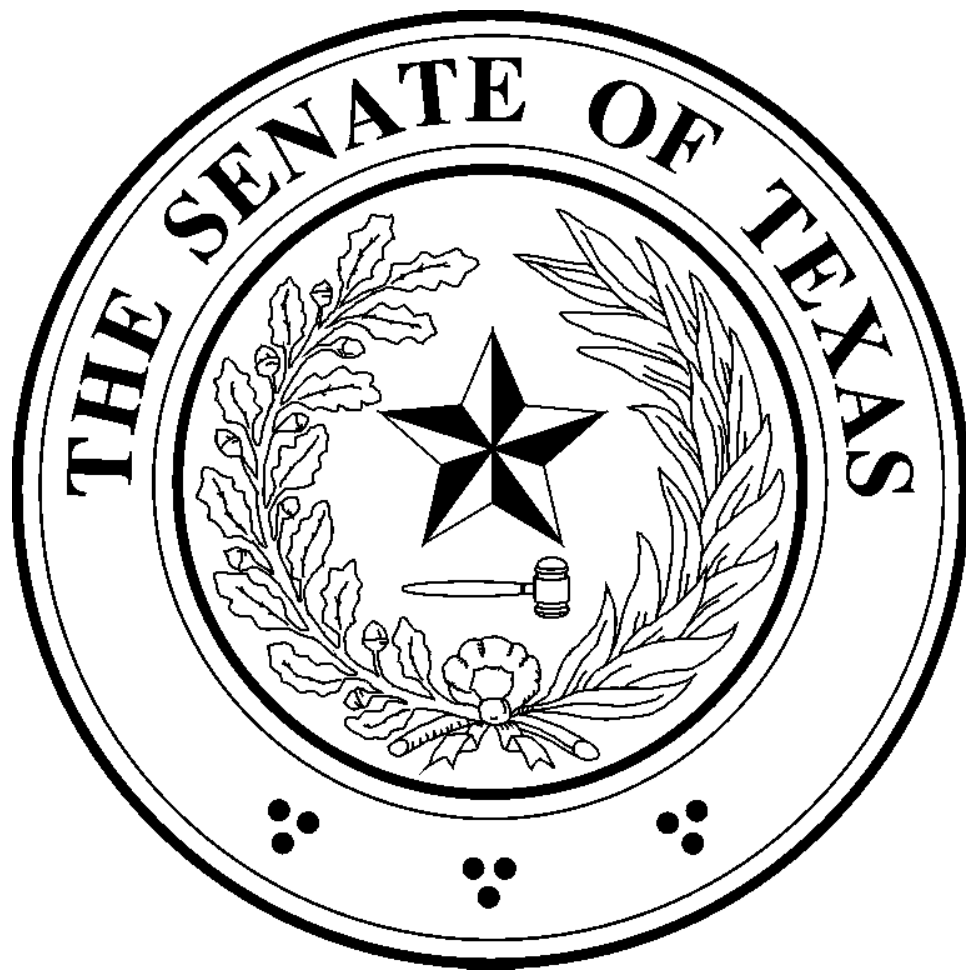


Senate Committee on Education



Report to the 86th Legislature
December 2018



The Senate of The State of Texas

December 10, 2018

The Honorable Dan Patrick
Lieutenant Governor of the State of Texas
Members of the Texas Senate
P.O. Box 12068
Austin, Texas 78711

Dear Governor Patrick and Members of the Texas Senate:

The Senate Committee on Education is pleased to submit its final interim report with recommendations for consideration by the 86th Legislature in preparation for the regular session.

Respectfully submitted,

Handwritten signature of Larry Taylor in cursive.

Senator Larry Taylor, Chair

Handwritten signature of Eddie Lucio Jr. in cursive.

Senator Eddie Lucio, Vice-Chair

Handwritten signature of Paul Bettencourt in cursive.

Senator Paul Bettencourt

Handwritten signature of Donna Campbell in cursive.

Senator Donna Campbell

Handwritten signature of Bob Hall in cursive.

Senator Bob Hall

Handwritten signature of Bryan Hughes in cursive.

Senator Bryan Hughes

Handwritten signature of Don Huffines in cursive.

Senator Don Huffines

Handwritten signature of Kel Seliger in cursive.

Senator Kel Seliger

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Senator Van Taylor

Handwritten signature of Royce West in cursive.

Senator Royce West



Contents

CHARGES TO THE SENATE COMMITTEE ON EDUCATION ...	2
Interim Charge Related to Hurricane Harvey.....	4
Interim Charge 1	7
Interim Charge 2	11
Interim Charge 3	14
Interim Charge 4	17
Interim Charge 5	21
Interim Charge 6	26
MONITORING CHARGES	42
Monitoring Charge 7.A.....	42
Monitoring Charge 7.B.....	44
Monitoring Charge 7.C.....	48
LETTERS FROM MEMBERS	54
APPENDIX	55



CHARGES TO THE SENATE COMMITTEE ON EDUCATION

Interim Charges Related to Hurricane Harvey Response

1. Assess and make recommendations for state and local K-12 hurricane recovery efforts. Examine the crisis management response of the Texas Education Agency and identify changes to the Education Code that would expedite the state response to school districts and public charter schools in the aftermath of any disaster.
2. Determine the impact on school finance of possible state actions such as, but not limited to, changes to student enrollment calculations or property valuation. Assess student displacement caused by Hurricane Harvey and consider actions the Commissioner of Education may take to adjust attendance levels or calculations in the wake of a disaster. Make recommendations for legislative action including potential changes to the process and timeliness of payments to districts by private insurers, FEMA and the state.

Interim Charges

1. Teacher Compensation: Study current local, state, and/or national compensation strategies for classroom teachers and make recommendations to elevate the teaching profession as well as comprehensive policies to attract, retain, and reward teachers.
2. Mandate Relief/Innovation: Review, modify, or abolish chapters of the education code. Specifically, study cost-drivers, unnecessary mandates, reduction/elimination of inefficiencies, focus on policies or opportunities targeted to improving student outcomes, and better utilization of taxpayer resources.
3. Classroom Conduct and Teacher Support: Examine current student discipline mandates in code, study best practice models to reduce classroom discipline issues, and provide direct support for students and classroom teachers.
4. Expand High Quality Education Opportunities: Examine high-quality campus/programs in Texas and other states and make recommendations on incentives to expand high-performing campuses and programs. Review should include but not be limited to: program and course variety, unique public school models, transfer or open-enrollment policies within a district, collaboration between districts or public charters, online learning, and whether children with special educational needs, children of military families, and student populations in chronically high poverty areas should have additional

options to meet their unique educational needs.

