

Texas School Quick Tip

Discover Texas Field Trips

For 4th and 5th Grade Students

The non-profit Education in Action is once again — for School Year 2019-20 — sponsoring this program that provides chaperoned field trips to interesting Texas sites. There's a discount in the required deposit for reserving a field trip date by **Sept. 13**.

Info: texednews.com/2019/21/1.html



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Issue 21

Legislative Update:

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Final Legislative Update (Part 1)

May 21 to 8 a.m. Tuesday, May 28

More info about all of the following is at:
texednews.com/2019/21/2.html

Includes the \$11.6 Billion School Finance Bill

Major School Bills Highlight Session's End

The House and Senate adjourned for the final time for the 86th legislative session on Monday, May 27, after a last minute push saw the passage of several major school bills that mostly emerged from conference committees.

HB3 School Finance/Property Tax Reform

The centerpiece school legislation was the 308-page **HB3-Huberty** \$11.6 billion school finance/property tax reform bill that contains these three elements for the upcoming biennium:

- \$4.5 billion in school funding increases, accomplished primarily by increasing the current \$5,140 per-student **basic allotment** to \$6,160.
- \$3.6 billion in recapture reductions that the state's wealthier districts, in terms of taxable property values, have to pay to support education in the state's less-wealthy districts.
- \$5 billion for property tax compression measures, resulting in a projected 8-cent property tax reduction on average in 2020 and a 13-cent reduction in 2021. Additionally, beginning in Fiscal Year 2021, the bill creates a mechanism by which districts' maximum tax rates are compressed for property value growth exceeding 2.5 percent.
- \$2 billion for school employee compensation (more about that in the column on the right).

According to estimates released prior to final passage of the bill as it emerged from a House/Senate conference committee, most ISDs and charters will see funding increases, but some will see decreases for one or both years of the upcoming biennium.

Funding of schools would be largely based on current-year rather than prior-year property tax values, and

there's a hold harmless provision to keep districts from losing funding from the first year of the biennium.

It's projected that the state's share of public education funding, under the bill, will increase from 38 percent to 45 percent.

A few of the many specific provisions of HB3:

- Funds **full-day PK** for eligible students (economically disadvantaged and limited English proficient).
- Requires districts and charters to allocate, for **non-administrator employee salary increases**, 30 percent of the additional state Foundation School Program (**FSP**) funds received thusly:
 - 75 percent must be used for full-time classroom teachers, counselors, nurses and librarians, with priority given to classroom teachers with more than five years experience.
 - 25 percent must be used for increased compensation for full-time district employees.
- Implements a complicated **teacher merit pay** system that districts *may* approve under to-be-adopted rules by the education commissioner, with extra funding to selected teachers (and to the selected teachers' schools) designed to incentivize teachers to teach at high need and rural schools. Teacher appraisals, but not the test scores of their students, must be among the factors used to select teachers for the program.
- Increases funding for students with dyslexia, students receiving special education services, and those being served in residential treatment facilities.
- Updates the transportation allotment to provide \$1 per mile funding.
- Increases facilities funding to \$100 million a year.

To pay for HB3, legislators identified a few sources, ranging from tapping into the income to be generated when the state starts collecting sales taxes from out-of-state retailers on purchases made by Texans and increasing the amount that the state **General Land Office** can deposit annually into the **Available School Fund** from \$300 million to \$600 million (if Texans approve a constitutional amendment in November).

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Legislative Update, Continued From Page 1

The cost of HB3 is projected to grow during the subsequent biennium (School Years 2021-22 to 2022-23) to \$13.4 billion.

Most educator groups were supportive of the conference committee version of HB3 announced jointly (May 23) by Gov. Abbott, House Speaker Bonnen and Lt. Gov. Patrick.

HB3 also covers a number of other topics, including **student testing** (see related story on Page 3).

