



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Representative:

Desk:

Conference Committee Report Analysis for House Bill 1525

Eligible at 11:50 PM

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SP: Sen. Taylor

Recommendation: Will of the House

CCR HB 1525 evaluated by: Phuong Nguyen

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Analysis

HB 1525 is a clean-up bill for HB 3 from the 86th Legislative Session that passed out of the House on April 22, 2021. The Senate version of HB 1525 significantly amended the bill causing major concerns by stakeholders. **The Conference Committee Report (CCR) addressed several stakeholders' initial concerns:**

- by removing the outcome-based funding (OBF) grants.
- reinstating teacher salaries raise protection if the teacher stays in that district and district receives the same level of funding as the 2019-2020 school year.
- The current statute would require the principal and teachers who teach reading to complete the reading academies training by the end of this school year. The CCR clarifies the language to extend this requirement until the end of the school year 2022-2023.
- The supplanting of general revenue funds with federal funds language has also been removed.

While HB 1525 does address some concerns from the Senate version, here are provisions of interest that the Conference Committee would enact:

- While the OBF has been removed, the CCR has the requirement that 40% of the ESSER III be held in reserve.
- Restores the gifted and talented weight, but at .07 rather than the prior law, which was higher, and subject to a statewide appropriations limit of \$100 million and a 5% cap on Average daily attendance (ADA). This is a net reduction in funding and with the cap, it may be difficult to fully fund.
- The career and technology allotment is modified based on the basic allotment and the mall/mid-sized allotment per student. The modified weight would be 1.1 for courses not in an approved program of study, 1.28 for courses in levels 1 and 2; and 1.47 for courses in levels 3 and 4.
- The fast growth allotment is provided based on the difference beyond 250 students over six years with a tiered weighted formula. The allotment is limited to \$270 million in 2022 and \$320 million in subsequent years.
- Repeals the tuition allotment but still allows districts to charge tuition to transfer students.
- Bans districts from levying an M&O tax rate that is intended to create a surplus to pay debt service. Requires TEA to develop a multi-year look back to find districts who may have violated this section. In addition, the CCR would create a corrective action plan for districts in violation of this provision.
- Gives commissioner authority to reduce foundation school program (FSP) allotment when districts adopt tax rates that exceed statutorily allowed rates.
- The CCR provides new grant programs funded through the commissioner's discretionary funding and other funds such as P-Tech, regional pathways, JET, supplemental education support, COVID-19 Acceleration support, technical support for broadband, etc.
- Allows non-certified teachers to be eligible for teacher incentive allotment (TIA) bonus if they attain the designation and specifies that TIA compensation is TRS eligible.
- Creates additional funding for resource campuses if they comply with specific requirements and have received 4 Fs over a 10-year timeframe.

This bill could have differentiating effects on school districts depending on district size, populations, and the students it serves.