5. Virtual Education in the 21st Century Classroom: Review the Texas Virtual School Network (TVSN) and recommend methods of updating and improving the system to boost online virtual education.
6. Dual Credit: Review dual credit opportunities throughout the state, examining the impact of HB 505 (84th Legislature) on students in particular. Look at the outcomes of statewide studies completed in Texas regarding dual credit, and examine the current rigor of dual credit courses, as well as how to improve advising for students in dual credit. **(Joint Charge with Senate Higher Education)**
7. Monitoring: Monitor the implementation of legislation addressed by the Senate Committee on Education passed by the 85th Legislature, relevant agencies, and programs under the committee's jurisdiction. Make recommendations for any legislation needed to improve, enhance, or complete implementation including:
 - a. State matching of the federal E-rate program (SB 1),
 - b. Improper relationships between educators and students and reporting of educator misconduct (SB 7), Establishment of a Pathways in Technology Early College High School (P-TECH) and workforce pathways (SB 22),
 - c. A prohibition of a monitoring system performance indicator based solely on the number or percentage of students receiving special education service (SB 160),
 - d. A school district contracting to partner with an open-enrollment charter school to operate a district campus (SB 1882).

INTERIM CHARGE RELATED TO HURRICANE HARVEY

Assess and make recommendations for state and local K-12 hurricane recovery efforts. Examine the crisis management response of the Texas Education Agency and identify changes to the Education Code that would expedite the state response to school districts and public charter schools in the aftermath of any disaster.

Determine the impact on school finance of possible state actions such as, but not limited to, changes to student enrollment calculations or property valuation. Assess student displacement caused by Hurricane Harvey and consider actions the Commissioner of Education may take to adjust attendance levels or calculations in the wake of a disaster. Make recommendations for legislative action including potential changes to the process and timeliness of payments to districts by private insurers, FEMA and the state.

The Senate Committee on Education (committee) held a hearing in Houston, Texas on November 6, 2017, and received both invited and public testimony on its Hurricane Harvey charges. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Mike Morath, Commissioner, Texas Education Agency
- Mark Kemp, Superintendent, Aransas Pass ISD
- Norma Torres-Martinez, Deputy Director, Education Service Center 2
- Pam Wells, Executive Director, Education Service Center 4
- Vicki Mims, Superintendent, Dickinson ISD
- Anthony Brown, Trustee, Galveston ISD
- Steven Galloway, Superintendent, Columbia-Brazoria ISD
- Richard A. Carranza, Superintendent, Houston ISD
- Greg Smith, Superintendent, Clear Creek ISD
- Scott Muri, Superintendent, Spring Branch ISD
- Lance Hindt, Superintendent, Katy ISD
- Mark Porterie, Superintendent, Port Arthur ISD
- Paul Clore, Superintendent, Gregory-Portland ISD
- Terrill North, Director of Community Engagement & Advocacy, YES Prep Public Schools
- Roland Altinger, Chief Appraiser, Harris County Appraisal District
- Michael Soto, Chief Appraiser, Aransas County Appraisal District

SUMMARY:

Hurricane Harvey devastated the Texas Gulf Coast Region. In total, there were 143 districts, 1,800 campuses, and 1.4 million students impacted by the storm. The area will continue to face difficulties resulting from Hurricane Harvey over the next decade, many years after Texas has

rebuilt, refurbished, or repaired all of the affected campuses.

The committee encouraged all invited witnesses to testify on both Hurricane Harvey related charges. Related to the first charge, the Committee heard from numerous school officials that one of the biggest issues in their hurricane response is student mental health. Superintendents reported that many students and teachers were dealing with emotional trauma. School officials testified that they were concerned that the social and emotional effects of Hurricane Harvey were just beginning at the time of the Committee's hearing. They testified that their schools were in the beginning stages of seeing increases in disruptive behavior during class and other signs of Post-Traumatic Stress Disorder related to the hurricane.

Education Services Center (ESC) representatives provided the committee with information on their disaster response. Their testimony revealed the important role ESCs played in responding to Hurricane and Harvey and handling problems in its immediate aftermath. According to the Commissioner, the ESCs were the primary way that TEA was able to provide immediate support to districts in navigating FEMA services, providing transportation, and providing temporary structures.

The Commissioner highlighted the extraordinary efforts that local school districts took to serve as community shelters during the storm. During Hurricane Harvey, over 100 school facilities served as shelters. The Commissioner praised Texas public schools for their incredible response, and the committee shared in his commendations and praise. Many of these 100 school facilities were not incorporated into local disaster plans, but school officials and community members stepped-up to staff shelters and prepare meals for victims.

TEA created a centralized repository for resources available to parents including a hotline to help answer enrollment questions, as well as ways for citizens to donate to their local schools. One area of technical assistance was support for homeless students, including students displaced by the storm or otherwise not in their standard housing. TEA is working with districts to ensure accurate representation of homeless students, as a result of the hurricane, are reported to the federal government for purposes of appropriations and entitlements available to districts, as well as to services available to affected districts. Additionally, TEA has created a school focused mental health task force to deal with issues related to Hurricane Harvey. This task force coordinates existing resources, as well as coordinates surge resources to rotate in mental health professionals to areas experiencing high levels of need by partnering with mental health providers and institution of higher education.

Commissioner Morath also noted budgetary and funding considerations for the state and school districts as of the time of hearing. These considerations have been updated and included in this report as Appendix A.

Regarding its interim charge on Hurricane Harvey, the committee makes the following policy recommendations:

- Consider legislation to support mental health initiatives in districts impacted by the hurricane. Support TEA's work in forming partnerships between higher education institutions and local school districts to provide direct mental health services at schools.
- Incorporate school officials into local disaster planning meetings. Build off the success of school districts serving as shelters by incorporating schools into community disaster planning, in order for schools to receive much-needed supplies and supports earlier.
- Recommend the legislature consider making additional revenues available to ESC's and School districts affected by Hurricane Harvey to assist in facility maintenance and recovery services.

INTERIM CHARGE 1

Teacher Compensation: Study current local, state, and/or national compensation strategies for classroom teachers and make recommendations to elevate the teaching profession as well as comprehensive policies to attract, retain, and reward teachers.

The Senate Committee on Education (committee) held a hearing on March 26, 2018, and received both invited and public testimony on its teacher compensation charge. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Mike Morath, Commissioner, Texas Education Agency
- Dr. Jeannie Stone, Superintendent, Richardson ISD
- Laura Garza, Executive Director- Samuell Feeder, Dallas ISD
- Christopher Green, Master Teacher (7th Grade Writing), San Antonio ISD
- Priscilla Aquino Garza, Deputy Director of Policy, Educate Texas/Communities Foundation of Texas Legislative Council
- Kate Kuhlman, Lobbyist, Association of Texas Professional Educators

SUMMARY:

Commissioner Morath began testimony noting TEA's review of the national landscape and best practices around the world as part of its strategic plan indicating three takeaways:

1. Good teachers should be paid significantly more in order to improve retention and recruitment specifically at high poverty and rural schools.
2. There are reasonable processes that can be used to define exactly what "Good" and "Best" teachers are, but they aren't easy or without controversy:
 - a. Best if frameworks are locally developed and involve some statewide calibration
 - b. Small, rural districts need a process managed by a third-party given capacity limitations
3. A policy framework will require a willingness to make a long-term commitment via funding formulas, not one time grants.

