



84th Legislative Session Update

CLC Meeting

June 1, 2015



84th Legislative Session

General Appropriations Act

❖ Senate Bill 2 (Now CSHB 1)

- FSP - \$42,335,700,000
- Property Tax Relief - \$1.2 billion
- Franchise Tax Relief - \$2.6 billion
- FSP Basic Allotment/GL - \$1.5 billion



84th Legislative Session

Bills Affecting School Finance

❖ Senate Bill 1 – Property Tax Relief

- Homestead Exemption
 - Increased from \$15K to \$25K
- M&O Hold Harmless – based on school finance formulas as of September 1, 2015
- I&S Hold Harmless – based on debt service payments as of September 1, 2015 (*fiscal 2015-16*)
- ? Optional Homestead Exemption – prohibition to reduce or repeal for 10 years
- State-wide Election – November 3, 2015
- CFISD Impact of Amended SB 1 = \$21 million compared to current law



84th Legislative Session

Bills Affecting School Finance

❖ House Bill 1759 **PULLED DOWN**

- Repeals current TEC Chapters 41 and 42
- Eliminates Cost of Education Index (CEI)
 - Controls \$2.5 billion to permit other changes
 - Reduces WADA
- Increases Basic Allotment from \$5,040 to \$5,888
- Increases Austin Yield from \$61.86 to \$72.94
- No formula weight changes in special populations, but increase in BA increases the allocations for special education, compensatory education, bilingual education, gifted/talented and career & technology education
- Transportation formula – Eliminated, but increased allotment (\$125/ADA) in Tier I
- High School Allotment – Eliminated
- 2-Year Hold Harmless for Districts losing funds under provisions of the bill
- Additional \$800 million contingent on passage of HB 1759
 - CFISD impact - \$15 million compared to current law



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Bills Affecting School Finance

❖ House Bill 2204

- Existing Debt Allotment (EDA)
 - \$35 for each cent of tax effort less than, equal to 20 cents
 - \$60 for each cent of tax effort greater than 20 cents
 - \$946,400,000 Fiscal Note
 - CFISD Impact \$20-\$24 million; 5-6 cents



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Transparency Bills

❖ Senate Bill 1760 (CSSB 1760)

- Requires 60% (5 of 7) vote of the BOT when adopted total tax rate exceeds M&O effective tax rate + I&S effective tax rate
- On to Governor for signature

❖ House Bill 1378 (CSHB 1378)

- Requires school district to provide annual report of following financial information:
 - Amount of authorized debt
 - Principal amount of all debt outstanding
 - Principal of each outstanding debt obligation
 - Combined principal and interest required to pay all outstanding debt on time and in full
 - Combined principal and interest required to pay each outstanding debt obligation on time and in full
 - All of the above also expressed as a per capita amount, plus
 - For each debt obligation, the issued and unissued amount, the spent and unspent amount, the maturity date, and stated purpose for which the debt obligation was authorized
 - Current bond rating
- Requires school district to electronically submit to the Comptroller
- Requires the Comptroller to post on the website
- Reported out of Conference Committee
- On to Governor for signature



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Assessment and Accountability:

- ❖ SB 149: creates Individual Graduation Committees
 - ✓ Signed by Governor on May 11th

- ❖ HB 2804: intended to begin the process of developing an accountability system that relies on a broader set of standards and measures – not solely standardized test scores
 - ✓ Sent to Governor on May 31st
 - includes amendment to add A-F rating system for districts and campuses, effective with 2017-2018



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Assessment and Accountability:

- ❖ CSHB 742 – eliminates state assessments in 8th grade social studies
 - × Died in House Calendars Committee

- ❖ CSHB 1164 – Revises assessments of English I, English II and grades 4 and 7
 - ✓ House accepted Senate Amendments on May 27th

- ❖ CSSB 14 – creates a “parent trigger” that allows parents to petition for the reconstitution, repurposing, alternative management, or closure of low-performing public schools
 - × Left pending in House Public Ed Committee



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Assessment and Accountability:

- ❖ HB 1536, SB 669 and SB 895 – establishes a Texas Opportunity School District (TOSD)
 - Creates a state-wide, state-run school district
 - Removes a campus rated academically unacceptable for two or more years to the TOSD
 - Turns campus over to another entity, such as a charter operator
 - HB 1536 was voted out of the House Public Ed Committee
- × HB 1536 died in House Calendars Committee
- × SB 669 died in House Public Ed Committee
- × SB 895 died in Senate Ed Committee



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Assessment and Accountability:

- ❖ HB 181 – Eliminates requirements that districts indicate endorsements, distinguished achievement and performance acknowledgements on diplomas
 - ✓ Signed by the Governor on May 13th

- ❖ HB 1842 – amends provisions related to accreditation interventions and sanctions; would include inclusion of school board members in hearings before the commissioner to explain a campus's low performance, lack of improvement and plans for improvement.
 - ✓ Senate adopted conference committee report on May 31st



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School Choice:

❖ Voucher Bill:

- CSSB 4 – creates a taxpayer savings grant and scholarships for eligible students to be used to pay costs of attending private schools

× Died in House Ways and Means Committee



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Early Childhood:

- ❖ CSHB 4 - provides additional funding available for high-quality prekindergarten programs.
 - ✓ Signed by Governor on May 28th