide the funds appropriated by the bill to such annexing districts. A determination by the commissioner would be final and could not be appealed.

The bill would entitle a district to such additional funding for an annexation that occurred on or after June 1, 2013.

For each district entitled to this funding that, as of September 1, 2023, had not received the full amount of funding to which the district would have been entitled if the bill had been in effect since June 1, 2013, the commissioner would:

- determine the difference between the amount of funding to which the district would have been entitled and the amount of funding the district had already received; and
- provide the amount determined to the district in the form of a lump sum or equal annual installments over a period not to exceed three years.

In addition to the above provided funding to a district, the commissioner could allocate money to the district from funds appropriated for purposes of the Foundation School Program to pay for facilities improvements determined necessary as a result of the annexation. Each district that received funding for any year would be required to submit to the commissioner a report on the district's use of the funding for that year in the form and manner provided by commissioner rule.

These provisions would expire September 1, 2027.

The bill would include such additional funding with Foundation School Program funds as being allowed to offset the amount by which a district would be required to reduce the district's revenue level.

District taxes for certain schools. For the purposes of supporting the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf with taxes from other districts, the bill would allow the commissioner to reduce the dollar amount of maintenance and debt service taxes imposed by a district for a year by the amount by which the district was required to reduce the district's local revenue level for the year.

Enrollment-based funding. The bill would require the commissioner by rule to establish the method for determining average enrollment for purposes of funding provided based on average enrollment.

Special education full individual and initial evaluation. CSHB 100 would require that for each student for whom a district conducted a full individual and initial evaluation, the district would be entitled to an allotment of \$500 or a greater appropriated amount.

Formula transition grant date revisions. A district or school would not be entitled to an allotment under the formula transition grant beginning with the 2029-2030 school year. This would amend the previous limitation beginning with the 2024-2025 school year. The bill would move the expiration date for the grant from September 1, 2025, to

September 1, 2030.

Determination of years of experience. The bill would amend Education Code sec. 21.403 to be retitled as “Determination of years of experience” from “Placement on minimum salary schedule” and would remove the specification of "salary step" as the credit that certain teachers would be entitled to.

District voter-approval tax rate revision. The bill would amend Tax Code sec. 26.08(n) regarding the voter-approval tax rate of a district. Such a tax rate would be the sum of certain rates, including the rate of \$0.06 per \$100 of taxable value, under certain circumstances. This would be an increase compared to current law rate of \$0.05 per \$100 of taxable value in such circumstances.

Conforming changes. The bill would make various conforming language changes throughout. These would include removing the use of “monthly” or adding “per month” in reference to school staff salaries.

Repeals. The bill would repeal certain provisions of the Education Code pertaining to the fast growth allotment and school staff minimum salary calculation and schedules.

If the bill and HB 11 both would be enacted, the bill would prevail over HB 11 without regard to the date of enactment of the bill or HB 11.

Article 2 – Changes effective for 2024-2025 school year

Special education allotment weights. CSHB 100 would revise the provisions of Education Code sec. 48.102 regarding special education allotment weights. For each student in average daily attendance in a special education program, the bill would entitle a district to an annual allotment equal to the basic allotment, or the sum of the basic allotment and the district’s allotment, multiplied by, as included by the bill, a weight in an amount set by the Legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualified. For

the 2024-2025 and 2025-2026 school years, the amount of an allotment would be determined in accordance with special education transition funding. This requirement would expire September 1, 2026.

The commissioner of education by rule would define seven tiers of intensity of service for use in determining funding. The commissioner would be required to include one tier specifically addressing students receiving special education services in residential placement. The bill would amend the requirement for TEA to ensure, rather than encourage, the placement of students in special education programs. The allotment for each student in average daily attendance for certain districts that provide an extended year program would be multiplied by the amount designated for the highest tier of intensity of service for which the student qualified, as included by the bill. The commissioner would be required, no later than December 1 of each even-numbered year, to submit to the Legislative Budget Board proposed weights for the tiers of intensity of service for the next fiscal biennium.

The bill would remove the definition of full-time equivalent student, provisions relating to weights for full-time equivalent students in special education programs, provisions relating to special instructional arrangements for students with disabilities, and the requirement for the Legislature to provide by appropriation for the state's share of the cost of residential placements of special education students.