In a 2010 report, McKinsey and Co. found 23% of new teachers in the US come from the top 1/3rd of their college graduating class, and 14% of new teachers in high-poverty schools come from the top 1/3rd of their graduating class. Alternatively, 100% of new teachers come from the top 1/3rd of their graduating classes in Singapore, Finland, and South Korea. Commissioner Morath summarized the factors preventing top talent recruitment in the US as pay and working

conditions.

Commissioner Morath continued, noting that by the 7th year of a teaching career, 70% of teachers are no longer in the profession due to these factors, but did offer the caveat that starting teacher pay in Texas is competitive, around \$48,000 a year. However, teachers with thirty years of experience may expect to earn no more than \$5,000 a year more than that in raises based on no factors other than credible time of service.

As alternatives, Commissioner Morath offered three models already being used in the state:

- Dallas ISD- Comprehensive change to teacher evaluation system impacting all teachers, based on three components: supervisor observations, student growth, and student survey results. Teacher salaries are explicitly tied to performance appraisal, as opposed to the years-of-service salary schedule. Identified high performing teachers are offered an additional \$10k stipends to teach at the district's highest needs campuses.
- Lubbock ISD- District-wide group & individual performance bonuses eligible to staff and teachers. Group bonuses include campus-wide and content-area student growth. Individual bonuses awarded to teachers in core-content areas based on growth of their students. High performing teachers eligible for \$15k of bonuses in high needs campuses vs. \$3k in other campuses
- Austin ISD- Offers incentives and support for teachers to pursue certification set by the National Board of Professional Teaching Standards (NBPTS). NBPTS is a rigorous certification process covering all teaching areas that takes anywhere from 12-24 months, and its certified teachers have been shown to have a positive impact on student growth. Support includes covering upfront costs and cohort support for those in process. Stipends of \$2k per year thereafter are offered while the certification is maintained, regardless of campus placement.

Furthermore, Commissioner Morath offered out of state and international alternatives, briefly touching on Tennessee, Washington D.C., Singapore, and Shanghai. In all cases, he has drawn several key lessons in merit pay:

- Size matters – small dollar amounts lead to limited impact on behavior.
- Clarity matters – if teachers don't understand how the incentives work, the incentives don't change behavior.
- Calibration matters – evaluations of performance must be rigorous and consistent, otherwise grade inflation occurs disconnecting the incentives from the desired outcomes.
- Eligibility: The More The Better – if the incentive is limited to only a few teachers at a campus, teachers have a disincentive to work together.
- Permanence matters – one-time offerings often disappear when funding dries up, having limited impact on behavior.
- A Comprehensive Design is better – add-on bonuses to otherwise pre-existing evaluations and salary schedules have less impact on behavior than more comprehensive evaluation & salary structure changes.
- Focus On The Need – Recruitment and retention are not universally problematic within

the state, so incentives designed should be designed with that in mind (ex: higher salaries for serving in high needs schools).

Dr. Jeannie Stone, Superintendent from Richardson ISD, began her testimony noting the achievement gaps present in her school district between economically disadvantaged and non-economically disadvantaged students. Dr. Stone noted Richardson ISD's commitment to eliminate these gaps in individual campuses, and began using the Accelerating Campus Excellence (ACE) model to incentivize the highest performing teachers to move to the lowest performing campuses in the district. Strategic staffing allows Richardson ISD to identify the highest performing teachers and allows the district to pay those teachers differently.

Dr. Stone noted her belief that a declining fund balance in her district means that the model is unsustainable in the long term, and necessitates a deficit budget every year. Based on these pending shortfalls, Dr. Stone made the following recommendations:

- Recognize that significant achievement gaps - due to family income - are NOT an isolated urban issue.
- Focus on our neediest children - if we are going to achieve the state's 60x30 goal.
- Provide legislative support and allocation of resources for programs like ACE - that address our neediest students.

Commissioner Morath stated his belief that this model could be implemented on a statewide basis through formula funding. He also added that with additional state support for districts to implement strategic staffing, teacher recruitment and retention, the state's desire to improve equity in educational outcomes would improve as the supply of high quality teachers would increase.

Laura Garza testified about the success of the ACE program at Blanton Elementary in Dallas ISD. Blanton Elementary had been labeled "improvement required" for five consecutive years and 8 of the last 10 years, but in two years has since received 6 distinctions and witnessed a dramatic increase in college readiness. Dallas ISD uses the "Teacher Excellence Initiative" (TEI) to define and evaluate teacher excellence within the district by examining a teacher's performance through three lenses:

- professional performance through observation,
- student achievement,
- and student experience surveys.

The highest performers in the TEI are recruited into the most at need schools through different strategic staffing initiatives. ACE teacher stipends range from \$8,000 to \$12,000 annually.

Christopher Green, a master teacher from San Antonio ISD, testified to the importance of a quality educator in classroom and their impact on student outcomes. Green noted that San

Antonio ISD leverages teacher incentive grants to encourage successful teachers from outside the district to teach at schools with the most need. Teachers go through a rigorous multi-step interview and selection process to be selected, including supervisor testimonials, review of student achievement data, and review of video lessons. Master teachers in San Antonio ISD receive a \$7,500 extended workday stipend as well as a \$7,500 extend calendar stipend covering 20 additional days of service for professional development and additional time with students. Mr. Green credits additional time with students as being crucial for improving results.

Priscilla Aquino Garza with Educate Texas testified to the complications that coincide with metrics used in teacher evaluations, the importance of teacher preparation programs, and the supports districts provide to teachers - all of which she suggested as an indication that teacher pay alone may not be the only reason teachers leave the classroom.

Kate Kuhlman with the Association of Texas Professional Educators testified on the importance of properly funding teacher incentivization programs to ensure sustainability that any new program provides a sufficient base for the profession with built in cost of living adjustment, and that teacher retention be considered when designing incentivization programs. Ms. Kuhlman also indicated that teacher performance should encompass more than student test scores and should include all aspects of teacher pipelines to ensure they are adequately prepared to enter the classroom and have the supports necessary to succeed including teacher environments.

Regarding its interim charge on teacher compensation, the committee makes the following policy recommendations:

- Expand opportunities for school districts to receive state funding for strategic staffing initiatives that encourage high quality teachers to enter districts and schools with the most needs.
- Explore legislation to ensure teacher preparation and certification programs are rigorous and implemented with fidelity to ensure teachers are equipped and prepared for success once they enter the classroom.
- Consider legislation to explore and define the classroom supports necessary for teacher success.

