

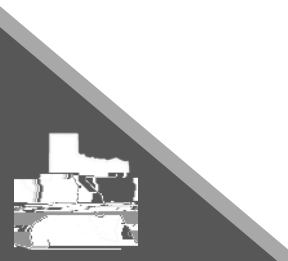


Texas Commission on Public School Finance  
*Expenditures Working Group Recommendations*  
September 25, 2018

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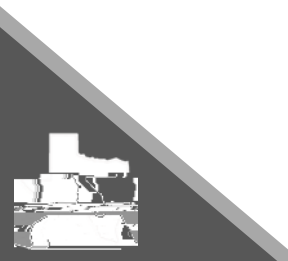
Topic	Slide
Expenditures	



# Expenditures Working Group Members

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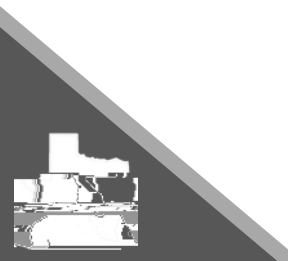
Justice Scott Brister



# Expenditures Working Group Process

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- Working Group Goals





# Reallocate CEI Funds

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- Background:
  - Created in 1984 and last updated in 1991
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# Reallocate Chapter 41 Early Agreement Credit Funds

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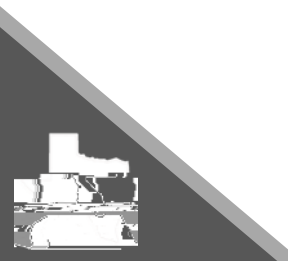
- **Background:**
  - Created in 1995
  - Provides a credit against recapture amounts for districts that submit an agreement to purchase attendance credits by September 1<sup>st</sup>
- **Rationale:**
  - This is NOT a discount for the early payment of recapture amounts, so there is no benefit to the state
  - Currently, 100% of districts choose to purchase attendance credits in order to reduce their equalized wealth level, and almost all of these districts submit their agreements by September 1<sup>st</sup>
- **Annual Savings: \$50M**



# Reallocate Gifted & Talented Allotment Funds

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# Reallocate High School Allotment Funds

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- **Background:**
  - Created in 2006 and amended in 2009
  - Provides \$275 for every student in ADA in grades 9-12
- **Rationale:**
  - These funds were originally intended for programs to decrease dropouts and increase college readiness; however, because this allotment is distributed on ADA, these funds are not necessarily flowing to the students that need it the most
  - This goal is better accomplished through other allotments, such as compensatory education or career & technology
- **Annual Savings: \$400M**

# Move From Prior Year Property Values to Current Year Property Values

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- Background:
  - Prior year property values are currently used in wealth per student calculations within the school finance system.
  - This creates a lag within the system, so that it does not properly reflect local tax revenues
- Rationale:
  - Current year values would be

# RECOMMENDATIONS: CHANGES TO EXISTING ALLOTMENTS



# Base Compensatory Education Funding on a Campus Specific Spectrum (0.225 to 0.275)

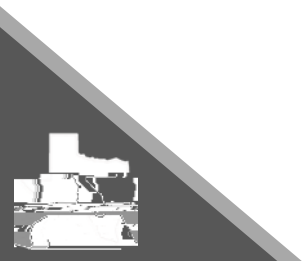
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- Background:
  - Created in 1984
  - Provides 0.2 weight for economically disadvantaged students (determined by eligibility for the federal free/reduced lunch program)

# Base Transportation Funding on Mileage (80¢ per mile)

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- **Background:**
  - Last updated in 1984, at which point the allotment covered 70-80% of district transportation costs
  - Current allotment is based on a linear density formula
- **Rationale:**
  - Current system uses rates that have not been updated in over 30 years
  - Allotment now covers only 25% of district transportation costs
  - Current system also allows routes that are not advantageous to a district's linear density calculation to be excluded
  - A mileage approach is much more straightforward
  - The mileage rate should be set in the appropriations bill
- **Annual Cost: Neutral (rate based on current funding)**