Other Funding Bills

The Legislature in its final days also passed conference committee versions of:

- **HB1-Zerwas**, the final state budget for the next biennium. *We'll have more on this bill in an upcoming issue.*
- **SB500-Nelson**, to make last-minute supplemental funding adjustments for the remainder of the current biennium, which ends Aug. 31, 2019, including (for TEA):
 - \$219.5 million for **Individuals with Disabilities Education Act** (special-ed) expenditures.
 - \$806.5 million for various *Hurricane Harvey* related expenses, plus another \$10.9 million for "post disaster recovery" expenses.
 - \$100,000 for "school hardening."
- **SB2-Bettencourt**, enacting **property tax revenue caps** (that could be lifted with voter approval) on cities and counties (3.5 percent) and on community colleges and hospital districts (8 percent). School districts are not addressed in SB2 because property tax reform is an element of HB3.

State, ISD & Employee Share to Increase TRS Bill to Help Secure Pension Fund's Future

The final TRS funding bill (**SB12-Huffman**) will help ensure that the retirement system becomes actuarially stable, and includes these major provisions:

Pay-Based Contribution Increases

SB12 provides for gradual (six year) increases in the percentage of salary-based contributions to the pension fund by the state, school employees and school districts, as reflected in the table below.

The small number of districts that participate in Social Security, for the first time, will be required to make employer contributions to the TRS.

These Social Security districts will pay contributions to

SB12: TRS Contribution Rate Changes (Percent of Pay)							
	Current:	Future Years:					
Fiscal Year	2019	2020	2021	2022	2023	2024	2025
School Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
State	7.5%	7.5%	7.5%	7.75%	8.0%	8.25%	8.25%
Employees	7.7%	7.7%	7.7%	8.0%	8.0%	8.25%	8.25%
*Districts	1.5%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%

Source: Legislative Budget Board

***Note:** Social Security participating districts that are currently exempt from having to make TRS employer contributions will now have to make contributions at the same rate as non-Social Security districts.

Also: If the state reduces its contributions from the percentages listed above, then employee and district contributions will be reduced by an equivalent percentage.

the TRS under the same schedule as districts that don't participate in Social Security.

The Legislative Budget Board estimates that the increased contributions will cost school districts an extra \$22.7 million in Fiscal Year 2020, an extra \$55.2 million in Fiscal Year 2021, and an extra \$168.9 million in Fiscal Year 2024.

The projections estimate that employees will see a \$155.7 million increase in their TRS contributions in Fiscal Year 2022 (the first year their contribution rates will rise) — increasing to \$311.4 million in Fiscal Year 2024.

13th Check

SB12 also provides for a one-time "13th check" equal to a retiree's monthly gross pension payment (capped at \$2,000) to a TRS member who retired on or before Dec. 31, 2018.

The TRS would choose the date to distribute the extra payment, up to a deadline of a September 2020 payout.

SB12 is designed to reduce the current 87-year period needed to pay off the pension fund's unfunded liabilities to 29 years, and to provide the 13th check to retirees — and to leave open the possibility that retirees will receive cost-of-living increases in future bienniums.

The \$1.113 billion in additional state funding for SB12 is contained in the supplemental appropriations bill for the current biennium (**SB500**) and in the state budget bill (**HB1**) for the upcoming biennium.

Other TRS Bills That Passed

- **HB1612-Murphy**, allowing TRS to invest up to 5 10 percent in hedge funds. *Effective immediately.*
- **HB2629-Flynn**, clarifying deadlines TRS members have for **appealing** TRS administrative decisions.
- **HB2820-Flynn**, transferring the authority over **403(b) retirement investment products** from TRS to the **Texas Department of Insurance** (effective 9/1/19).
- **SB619-Birdwell**, requiring the TRS undergo a **Texas Sunset Advisory Commission** review leading up to the next session of the Legislature in 2021, rather than the previously planned *Sunset* date leading up to the 2025 session.
- **SB619** stresses that TRS is not subject to abolishment on Sept. 1, 2021, even if the Legislature fails to pass a TRS *Sunset* bill by that time.
- **SB1682-Huffman**, allowing TRS to request appropriations to maintain a 60-day **contingency fund** for **TRS-Care** health insurance purposes for an upcoming biennium — something that TRS said might not be needed until just before the 2022-23 biennium.