INTERIM CHARGE 2

Mandate Relief/Innovation: Review, modify, or abolish chapters of the education code. Specifically, study cost-drivers, unnecessary mandates, reduction/elimination of inefficiencies, focus on policies or opportunities targeted to improving student outcomes, and better utilization of taxpayer resources.

The Senate Committee on Education (committee) held a hearing on November 27, 2018, and received both invited and public testimony on its mandate relief and innovation charge. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Priscilla Aquino Garza, Deputy Director of Policy, Educate Texas
- David Anderson, General Counsel and Policy Analyst, Raise Your Hand Texas
- Ellen Williams, Attorney/Consultant for Texas Association of School Administrators and Texas Association of School Boards
- Adeeb Barqawi, President and CEO, ProUnitas

SUMMARY:

Priscilla Aquino Garza opened testimony by discussing the work of the K-12 Improvement, Innovation, and Mandate Relief workgroup. Beginning in May 2018, the Lieutenant Governor's office convened a public education policy working group comprised of representatives of school district management, teacher labor groups, think tanks, and policymakers. The group was tasked with developing a set of policy recommendations that would offer relief from unfunded mandates in statute, as well as encourage innovative practices on the local level.

The workgroup consisted of 21 members including representatives from Raise Your Hand Texas, the Texas Association of School Administrators, the Governor's office, the Lt. Governor's office, the Texas Classroom Teachers Association, the Texas State Teachers Association, the Texas Classroom Teachers Association, the Association of Texas Professional Educators, the Texas Association of School Boards, the Texas Conservative Coalition Research Institute, the Texas Charter School Association, the House Public Education Committee, the Senate Committee on Education, the Texas American Federation of Teachers, the District Charter Alliance, Teach Plus Texas, the Texas Public Policy Foundation, the Texas Education Agency, and the Center for Public Policy Priorities.

The work of the group focused around five issue areas: data collection, reporting and utilization; school operations; student pathways, course offerings, and public school options; teacher quality; and classroom conduct and school discipline. All recommendations added to the group's report received unanimous approval from group members.

Further testimony from work group members David Anderson and Ellen Williams focused on the unanimous recommendations made by the workgroup and those recommendations are included as recommendations from the Senate Committee on Education.

Adeeb Barqawi, President and CEO, ProUnitas testified to the effectiveness of multi-tiered systems of support and how they are currently being utilized in the Houston area.

Regarding its interim charge on mandate relief and innovation, the committee makes the following policy recommendations:

- Create a new definition for “homeless” in Tex. Ed. Code Ch. 5 that references the definition in 42 U.S.C. § 11302; change all the above references in Texas statute to cross-reference the new definition in Ch. 5.
- Strike reference to the Teacher Retirement System from Tex. Ed. Code § 21.0452(b)(8), and instead permit SBEC to collect teacher perseverance data through PEIMS.
- Repeal Tex. Ed. Code § 38.209(a)(3), which requires districts to report auto-injection information to the Commissioner of Education.
- Repeal outdated lists of SBOE authority (7.102(c)(9)) over charters Tex. Ed. Code § 7.102(c)(9).
- Exempt public school districts from the definition of “governmental entity” under Tex. Gov’t Code § 2265.001(a).
- Repeal outdated list of SBEC duties (21.040(1), (2) and 7)) involving the former SBEC executive director, budget, and contracting. repeal Tex. Ed. Code § 21.040(1)-(2), (7).
- Repeal Tex. Health & Safety Code §§ 114.002 and 114.005 dealing with Interagency Obesity Council and review of TEA and Dept of Agriculture programs as ineffective.
- Repeal Tex. Ed. Code § 7.009 dealing with Best Practices Clearinghouse (Sunset recommendation).
- Repeal Tex. Ed. Code § 39.233 dealing with high school allotment recognition.
- Repeal Tex. Ed. Code § 44.903 dealing with lightbulbs - State law requires school districts to purchase and use in their instructional facilities certain light fixtures, namely the most cost-effective lightbulbs using the fewest watts per light output.
- Repeal Tex. Ed. Code § 31.103(b)) dealing with requirement to requisition textbooks by June 30.
- Repeal Tex. Ed. Code §§ 39.401-07, 39.411, 39.415 dealing with High School Completion and Success Council as it has been dormant since 2008.

- Repeal Tex. Ed. Code § 45.208(e). submission of local depository contracts to TEA.
- Repeal Tex. Ed. Code § 29.007 relating to the requirement for Commissioner of TEA approval of shared service arrangement.
- Repeal Texas Education Code Section 38.0081.
- Repeal Texas Education Code Section 38.101-38.103.
- Require UIL to develop an extracurricular activity safety training program instead of the Commissioner.
- Include required notice under Texas Education Code 12.1101 to be given to superintendents.
- Change application timeline notice requirements under Texas Education Code 12.1101 from 4-6 months to 18 months to allow districts and charters time to prepare for changes and impact.
- Consolidate the language in Texas Education Code §§ 21.410-13 pertaining to Master Teacher Certificate grants to a single statutory provision applying to all Master Teacher Certificate programs providing grant administration flexibility.
- Repeal Texas Education Code 21.0453 and 21.044(g) and enact new all-purpose reporting provision containing all information reporting requirements for educator prep programs

INTERIM CHARGE 3

Classroom Conduct and Teacher Support: Examine current student discipline mandates in code, study best practice models to reduce classroom discipline issues, and provide direct support for students and classroom teachers

The Senate Committee on Education (committee) held a hearing on March 26, 2018, and received both invited and public testimony on its classroom conduct charge. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Morgan Craven, Director School-to-Prison Pipeline Project, Texas Appleseed
- Mark Levin, Vice President for Criminal Justice Policy, Texas Public Policy Foundation
- Alyssa Rafa, Policy Analyst, Education Commission of the States
- Christopher Green, Master Teacher (7th Grade Writing), San Antonio ISD
- Holly Eaton, Director of Professional Development and Advocacy, Texas Classroom Teachers Association

SUMMARY:

Morgan Craven of Texas Appleseed testified that Chapter 37 of the Education Code is heavily focused on exclusionary criminal response to school misbehavior including in and out of school suspension, alternative school placements, expulsions, corporal punishment, constraints, complaints, arrests, and court referrals and notes these reactions are ineffective and harmful to children. Ms. Craven noted these practices push students out of class and away from supportive adults who, with the right training, could be supportive and watchful while isolating them from their peers. Ms. Craven also mentioned that African American, Latino, and children with disabilities are consistently over-represented in the punitive school system, and mentioned students excluded from classroom are more likely to drop out of school and enter the criminal justice system.