The bill would amend the basic allotment for a student enrolled in a district that provided education solely to students confined to or educated in hospitals. The bill would amend the allotment by requiring it to be adjusted by the tier of intensity of service defined in accordance with the special education allotment and designated by commissioner of education rule. The bill would remove the adjustment of the allotment by the weight for a homebound student.

Special education service group allotment. For each six-week period in which a student in a special education program received eligible special education services, a district would be entitled to an allotment in an amount set by the Legislature in the General Appropriations Act for the

service group for which the student was eligible. For the 2024-2025 and 2025-2026 school years, the amount of such an allotment would be determined in accordance with special education transition funding. This requirement would expire September 1, 2026.

The commissioner of education by rule would establish four service groups for use in determining funding. In establishing the groups, the commissioner would consider the level of services, equipment, and technology required to meet the needs of students who received special education services. A district would be entitled to receive such an allotment for each service group for which a student was eligible. A district would be entitled to the full amount of an allotment for a student who received eligible special education services during any part of a six-week period. The bill would require at least 55 percent of allocated funds to be used for a special education program.

The commissioner would be required, no later than December 1 of each even-numbered year, to submit to the Legislative Budget Board proposed amounts of funding for the service groups for the next fiscal biennium.

The bill would amend the core services of regional education service centers to include special education service group allotments with other allotments that certain programs could qualify for to receive training and assistance from such centers.

The bill would include the special education service group allotment to the provisions of the Education Code pertaining to the maintenance of state financial support for special education. The bill would allow the commissioner of education to distribute certain funds to the allotment for to proportionately increase its funding.

Special education transition funding. For the 2024-2025 and 2025-2026 school years, the commissioner of education could adjust weight or amounts as necessary to ensure compliance with requirements regarding maintenance of state financial support and maintenance of local financial support under applicable federal law. For those school years, the

commissioner would determine the formulas through which districts receive funding. In determining the formulas, the commissioner could combine certain funding methods. For the 2026-2027 school year, the commissioner could adjust the weights or amounts by the Legislature in the General Appropriations Act. Before making an adjustment, the commissioner would be required to notify and receive approval from the Legislative Budget Board.

The sum of funding for the 2024-2025 or the 2025-2026 school year as adjusted could not exceed the sum of funding that would have been provided on January 1, 2023, and the amount set by the Legislature in the General Appropriations Act.

Each district and school would be required to report to TEA information necessary to implement the funding established by the bill. TEA would provide technical assistance to districts and schools to ensure a successful transition in funding formulas for special education.

The above provisions of the bill regarding special education transition funding would expire September 1, 2028.

The bill would allow a district to receive funding for a student under each provision that the student qualified. The bill would remove the condition that such funding could only be awarded if the student satisfied the requirements of both provisions.

Special education grant expiration date. The bill would set an expiration date for provisions regarding special education grants as September 1, 2026.

Basic allotment formula and other formula revisions. The bill would revise the basic allotment formula by replacing \$6,160 in the formula with the variable “B.” “B” would be the base amount, which would be equal to the greater of \$6,300, an amount equal to the district’s base amount for the preceding school year, or the appropriated amount. For the second year of each fiscal biennium, the commissioner of education would adjust the

value of “B” for the preceding fiscal year by a factor equal to the average annual percentage increase in the Texas Consumer Price Index for the preceding 10 years. This requirement for the commissioner would expire September 1, 2025.

The bill would replace the average daily attendance variable with average enrollment in the formulas for the school facilities allotment and the allotment for paying existing district debt.

Book safety allotment. For each student in average enrollment, the bill would entitle a district to an annual allotment of \$3 or a greater appropriated amount. Allocated funds could be used only to ensure that school library books and related materials met the necessary standards. TEA would adopt a list of approved vendors at which a district could spend allocated funds to ensure library books and materials met the necessary standards.

Allotment weight revisions. The bill would revise the compensatory education allotment weights assigned for each student who did not have a disability and resided in certain residential placement facilities. Any weight of 0.275 would be increased to 0.2755, any weight of 0.225 would be increased to 0.2255, the weight of 0.2375 would be increased to 0.238, the weight of 0.25 would be increased to 0.2505, and the weight of 0.2625 would be increased to 0.263.

