



# Funding to Support K-12 Education

## Funding Overview

# House Bill 3: Highlights



## Funding Increases On Average - \$530 per ADA



### Supports Teachers and Rewards Teacher Excellence

- Teacher Incentive funding
- Increased Minimum Salary Schedule
- Teacher Mentor Allotment program
- Do Not Hire registry



### Increases Funding and Equity

- Compensatory Education increased to 0.225 - 0.275 based on density of neighborhood poverty
- Current year values equalizing Tier One
- Equal treatment of ASF funding



### Focuses on Learning and Improving Student Outcomes

- Full day Pre-K, K-3 reading support
- Dual Language
- Increased SPED mainstream funding
- Dyslexia funding
- CCMR Outcomes Bonus
- CTE, P-TECH, New Tech
- Extended elementary school year
- Blended Learning



### Reduces and Reforms Property Taxes and Recapture

- Tax rates dropped an average of 8 cents in year one
- Tax rates continue to decline as property values grow more than 2.5%
- Additional board local discretion
- Recapture cut from \$3.82B to \$2.43B\* in year one

\*\$2.43 billion current law recapture includes the ADA hold harmless for Covid-19 and is prior to adjustment for ESSER funds.

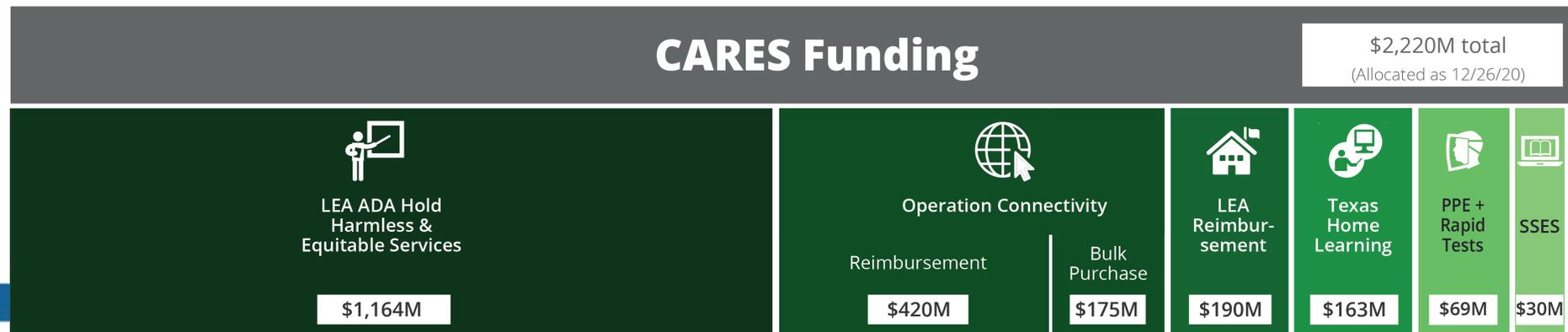
## Coronavirus Aid, Relief, and Economic Security (CARES) Act – ESSER I

- **Texas Allocation: \$1.3 B**

90% LEA Subgrants	\$1.2 B
9.5% State Discretionary	\$ 122 M
0.5% TEA Admin	\$ 6.4 M
- Funds were distributed to school systems as a mechanism to fund the 2019-20 hold harmless.

## Coronavirus Relief Funds (CRF)

- CRF was directed as supplemental funding to Texas public schools, covering general expenses in 2019-20, operation connectivity reimbursements, PPE, and remote instruction support.
- CRF was combined with state discretionary spending, with a total of over **\$1B of new funds to schools.**
- A breakdown of funding by school system can be found [here](#).





# ESSER III Funding Released

- **Texas Allocation: \$12.4 B**
  - 90% LEA Subgrants \$11.2 B
  - 9.5% State Discretionary \$1.2 B
  - 0.5% TEA Admin \$62 M
- The USDE has made 2/3rds of funds available for use immediately
- School systems can use these funds to respond to the pandemic and the impact it has had on student learning
- Funds Available: March 13, 2020 through September 30, 2024.
- Allocation amounts by school system can be found [here](#).