Ms. Craven went on to testify that changes to Chapter 37 should encourage, incentivize, and monitor the use of research based programs in lieu of exclusionary practices. She went on to note research by the Public Policy Research Institute in 2011, which highlighted exclusionary practices within the state cost schools approximately \$71 million annually, encompassing the costs of an additional year of education by the number of students whose grade retention was found to be related to the use of exclusionary discipline.

Texas Appleseed recommendations include:

- Creating better systems to track discipline data.
- Holding schools accountable when they rely on exclusionary discipline and when there

are disparities in the way students are disciplined based on factors like race, ethnicity, and special education.

- Monitor and measure the use of research-based programs to ensure schools are implementing programs which are proven to work.
- Offer schools districts, especially rural districts, access to training programs that educate teachers on techniques to change behaviors and connect with students to give them the support they need.

Mark Levin with the Texas Public Policy Foundation began his testimony noting that 80% of those in Texas prisons are school dropouts. He stated that suspending or expelling students makes it much more likely they will end up in the criminal justice system and have other negative academic and social outcomes. Mr. Levin went on to note there are a number of state laws which remove discretion from principals to administer appropriate disciplinary actions.

TPPF makes the following recommendations:

- Remove mandatory expulsions for alcohol and prescription drugs to give principals discretion to take appropriate action.
- Remove mandatory expulsions for truancy.

Alyssa Rafa of the Education Commission of the States, testified about practices being conducted in other states. Ms. Rafa also mentioned that black students are 3.8% more likely to be suspended than their white peers, and students with disabilities were twice as likely to be suspended as students with no disabilities, and these disparities were present as early as preschool.

Holly Eaton of the Texas Classroom Teachers Association asked the committee to consider the implications that policies preventing exclusionary discipline have on the teachers implementing the discipline as well as the other students in the classroom. Ms. Eaton also commented that before removing an effective disciplinary mechanism to maintain order in the classroom it should be replaced by an equally effective alternative, and noted that lack of administrative support regarding student discipline is one of the more often cited reasons when teachers leave the profession. Ms. Eaton mentioned the benefits of employing a campus behavior coordinator on every campus to intervene as early as possible with at-risk students, and also testified that many schools exempt themselves from the requirement through District of Innovation designations. Ms. Eaton also asked TEA to exercise caution in the use of collected disciplinary data, and recommended the state begin gathering data regarding how teachers and students experience student behavior and discipline in school by climate survey.

Regarding its interim charge on classroom conduct and teacher support, the committee makes the following policy recommendations:

- Consider legislation promoting the most effective student disciplinary methods that both protect students' rights and opportunities to be educated as well as promote effective discipline in the classroom.
- Consider legislation clarifying the role of on-campus law enforcement to prevent peace officers from being used to serve in daily disciplinary administration.
- Monitor and measure the use of research-based programs to ensure schools are implementing programs which are proven to work.
- Explore reporting metrics through PEIMS that may offer better insight to student behavior and discipline while monitoring the performance of different programs in addressing these issues.

INTERIM CHARGE 4

Expand High Quality Education Opportunities: Examine high quality campus/programs in Texas and other states and make recommendations on incentives to expand high-performing campuses and programs. Review should include but not be limited to: program and course variety, unique public school models, transfer or open-enrollment policies within a district, collaboration between districts or public charters, online learning, and whether children with special educational needs, children of military families, and student populations in chronically high poverty areas should have additional options to meet their unique educational needs.

The Senate Committee on Education (committee) held a hearing on April 4, 2018, and received both invited and public testimony on its expanding high quality education charge. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Matthew Hansen, Director of School Operations, YES Prep Public Schools
- Dr. Justin Louder, Associate Vice Provost, Texas Tech University
- Monica Martinez, Associate Commissioner for Standards and Programs, Texas Education Agency
- Dr. Pedro Martinez, Superintendent, San Antonio ISD
- Orlando P. Riddick, Superintendent, Midland ISD
- Joe Siedlecki, Associate Commissioner for School Improvement, Charters, and Innovation, Texas Education Agency

SUMMARY:

Orlando Riddick, Superintendent with Midland ISD, began testimony noting the steps his district has taken as a result of Senate Bill 1882 from the 85th Legislative session including college prep elementary, early college high school including the Pathways in Technology Early College High School model, gifted and talented programs, and creating partnerships with high quality charter operators to create more options for parents. Additionally, the district has engaged in a student, parent, and teacher listening program. Mr. Riddick also mentioned that funding leaving the community as a Chapter 42 school district limits sustainability and availability of the programs his district can offer.

Senate Bill 1882 allows school districts to enter into contracted partnerships with charters to operate a district campus and share teachers, facilities, or other educational resources. A charter which has been previously revoked or has received an unacceptable performance rating is not eligible. The bill incentivizes partnerships between public and charter schools through additional funding and a one year pause in the accountability system, receiving a rating of "undesignated"

for one year without restarting the state accountability intervention time frame.

Dr. Pedro Martinez, Superintendent for San Antonio ISD, testified that SAISD joined the inaugural cohort of the Texas Education Agency's System of Great Schools (SGS) which includes 7 other innovative ISDs (Spring Branch, El Paso, Fort Worth, Galveston, South San Antonio, Manor, and Midland). SAISD is also a member of the District Charter Alliance (DCA). Dr. Martinez shared that SAISD embraced a vision to create more high quality seats through the creation of innovative school models. SAISD has created 6 new models within the district. There is a high level of interest in the program as SAISD received 10,000 applications for 3,000 seats.

Dr. Martinez made the following recommendations:

- Create a 3rd option for SB 1882 to include Dallas ISD's ACE model or similar teacher retention programs.
- Continue to align state grants to ISDs doing innovative work with students in struggling schools.
- Ensure that any changes to the school finance system support this type of work.

Dr. Justin Louder, Associate Vice Provost of Texas Tech University, testified regarding the on-line course development from Texas Tech University as well as TTUK-12, a distance and online program offered through the University created by the state in 1993 as a special purpose district. The program has four components: full-time students, supplemental students, credit by exam students, and online courses for districts that are without a teacher. Dr. Louder also testified to the quality of the teachers in the program, the course development process, the success of the students compared to traditional students, and mentioned TTUK-12 offers over 190 courses and receives no state funding. There was discussion on qualification and compensation of TTUK-12 teachers, teacher-student ratios, self-paced coursework, and student demographics.

Matthew Hansen, Director of School Operations of YES Prep Public Schools testified to the partnerships YES Prep has created with public schools noting collaborative efforts have been able to offer area students and parents more choices. There was also discussion on discrepancies relating to facilities funding for charter schools in the state compared to their traditional counterparts.