TRS Bills That Didn't Pass

One of the closely watched bills that didn't pass included efforts to loosen **back-to-work restrictions** for TRS retirees. The House passed such a bill (**HB2227-Wu**), but it died in the Senate.

Another House passed bill (**HB953-Ken King**) that would have eliminated a financial advantage **charters** have over ISDs in the area of TRS employer contributions also died in the Senate.

The TRS is expected to release detailed summaries of TRS bills that passed soon.

4th/7th Grade Writing Tests to be Added to Reading STAAR Testing/Accountability Bills That Passed

The session's main student testing/accountability bill that passed (**HB3906**-Huberty) eliminates the stand-alone writing tests for grades 4 and 7 (the only two elementary and middle school grades where writing is separately assessed).

Instead, HB3906 requires that the assessment of writing skills (including spelling and grammar) be incorporated into the grades 4 and 7 STAAR reading tests.

There are no other changes to the subjects that are tested in grades 3 to 8.

Some of HB3906's other provisions:

- Sets procedures and safeguards as the state moves toward a goal of administering all state student assessments electronically starting with School Year 2022-23. The bill requires the TEA to conduct a statewide study on issues such as Internet availability for schools, actions needed to limit power outages and Internet disruptions, etc.
- Prohibits, with limited exceptions, state student assessments from being administered the first instructional day of a week.
- Allows a test to be administered in multiple parts over more than one day.
- Requires (starting in School Year 2022-23) that state student assessments may not include more than 75 percent of questions in a multiple-choice format.
- Allows districts to permit students to use a calculator application on a computing device (such as a laptop, tablet, computer, etc.) instead of an otherwise required graphing calculator if the district isn't able to provide a student with a graphing calculator at no cost.

Other STAAR/Accountability Bills That Passed

- **HB3**-Huberty, (in addition to the school finance related provisions summarized on Page 1), requiring that the TEA work with a higher-ed entity to determine if each STAAR test is written at an **appropriate grade level**, and for the TEA to report its findings by Dec. 1, 2019. The bill also provides college entrance exam fee reimbursements to districts and allows the commissioner to approve reading instruments to evaluate the reading skills of kindergarten students.
- **HB330**-VanDeaver, requiring that **dropout and completion rates** used for accountability purposes *exclude* students who are assigned to a medical or residential treatment facility due to a severe medical condition, injury or illness that requires substantial medical care that leaves the student unable to attend school.
- **HB1244**-Ashby, requiring the **U.S. History** end-of-course (EOC) STAAR assessment to include 10 TEKS-aligned questions from the **U.S. citizenship civics exam**. Proposals to completely replace the U.S. History EOC with the naturalization civics exam did not pass.
- **HB1891**-Stucky, allowing students who score high enough on **high school equivalency exams** to be

exempt from having to take the **Texas Success Initiative Assessment** for college admission purposes.

- **HB2210**-Keith Bell, requiring that school districts must include, for accountability purposes, the performance of students residing in a **state hospital** when the district provides educational services to students at the state hospital.
- **HB3007/HB3011**-Chris Turner, requiring districts to receive certain **source info** from the TEA and higher-ed coordinating board that was used in determining accountability ratings.
- **HB4205**-Craddick, specifying the conditions under which a **closed campus** (due to low performance) may be repurposed to serve students at that campus location — and allowing districts meeting specified criteria that are subject to campus turnaround plans to seek approval of an alternative type of turnaround plan called an **accelerated excellence turnaround plan**.
- **SB64**-Nelson, authorizing a study on issues related to evaluating students at **regional schools for the deaf** and the impact these students have on the accountability ratings of districts in which the regional schools are located.
- **SB213**-Seliger, extending the state-law expiration date of **individual graduation committees**, that provide pathways to students who have failed up to two (of the five) EOCs from Sept. 1, 2019, to Sept. 1, 2023. *Effective immediately.*