# Status of ESSER Funds

- ESSER I funds have been fully obligated, with supplemental funding provided with CRF
- ESSER III formula funds are being released today as supplemental funds
  - 2/3rds of ESSER III made available for districts
- ESSER II will be released pending legislative resolution

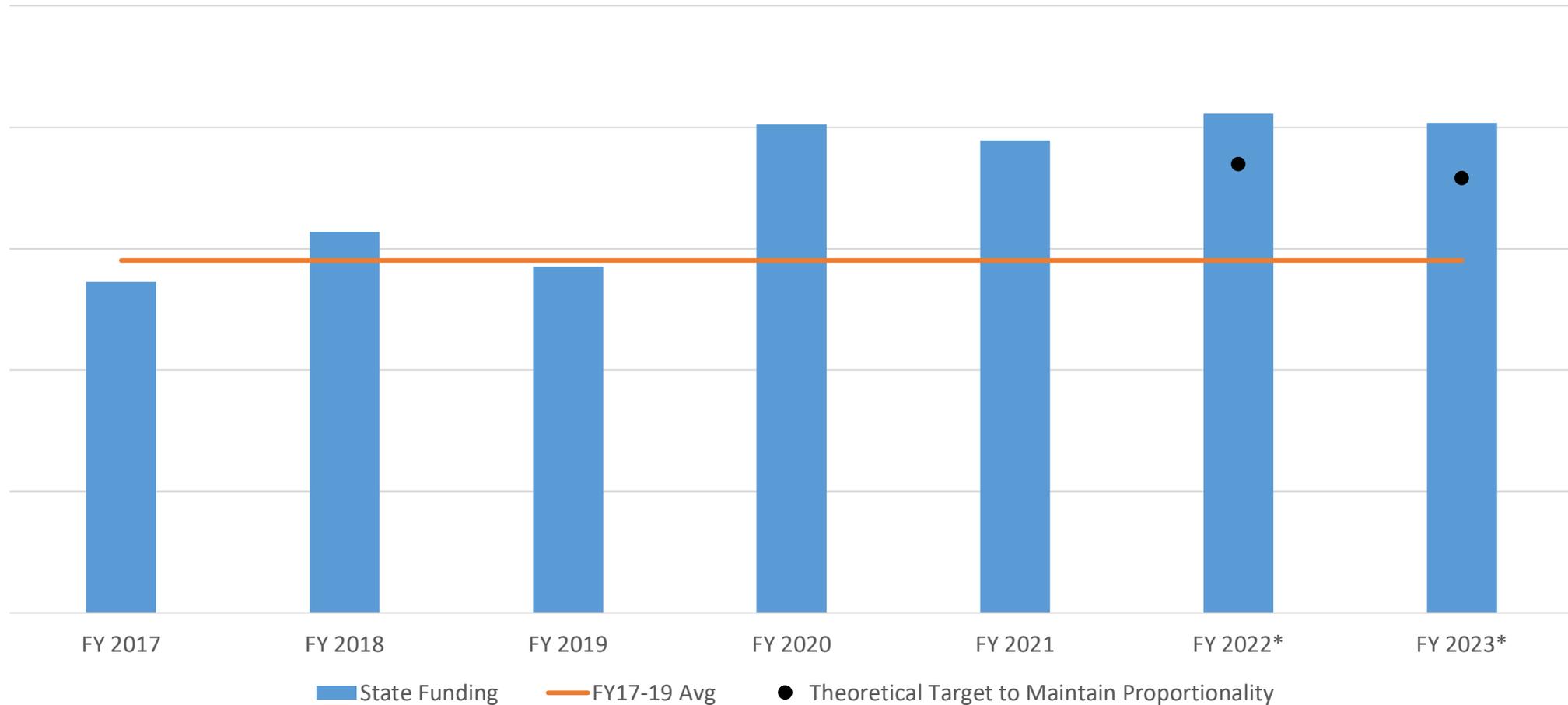
**USDE recently issued MOE guidance for the CRRSA and ARP Acts that will help legislators assess potential implications to state appropriations for K-12 education:**

- The guidance clarified certain definitions and expectations, for example, what constitutes “overall state spending” and what options exist for quantifying appropriations/allocations to education.
- If a state fails to meet MOE in higher education, public education, or both, the penalty could be to repay funds or to lose future funding.