Joe Siedlecki, and Monica Martinez of the Texas Education Agency testified to the support available through the agency to districts and charters seeking to form partnerships.

System of Great Schools Network

- Districts opt into technical assistance and consulting support
- Focus is on creating systems and processes to regularly analyze school performance, replicate great schools, launch new schools, etc.

Texas Authorizer Leadership Academy

- Districts opt into technical assistance and professional development to support implementation of Subchapter C in-district authorizing practices.

Charter School Start-Up Grant

- Available to state-authorized and district-authorized charter schools
- \$800,000 grant to support new school launch
- Approximately 10 grants awarded annually

School Redesign Grant – ACE Model

- Available to districts to support efforts to transform low performing (Priority/Focus) schools
- \$250,000 planning or up to \$1.5M implementation grant
- Approx. 5-10 grants annually
- Must implement *ACE School Model*

School Redesign Grant – Other Models

- Available to districts to support efforts to transform low performing (Priority/Focus) schools
- \$250,000 planning or up to \$1.5M implementation grant
- Approx. 5-10 grants annually
- Other models, including new schools paired w/ Design Partners

Replicating Great Options Pilot

- Support districts to identify high performing/high poverty schools, convert them to in-district charters, and replicate to serve more students
- Technical assistance and consulting support to campus teams and district leaders

District-Charter / Entity Partnerships (SB 1882)

- Districts that partner with charter school operators or other entities can access additional per-pupil funding and an accountability intervention pause

Early College High School (ECHS) and Texas Science, Technology, Engineering and Math (T-STEM) Academies

- Schools receive designation status based on outcomes-based measures
- Newly redesigned blueprints contain clearly defined goals along with greater flexibility to meet them
- Redesign ensures historically underserved students earn dual-credit and gain access to in-demand credentials
- Schools receive state-funded Technical Assistance

Pathways in Technology Early College High Schools (P-TECH) and Industry Cluster Innovative Academies (ICIA)

- Schools receive designation status based on outcomes-based measures
- Newly designed blueprints contain clearly defined goals along with greater flexibility to meet them
- Models ensure historically underserved students earn dual-credit and gain access to in-demand credentials
- Planning grants of \$50,000 and Success grants of \$260,000 issued annually

Enrollment Policy Options

- Open Enrollment: Any student can enroll; if applications exceed slots, a lottery is used.
 - All charters do this, as do a few ISD campuses.
- Selective (Magnet) Enrollment: Students must audition or test in.
 - Some ISD campuses; charters prohibited by law from doing this.*
- Zoned Enrollment: Students are entitled to enroll based on home address.
- Blended Socio-economic Enrollment: Similar to open enrollment, except enrollment

weights are established for students from different income groups to create a more integrated school.

- A few ISD campuses do this. Charters prohibited by law from doing this.

Transfer Policies

- Unlike Charters, ISDs can choose to deny enrollment to out-of-district students
- Transportation law currently requires ISDs to get cooperation of neighboring ISDs if they wish to bus in out-of-district students, which was highlighted in a recent Attorney General opinion; charters are exempt from this requirement.
- Some ISDs have adopted district-wide open enrollment approaches.
- Transportation may also be provided.

Regarding the high quality education opportunity charge, the committee makes the following policy recommendations:

- Consider legislation creating grant programs that support districts in implementing ACE models for low performing campus turn around.
- Continue to incentivize innovative models that offer public education choice to parents and students.
- Consider providing resources to open-enrollment public schools which have greater demand than available seats.
- Explore options for partnerships through SB 1882 (85 R) to include Dallas ISD's ACE model or similar teacher retention programs.

INTERIM CHARGE 5

Virtual Education in the 21st Century: Review the Texas Virtual School Network (TVSN) and recommend methods of updating and improving the system to boost online virtual education.

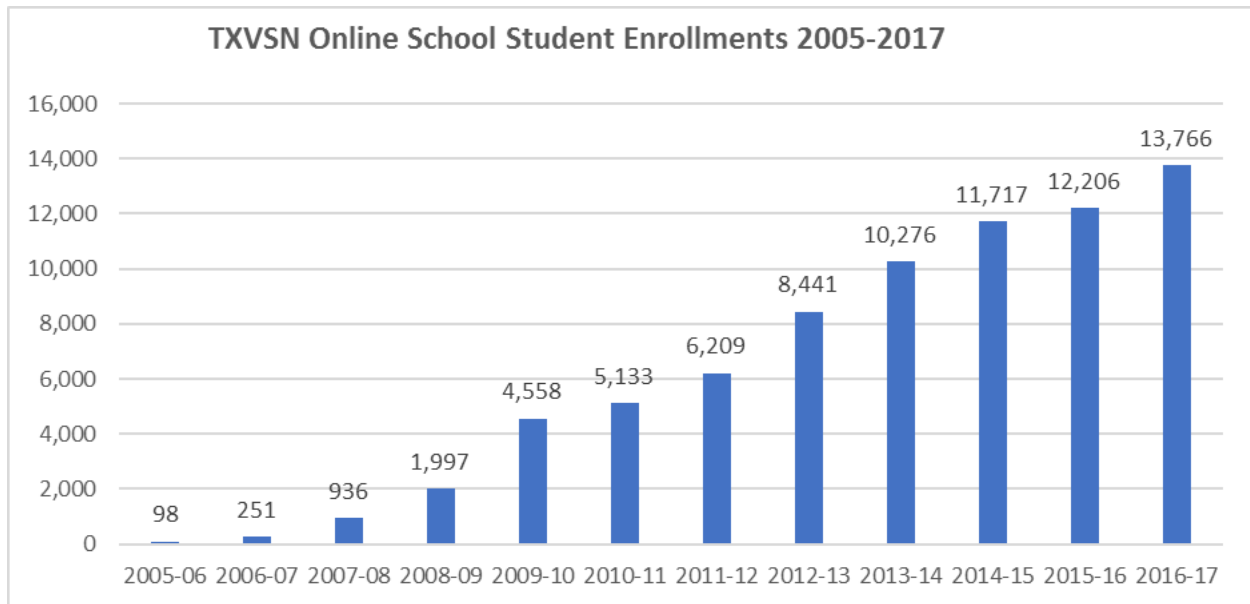
The Senate Committee on Education (committee) held a hearing on April 4, 2018, and received both invited and public testimony on its virtual education charge. A digital recording of the hearing is available via the committee's website.