# Recreate Small/Mid-Size District Adjustments as a Stand-alone Allotment

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- **Background:**
  - Small district adjustment was created in 1974 and amended in 2017 to phase in the full adjustment for districts under 300 square miles in size
  - Mid-size district adjustment was created in 1997 and amended in 2009 to allow Chapter 41 districts to receive it
- **Rationale:**
  - Stand-



# Increase New Instructional Facility Allotment (NIFA) Appropriation to \$100 million per year

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- **Background:**
  - Created in 1999 (\$250 per ADA)
  - Updated in 2017 (\$1000 per ADA) but no additional funding provided (resulting in an actual allotment of approx. \$235 per ADA for FY18)
  - Provides funding for operational expenses associated with the opening of a new instructional campus
- **Rationale:**
  - Legislature increased the award amounts but did not appropriate sufficient funds to satisfy this intent
- **Annual Cost: \$76.3M**

## Expand Career & Technology Allotment to Include Courses in 6<sup>th</sup> – 8<sup>th</sup> Grade

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- Background:
  - Created in 1984 and updated in 2003
  - Currently only applies to courses in 9<sup>th</sup> – 12<sup>th</sup> grades
- Rationale:
  - Since the state is investing in P-TECH and other career and technical programs, it makes sense to incentivize courses that can prepare student to enter those programs
- Annual Cost: \$20M

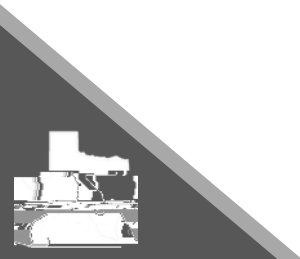
# RECOMMENDATIONS: NEW ALLOTMENTS & PROGRAMS



# Create New Dual Language Allotment

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- **Background:**
  - Currently have a single bilingual education weight (0.1) that includes students in dual language programs
  - Total annual cost of bilingual education weight: \$570M
- **Rationale:**
  - Dual language programs have been shown to have better academic outcomes than other bilingual education programs but districts need additional support to implement them
  - Recommendation suggested by the Outcomes Working Group
- **Annual Cost: \$15M to \$50M (using weight of 0.15)**





# Create New Grade 3 Reading Incentive Program

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- Background:
  - In 2018, only 41% of 3<sup>rd</sup> graders achieved the “meets standard” level in the STAAR reading assessment; that number falls to only (i) 30% for economically disadvantaged students and (ii) 26% for ESL

# Create New College, Career & Military Readiness Incentive Program

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- Background:
  - Although ~90% of Texas H.S. students graduate in 4 years, <40% demonstrate post-



# Create New Teacher Compensation Incentive Program

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- **Background:**
  - Teachers are consistently cited as the most important in-school factor in student outcomes
  - Compensation is often cited as the primary reason that top graduates do not pursue a teaching career
  - High need campuses often have more inexperienced teachers as well as higher teacher turnover
- **Rationale:**
  - Provides additional funding for districts to implement locally developed multi-measure evaluation systems to strategically increase teacher compensation and the placement of effective teachers at high need campuses
  - Recommendation from the Outcomes Working Group
- **Annual Cost: \$100M (weight TBD)**

# Create an Extended Year Incentive Program

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- **Background:**
  - Student achievement levels typically drop during the summer months; this is referred to as the summer slide
  - Studies of effective summer instruction programs show that this decline can be eliminated with programs that offer 3-4 hours of instruction for 5-6 weeks
- **Rationale:**
  - Provides half day funding for districts that offer additional instructional days (181-210) for students in pre-k through 5<sup>th</sup> grade
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# ADDITIONAL RECOMMENDATIONS

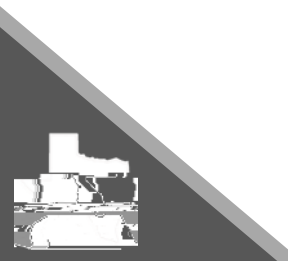


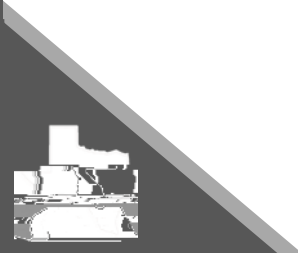


# Link Tier II Copper Penny Yield to a Percentage of the Basic Allotment

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Background:





QUESTIONS?

