

Committee Substitute for House Bill 2
by Senator Florence Shapiro
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Public School Finance

Education Funding

- CSHB 2 increases educational funding by approximately \$3.2 billion.
- Establishes a statewide property tax to fund schools.
- Updates the Cost of Education Index over a six year period.
- Incrementally increases transportation allotment over the next six years.
- Maintains weighted adjustments for special populations.
- Increases funding for bilingual education and specifically flows dollars to compensate for the increased costs of educating limited English proficient (LEP) students who enter in secondary grade levels.
- Allows local enrichment for up to \$0.15 over the next 6 years; districts will be able to access \$0.05 in first year of biennium with voter approval.

Facilities

- Rolls forward the Existing Debt Allotment to help school districts cover debt on facilities construction issued over the past two years.
- Allow for the refinancing of Permanent School Fund debt at a lowered interest rate which frees up capacity in the backing power of the PSF.
- Doubles the New Instructional Facilities Allotment to \$500 per student and extends the eligibility for funding to three years while targeting dollars specifically to fast-growth districts.

Education Excellence

Education Employee Quality

- Provides a \$1,000 pay raise for teachers in addition to converting the \$1,000 health insurance supplement to salary for teachers.
- Allows districts to develop local incentive plans that use at least 50% of the funds to provide for performance-based campus rewards and up to 50% of the funds on stipends for teachers in content shortage areas or hard-to-staff campuses due to a history of low-performance or geographic location.
- Provides tuition exemptions at state institutions of higher education for the children of teachers who have taught for 15 years or more.
- Establishes a statewide incentive program that rewards campuses with at least 65% of low-socio-economic students that demonstrate the most annual improvement.
- Creates a School Leadership Pilot Program for Principals and seeks to improve the quality of educator preparation programs.

Administrative Efficiency

- Establishes an electronic student records system that allows for an instantaneous transfer of information to the state and records between schools.
- Creates a streamlined grant process for discretionary state level compensatory education grants, and a measure to determine cost effective performance improvement by districts in closing the gaps of achievement for at-risk students.

Accountability

- Rewards exemplary districts with the freedom to be exempt from some state mandates.
- Provides state funding for students who choose to take college entrance exams such as the SAT or ACT and provides funding for schools that choose to administer college preparation diagnostic assessments to students.
- Holds schools accountable for preparing students for post-secondary education.
- Provides tools and assistance to low performing schools identified as academically unacceptable for one year or are in danger of being identified as such the following year.
- Requires the commissioner to select a management team to improve a school that has been rated as academically unacceptable for two consecutive years.
- Strengthens financial accountability by requiring TEA to link a districts financial health with academic performance and defines direct instructional and indirect instructional costs.

Instructional Materials

- Provides an allotment to school districts for ordering, purchasing, and/or selecting textbooks and/or technology.

Dual Language Education Pilot Project

- Establishes a dual language education pilot project in certain schools that offer instruction in two languages to students that may begin the program as monolingual but develop proficiency in both languages.

Charter Schools

- Dissolves all open-enrollment charters on September 1, 2006 and automatically grants new status as 'public charter districts' to those entities previously operating open-enrollment charter schools who meet certain standards for academic performance and have assets exceeding liability.
- Requires charters to operate in a manner so that TEA may assign an accountability rating.
- Provides instructional facilities allotments on a per student basis of up to \$1,000 per student to public charter campuses that have achieved exemplary or recognized (or a comparable rating under the alternative accountability system) for two of the preceding three years.