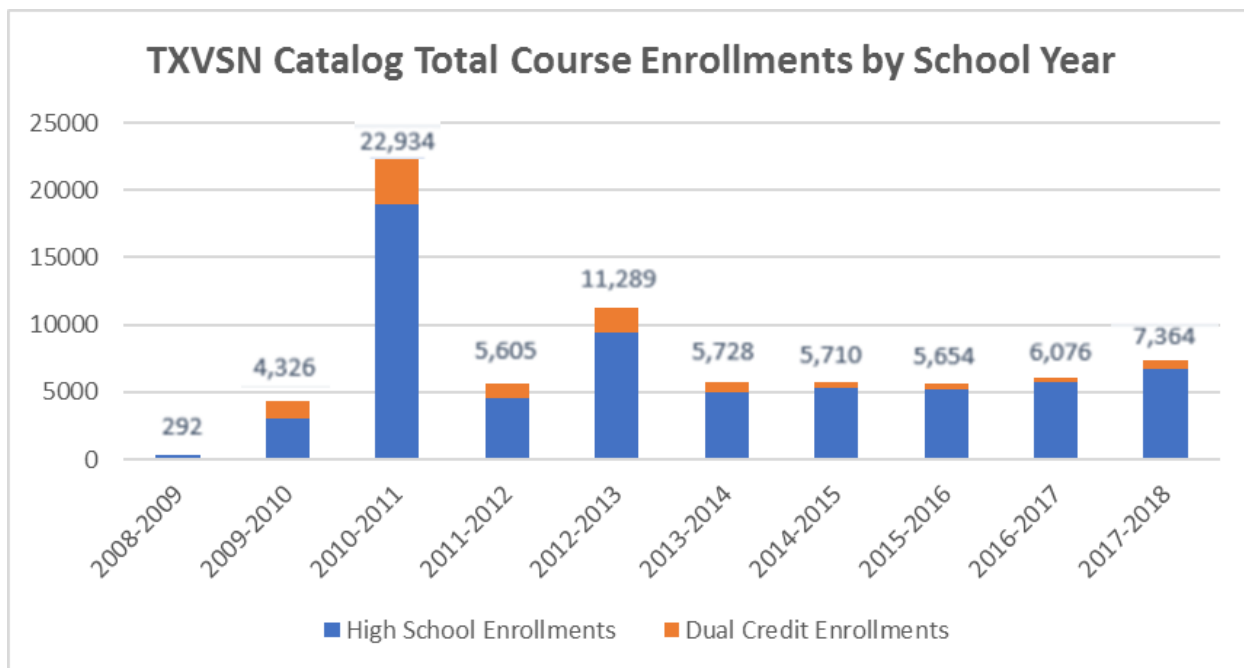
The hearing included invited testimony from the following individuals:

- Bryce Adams, Vice President of State Relations, Connections Academy
- Tillie Elvrum, Parent and President, Public School Options
- Amy McGrath, Chief Operating Officer, ASU Prep Digital
- Monica Martinez, Associate Commissioner for Standards and Programs, Texas Education Agency

SUMMARY:

Monica Martinez of TEA testified regarding the transition of operations of the Texas Virtual School Network (TXVSN) from Education Service Centers to the Texas Education Agency. The TXVSN has a full-time online schools program where students are enrolled and receive instruction online. In addition, Texas has a statewide course catalogue, which has supplemental high school courses available to all Texas high school students. In the 2016-2017 school year 13,766 students were enrolled in 5 full-time online campuses.





According to TEA, significant cost savings were achieved with a decrease in the appropriation from \$4,000,000 per year in the 2016-2017 biennium to \$400,000 per year in the 2018-2019 biennium. The current appropriation does not support the following statutorily required activities:

- Review and approval of electronic courses (TEC, §30A.105)
- Non-profit entity, private entity, corporation review (TEC, §30A.101(c))
- Informed Choice Reports Public access to user comments (TEC, §30A.1021)
- Student performance information (TEC, §30A.054)
- Verification of successful completion by a teacher of required appropriate professional development (TEC, §30A.1111(b))
- Review of professional development courses (TEC, §30A.1121(b))

The operating costs of the state virtual school network may not be charged to a school district or open-enrollment charter school. If the agency determines that the costs of evaluating and approving a submitted electronic course will not be paid by the agency due to a shortage of funds, the entity that submitted the course for evaluation and approval may pay a fee equal to the amount of the costs in order to ensure that evaluation of the course occurs. (TEC, §30A.105(d)).

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Appropriation	\$ 4,000,000	\$ 4,000,000	\$ 400,000	\$ 400,000	\$600,000*	\$600,000*

*Needed with authority to collect and use \$400,000 in course review fees.

LBB Performance Measure	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Course Enrollment through TXVSN (2.2.1.OP.1)	22,934	5,605	11,289	5,728	5,710	5,654	6,076
Percent of Successful Course Completions through TXVSN (2.2.OC.6)	66.93%	78.34%	76.53%	78.91%	86.41%	91.59%	89.76%

TEA listed TXVSN statutory considerations which may act as barriers to more robust online offerings:

- TEC, §26.0031
 - (c) A school district or open-enrollment charter school may deny a request to enroll a student in an electronic course if:
 - (3) The district or school offers a substantially similar course.
- TEC, §30A.153
 - (a-1) For purposes of Subsection (a), a school district or open-enrollment charter school is limited to the funding described by that subsection for a student's enrollment in not more than three electronic courses during any school year, unless the student is enrolled in a full-time online program that was operating on January 1, 2013.
- TEC, §30A.1042
 - (a) The administering authority may enter into an agreement with one or more other states to facilitate course approval. (b) An agreement under this section

must ensure that any course approved in accordance with the agreement: (1) is evaluated to ensure compliance with Sections 30A.104(a)(1) and (2) before the course may be offered through the state virtual school network; and (3) meets the requirements of Section 30A.104(a)(3).

- TEC, §30A.155
 - (c) The amount of a fee charged a student under Subsection (a), (a-1), or (b) for each electronic course in which the student enrolls through the state virtual school network may not exceed the lesser of:
 - (1) the cost of providing the course; or (2) \$400.

Bryce Adams, Vice President of State Relations for Connections Academy, testified to the students and districts Connections Academy served and noted that around 7,000 courses were delivered via TXVSN, and mentioned this was a small number nationally. Mr. Adams noted barriers to higher participation through the TXVSN including:

- Course approvals by TEA are not currently open. 26 courses that are new, updated, or in need of renewal have no avenue for approval.
- Students who were not previously enrolled in a Texas public school in the previous year are not eligible to utilize on-line courses.
- Substantially similar course enrollment can be blocked by school districts.
- Leverage the broadband networks being provided to school districts by state and federal funds and prevent school districts from being able to opt out of TXVSN options.
- Update attendance policies to ensure formula funding funds students enrolled in non-traditional and on-line courses.

Ms. Martinez also noted that funding through the TXVSN is awarded based on successful completion, however online courses outside of the TXVSN are funded by regular average daily attendance. She also added that TEA does not have statutory authority to offer virtual classes for students enrolled in kindergarten through 2nd grade, and that school districts do have the authority to certify online courses are aligned with Texas Essential Knowledge and Skills requirements and request a waiver from the Commissioner of TEA to offer the course.