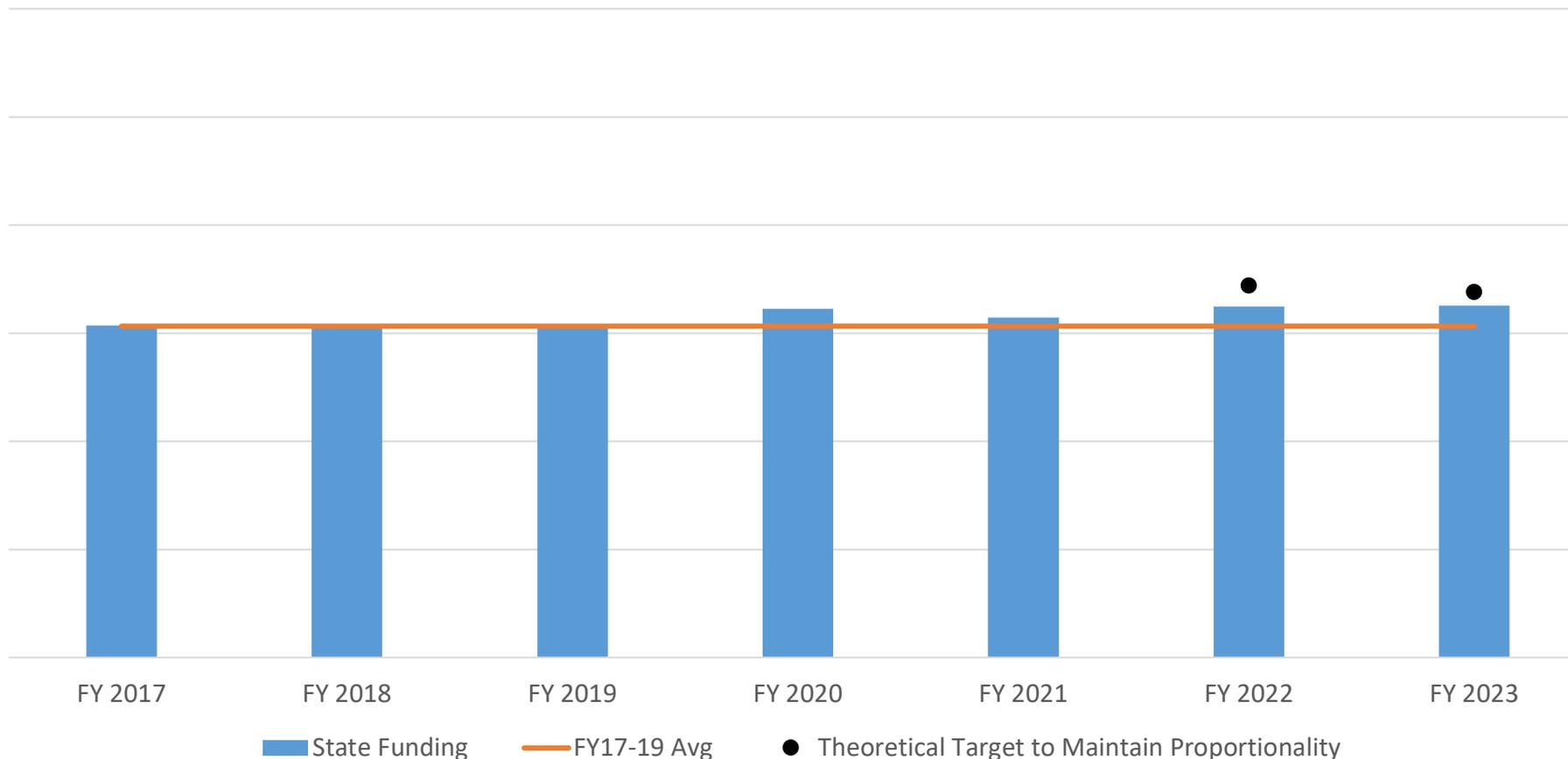
# Texas Entered COVID-19 Having Passed Unprecedented K-12 Reforms Accompanied With Unprecedented Funding Increases (HB 3)