Other News

More info about all of the following is at:
texednews.com/2019/21/3.html

- **\$9.2 million copyright verdict** — A federal jury ordered (May 23) **Houston ISD** to pay Austin-based **DynaStudy** \$9,203,750 million after concluding that dozens of HISD employees violated federal copyright laws by repeatedly misusing the firm's study guides and other products by copying them after cropping out the company's logo from the products, hiding copyright violation warnings printed on the products and wildly distributing the study guides throughout the district.
 DynaStudy contended that the case revolved around 38 copyrighted works.
 HISD unsuccessfully argued to the jury that four of DynaStudy's copyrighted works were not infringed because they fell under the "fair use" doctrine and argued that three of the copyrights were invalid because the educational publishing company knowingly included inaccurate information in its applications for federal registration of those copyrights.
 HISD, in a statement, said the district is reviewing the verdict to determine its next steps.
- **Accountability rule change** — The TEA is accepting public comments (until **June 24**) on a proposed rule to drop the **Hurricane Harvey** special accountability provisions (that were in the 2018 Accountability Manual) from the 2019 manual that will be released in August. *A public hearing is also scheduled for June 20.*
- **Charter report** — The **Texas Charter Schools Association** (TCSA), in a pushback over criticisms by the

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- **Legislature Passes Major School Bills**
- **ISD Loses \$9.2M Infringement Verdict**
- **AG: TEA's Open Meetings Act Enforcement**

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Other News, Continued From Page 3

education establishment over charters, released a new report that it says “corrects the record” about charter schools.

The 26-page report — issued to coincide with the recent **National Charter Schools Week** — cites data from the TEA and other sources to label as “myths” that: **1)** charters receive more money than traditional ISDs, **2)** charter students don’t perform as well as ISD students, **3)** charters are not held accountable, **4)** charters “cherry pick” students, and **5)** charters do not enroll or support students with special needs.

Said TCSA CEO **Starlee Coleman**: “The report shows what hundreds of thousands of families across Texas already know: that public charter schools are providing a student-centered, high quality education for children from all types of backgrounds.”

- **School health survey** — The Texas **Department of State Health Services** is asking school nurses — or a designated school official if a district does not have a lead nurse — to complete the annual school health survey (*closing date Aug. 16*). The responses will be used to identify unmet needs in school health services across the state and to develop programs and resources to address those needs.
- **SBEC rules** — The TEA has posted final versions of two sets of recently adopted SBEC rules that will become effective on July 21 unless they are rejected by the State Board of Education on June 14.
One of the rules would specify updated certification standards for the **English as a Second Language Supplemental Certificate**.
The second rule sets deadlines for candidates seeking the current **principal certificate** to complete their requirements (by Aug. 31, 2019) and to apply (by Oct. 30, 2019, for the certification. Thereafter, only the new **Principal as Instructional Leader** certification will be available.

Attorney General

TEA Can Investigate and Sanction Districts For Texas Open Meetings Act Violations

Opinion No.KP-0254 — The TEA has the authority to investigate and sanction districts for open meetings violations — even the type of violation that the Texas Court of Criminal Appeals ruled to be “unconstitutionally vague.”

Education Commissioner **Mike Morath** asked for the attorney general’s opinion to clarify the TEA’s ability to investigate and sanction districts for open meetings violations in light of the recent decision by the **Texas Court of Criminal Appeals** that dismissed the criminal charge against a county judge for violating the act’s prohibition against so-called “walking quorums” — where small less-than-a-quorum of members of a governing body meet or otherwise converse to conduct public business outside of a properly convened open meeting.

Attorney General **Ken Paxton**, in this opinion, concluded that such practices are still prohibited as *civil* violations of the act, and that the TEA can investigate and sanction school districts for open meetings violations — including for “walking quorums” and similar prohibited actions under the act — under the agency’s ability to conduct special accreditation investigations of school districts.

Similarly, a member of the public retains the ability to seek a court action to issue an injunction to “stop, prevent, or reverse a violation or threatened violation of the act by members of a governmental body.” Either via a court action or through TEA intervention, a decision by a governing body that was made in violation of the open meetings act is voidable, Paxton added in his opinion.

Note: It’s been reported that the TEA special accreditation investigation under way in **Houston ISD** is looking into whether HISD’s board has violated the Open Meetings Act.

More info: texednews.com/2019/21/4.html

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