The bill would revise the allotment weights assigned to students in certain career and technology education courses. The weight of 1.1 would be decreased to 0.1, the weight of 1.28 would be reduced to 0.28, and the weight of 1.47 would be reduced to 0.47.

Joint report on language acquisition of deaf children. The bill would amend the joint reporting requirements for TEA, the Educational Resource Center on Deafness at the Texas School for the Deaf, and the Division for Early Childhood Intervention Services of the Health and Human Services Commission. The bill would remove certain special education-related language from the joint report. The bill would include,

for the portion of the report on the state of each child, language regarding the percentage of the instructional day spent on average in a general education setting.

Local revenue level in excess of entitlement. This provision of the bill would apply to a school district that received a formula transition grant allotment for the 2023-2024 school year, and that adopted a M&O tax rate for the 2022-2023 school year equal to or greater than the sum of the district's maximum compressed tax and five cents. If, after reducing the tier one revenue level of such a district, the M&O revenue per student in average daily attendance available to the district for a school year would be less than the M&O revenue per student in average daily attendance available to the district for the 2023-2024 school year, TEA would adjust the amount of the reduction required in the district's tier one revenue level up to the amount of local funds necessary to provide the district with the amount of M&O revenue per student in average daily attendance available to the district for the 2023-2024 school year.

Definitions. The bill would align the definitions for "special education" and "related services" with the definitions for those terms in 20 U.S.C. sec. 1401.

The bill would define "special education classroom or other special education setting" as a classroom or setting primarily used for delivering special education services to students who spent on average less than 40 percent of an instructional day in a general education classroom or setting.

The bill would remove the definition for "self-contained classroom" from the Education Code. The bill would replace references to a "self-contained" classroom with references to a "special education" classroom.

Conforming changes. The bill would make conforming language changes throughout the bill. These would include replacing references to "average daily attendance" with references to "average enrollment."

Repeals. The bill would repeal sec. 48.106(b)(2), Education Code which

defines “full-time equivalent student” as 30 hours of contact a week between a student and career and technology education program personnel.

Effective dates

Article 1 of the bill, except for certain provisions, would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023. The provisions regarding Education Code sec. 12.106(a-2), 13.054, 30.003, 48.051, 48.111, 48.151(c) and (g), 48.202(a-1), 48.257(c), and 48.277(d) and (e), and Tax Code sec. 26.08(n), as amended by the bill, and Education Code sec. 48.0055, 48.1022, 48.116, 48.118, 48.160, and 48.280, as added by the bill, would take effect September 1, 2023.

Article 2 of the bill would take effect September 1, 2024.

**SUPPORTERS
SAY:**

CSHB 100 would make substantial and necessary increases to education funding in Texas to ensure better teacher pay and greater stability in school district budgets. The bill would substantially increase the basic allotment, which would in turn help to significantly increase teacher pay. The bill also would establish new programs and allotments to promote academic success for underserved students, as well as changing foundation school program funding to be enrollment-based instead of based on average daily attendance. New allotments created under the bill would include the new Advanced Course Allotment, Fine Arts Allotment, and Book Safety Allotment, and the bill would provide funding for partnerships to assist small, rural school districts with offering more college and career readiness pathways.

The bill also would revise special education funding to an intensity of services model. The bill would increase the weights used for the calculation of certain allotments, which would in turn increase funding for the recipients of those allotments. The minimum salary schedule in the bill would set a new minimum amount for districts to pay their teachers and would not prohibit them from paying over that amount.

CRITICS
SAY:

CSHB 100 should make a larger increase to the basic allotment. The altered minimum salary schedule laid out in the bill would not have enough steps per year and could disincentivize school districts from paying raises to teachers.

NOTES:

According to the Legislative Budget Board, the cost to the state of the bill for the biennium would be \$4,357,311,114. The total fiscal impact of the bill could not be determined because certain provisions of the bill related to special education funding did not have known tiers and weights required for funding determinations.

The actuarial analysis stated that the bill would be expected to increase total payroll of TRS by approximately \$1.5 billion the first year and approximately \$2 billion per year after five years. This would be estimated to increase the unfunded actuarial accrued liability by \$1.8 billion.