State Funds Appropriations for K-12 Education



# Texas Has Meaningfully Increased Higher Ed Funding

Texas State Support for Higher Education

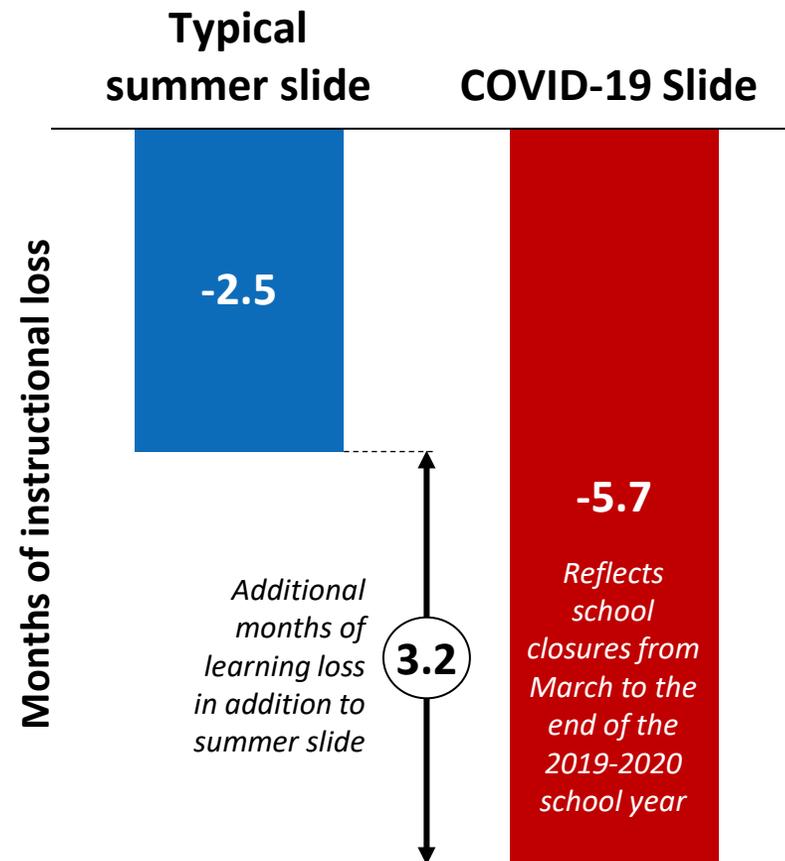


Increases in K-12 appropriations drove up total spending, and occurred faster than increases in higher education appropriations. Further research is required to determine higher education MOE implications.



# Given Beginning-Of-Year Data, We Are Facing Larger Challenges Than Ever Before

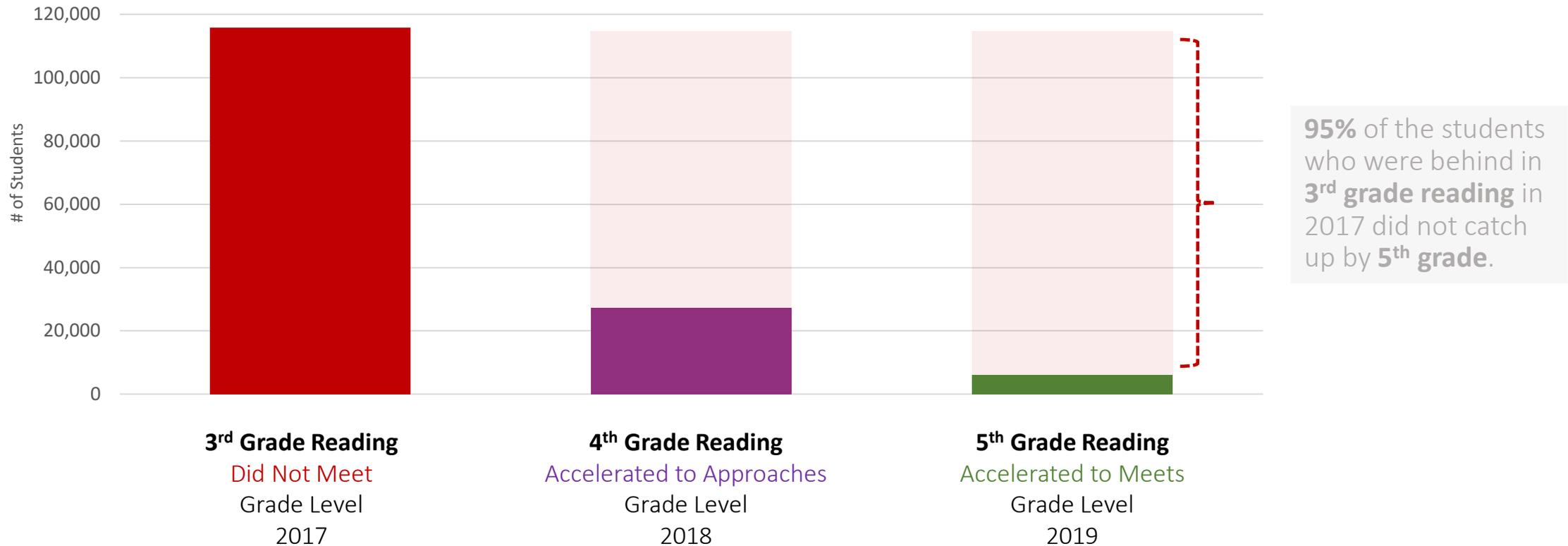
With COVID, the number of students below grade level is likely to increase dramatically.





# The Actions We Take Now Must Be Different From What We've Done In The Past

Pre-COVID: # of Students Accelerating Up A Performance Level Each Year



Across all grades and subjects, on average, only 4% of students who are below grade level catch up to grade level in 2 years

# To Catch Kids Up, Our System Must Make Significant Changes



## Supported teachers

equipped with the training, support, resources, and coaching to help students catch up, learning more than one year of content in one year.



Rigorous **instructional materials** designed to help teachers, schools, and parents make up ground with students.



**More time** for learning the students most in need, including in the summer and with targeted **tutoring**



Work to **empower parents** as a child's first teacher. Parents' observations on their child's strengths and weaknesses, learning styles, and well-being will be an important part of co-creating a student's recovery plan.



# Multiple Potential Uses of Funds to Drive Learning Acceleration

Learning Acceleration Framework	Potential Uses of Funds
<b>Supported Teachers</b>	<ul style="list-style-type: none"> <li>▪ Professional Development: comprehensive Reading Academies, dyslexia training, professional development stipends, technology integration training</li> <li>▪ Staffing: tutors, reduced class sizes, small group instruction, staff retention and recruitment incentive pay, after school enrichment programs, instructional coaching and leadership</li> <li>▪ Mental Health and Behavioral Supports: teacher training and programming</li> </ul>
<b>Rigorous Instructional Materials</b>	<ul style="list-style-type: none"> <li>▪ Materials, Technology, and Training: Instructional materials to help address areas of need for COVID learning loss, learning management systems, training on materials and LMS</li> </ul>
<b>More Time</b>	<ul style="list-style-type: none"> <li>▪ Extended Instructional Time: extended day, extended year, high-dosage tutoring, summer learning</li> </ul>
<b>Empower Parents</b>	<ul style="list-style-type: none"> <li>▪ Mental Health and Behavioral Supports: social workers, At-risk coordinators, additional counseling services, wrap-around and community partnerships</li> </ul>
<b>Other Supports</b>	<ul style="list-style-type: none"> <li>▪ Facilities: ventilation, cleaning, HVAC systems, specialized instructional spaces</li> <li>▪ Technology: devices, infrastructure upgrades, learning management systems, digital tools, educational application</li> </ul>



Appendix

## CARES Act

- MOE applies to FY20 and FY21
- Dollar value of K-12 and higher ed state funds is compared to average of FY17-19
- Requirement may be waived

### MAINTENANCE OF EFFORT

SEC. 18008. (a) A State's application for funds to carry out sections 18002 or 18003 of this title shall include assurances that the State will maintain support for elementary and secondary education, and State support for higher education (which shall include State funding to institutions of higher education and state need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students) in fiscal years 2020 and 2021 at least at the **levels** of such support that is the average of such State's support for elementary and secondary education and for higher education provided in the 3 fiscal years preceding the date of enactment of this Act.

(b) The secretary may waive the requirement in subsection (a) for the purpose of relieving fiscal burdens on States that have experienced a precipitous decline in financial resources.



# Maintenance of Effort Requirements

## MAINTENANCE OF EFFORT

SEC. 317. (a) At the time of award of funds to carry out sections 312 or 313 of this title, a State shall provide assurances that such State will maintain support for elementary and secondary education, and for higher education (which shall include State funding to institutions of higher education and state need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students) in fiscal year 2022 at least at the proportional levels of such State's support for elementary and secondary education and for higher education relative to such State's overall spending, averaged over fiscal years 2017, 2018, and 2019.

(b) The Secretary may waive the requirement in subsection (a) for the purpose of relieving fiscal burdens on States that have experienced a precipitous decline in financial resources.

## CRRSA Act

- MOE applies to FY22
- Proportion of K-12 and higher ed state funds is compared to average proportion during of FY17-19
- Must pass *both*, or both funding sources are at risk
- Requirement may be waived



# Maintenance of Effort Requirements

## ARP Act

- MOE applies to FY22 and FY23
- Proportion of K-12 and higher ed state funds is compared to average proportion during of FY17-19
- Must pass *both*, or both funding sources are at risk
- Requirement may be waived

### (a) STATE MAINTENANCE OF EFFORT.—

(1) IN GENERAL.—As a condition of receiving funds under section 2001, a State shall maintain support for elementary and secondary education, and for higher education (which shall include State funding to institutions of higher education and State need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students), in each of fiscal years 2022 and 2023 at least at the proportional levels of such State's support for elementary and secondary education and for higher education relative to such State's overall spending, averaged over fiscal years 2017, 2018, and 2019.

(2) WAIVER.—For the purpose of relieving fiscal burdens incurred by States in preventing, preparing for, and responding to the coronavirus, the Secretary of Education may waive any maintenance of effort requirements associated with the Education Stabilization Fund.



# Maintenance of Equity Requirements

## (b) STATE MAINTENANCE OF EQUITY.—

(1) HIGH-NEED LOCAL EDUCATIONAL AGENCIES.—As a condition of receiving funds under section 2001, a State educational agency shall not, in fiscal year 2022 or 2023, reduce State funding (as calculated on a per-pupil basis) for any high-need local educational agency in the State by an amount that exceeds the overall per-pupil reduction in State funds, if any, across all local educational agencies in such State in such fiscal year.

(2) HIGHEST POVERTY LOCAL EDUCATIONAL AGENCIES.—Notwithstanding paragraph (1), as a condition of receiving funds under section 2001, a State educational agency shall not, in fiscal year 2022 or 2023, reduce State funding (as calculated on a per-pupil basis) for any highest poverty local educational agency below the level of funding (as calculated on a per-pupil basis) provided to each such local educational agency in fiscal year 2019.

## ARP Act

- Equity requirements apply to FY22 and FY23
- Amount of funding for high-need LEAs cannot be reduced more than overall LEA reduction
- Amount of funding for high-poverty LEAs cannot be reduced below FY19 levels
- No waiver option



## ARP Definitions

Text at right (from ARP Act) provides definitions relevant to Maintenance of Equity requirements

(2) HIGHEST POVERTY LOCAL EDUCATIONAL AGENCY.—The term “highest poverty local educational agency” means a local educational agency that is among the group of local educational agencies in the State that—

(A) in rank order, have the highest percentages of economically disadvantaged students in the State, on the basis of the most recent satisfactory data available from the Department of Commerce (or, for local educational agencies for which no such data are available, such other data as the Secretary of Education determines are satisfactory); and

(B) collectively serve not less than 20 percent of the State’s total enrollment of students served by all local educational agencies in the State.

(3) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term “high-need local educational agency” means a local educational agency that is among the group of local educational agencies in the State that—

(A) in rank order, have the highest percentages of economically disadvantaged students in the State, on the basis of the most recent satisfactory data available from the Department of Commerce (or, for local educational agencies for which no such data are available, such other data as the Secretary of Education determines are satisfactory); and

(B) collectively serve not less than 50 percent of the State’s total enrollment of students served by all local educational agencies in the State.