Amy McGrath, Chief Operating Officer ASU Prep Digital, testified to the national scope of online learning. Ms. McGrath noted the use of "learning nodes" as an effective and measurable alternative to course completion in establishing content mastery, and mentioned the need to be innovative in course design and adoption to create the right conditions for non-traditional classrooms to reach their full potential. Lastly, Ms. McGrath mentioned disparity between K-12 and higher education implementation of virtual classes should be considered in future course design.

Regarding its interim charge on virtual school networks, the committee makes the following policy recommendations:

- Explore legislation to update funding models for students enrolled in on-line courses. Appropriate funds to ensure that TEA is able to meet the requirements.
- Review the requirement that a student be enrolled in a public school for one year prior to enrolling in a Texas Virtual School Network.
- Explore alternatives to course completion to demonstrate student mastery of a content area.

Review current statute on the virtual school network and examine updating the framework to ensure high-quality providers meet the education needs of online learners.

INTERIM CHARGE 6

Dual Credit: Review dual credit opportunities throughout the state, examining the impact of HB 505 (84th Legislature) on students in particular. Look at the outcomes of statewide studies completed in Texas regarding dual credit, and examine the current rigor of dual credit courses, as well as how to improve advising for students in dual credit. (Joint Charge with Senate Higher Education)

The Senate Higher Education Committee heard testimony regarding this charge on September 12, 2018. The hearing included invited testimony from the following persons:

- Raymund Paredes, PhD, Commissioner, Texas Higher Education Coordinating Board
- Lilly Laux, Associate Commissioner of School Programs, Texas Education Agency
- Tedd Holladay, Analyst, Public Education Team, Legislative Budget Board
- Emily Schmidt, Analyst, Higher Education Team, Legislative Budget Board
- David Troutman, PhD, Associate Vice Chancellor, Institutional Research & Decision Support, University of Texas System
- Trey Miller, PhD, Principal Researcher, American Institutes for Research
- Jacob Fraire, PhD, President and CEO, Texas Association of Community Colleges
- Robert Riza, PhD, President, Clarendon College
- Elizabeth Ozuna, Director of Advanced Academics, San Antonio Independent School District
- Israel Cordero, Deputy Superintendent, Dallas Independent School District
- Kai Bouchard, Principal, Robert Turner Career College and High School, Pearland Independent School District
- Lonnie Howard, PhD, President, Lamar Institute of Technology
- Steve Head, PhD, Chancellor, Lone Star Community College System
- Mike Meroney, Texas Association of Manufacturers
- Daniel P. King, PhD, Superintendent, Pharr-San Juan-Alamo Independent School District
- Leticia Adams, Team Lead-Advising, San Antonio College, Alamo Community College District
- Jennifer Saenz, MEd, Associate Director of Strategic Partnerships and Outreach, Texas OnRamps, University of Texas at Austin
- Melanie Storey, Senior Director, Higher Education & Student Aid Policy, The College Board

SUMMARY:

The role dual credit should play in the state's high schools has been a topic of discussion for many interim in Texas. While Texas has one of the most robust dual credit enrollments in the nation, the Legislature continues to monitor its effectiveness to ensure expansion of dual credit is in a student's best interest. The Senate Education Committee and Senate Higher Education Committee began their joint interim charge by hearing first from Raymund Paredes, PhD, Commissioner, Texas Higher Education Coordinating Board (THECB). Commissioner Paredes gave an update on dual credit programs in the state of Texas. The THECB defines dual credit as a system under which an eligible high school student enrolls in a college course and receives credit for the course from both the college and the high school. Except for dual credit offered through an Early College High School (ECHS), dual credit must be in the core curriculum at the institution of higher education, a career and technical education (CTE) course, or a foreign language course. Commissioner Paredes stated that decisions about who pays tuition, fees and other costs for dual credit are made at the local level.

Institutions are allowed to waive all, part, or none of the mandatory tuition and fees for dual credit courses. Additionally, state law requires all school districts to offer students a minimum of twelve hours of college credit while in high school.

Commissioner Paredes noted that the dual credit enrollment in 2007 was 64,910 and in 2017 was at 151,669, an increase of 57 percent. He also stated that dual credit enrollment represented ten percent of all higher education enrollment in 2017. Of particular interest is the increase of economically disadvantaged students enrolling in dual credit. In 2007, 25 percent of economically disadvantaged students enrolled in dual credit; by 2017 that percentage was up to 37 percent.

Commissioner Paredes also testified concerning the benefits of dual credit completion in higher education. For example, he noted that students who enroll in dual credit have higher four-year and six-year graduation rates than those who do not participate in dual credit. Additionally, dual credit students take approximately 4.3 years to graduate with a bachelor's degree, where non-dual credit students graduate in approximately 5.1 years. Innovative programs, such as CTE ECHS, allow students to enter high-skill, high demand workforce fields immediately upon high school graduation while also earning a high school diploma. Commissioner Paredes stated that in response to House Bill (HB) 5 from the 83rd Legislative Session, the THECB, Texas Education Agency (TEA) and Texas Workforce Commission (TWC) have awarded grants to institutions and school districts to develop ECHS with a CTE focus. Approximately 16 percent of dual credit courses offered are CTE dual credit.

Commissioner Paredes also cautioned that about one in five students in academic dual credit have not demonstrated college readiness in at least one subject. These students are either accessing dual credit through a dual credit eligibility waiver or are taking an academic dual credit course which does not require demonstration of college readiness

through Texas Success Initiative (TSI) to enroll. Commissioner Paredes laid out three recommendations to strengthen student success in dual credit. First, he stated students should be required to demonstrate college readiness as prescribed by TSI which includes the SAT, ACT and TSI-Assessment (TSIA) in the academic dual credit courses they propose to take. Secondly, he recommends identifying a means for public high school students to have the opportunity to take the TSIA, SAT or ACT free of charge at an appropriate point in their high school pathway. He added that any funding should be a "last dollar" effort intended to complement free or subsidized testing opportunities. Finally, Commissioner Paredes recommended expanding the current requirement for students enrolled in academic dual credit to file a degree plan at 30 semester credit hours (SCH) and to also require institutions document compliance.

Commissioner Paredes stated that the THECB is working on Fields of Study Curriculum (FOSC) to ensure that students know which courses will transfer and be applied to a degree. He also mentioned the importance of advising, both at the high school and higher education level, which if improved, will help aid in the transfer of course credit. He also stated that students do not know the difference between the core curriculum and what courses are required for a major.

Commissioner Paredes summarized his belief that the state has more work to do on dual credit academic rigor. He discussed the dual credit study commissioned by THECB, explaining that the study found that the levels of rigor in courses taught by high school faculty, adjunct faculty and community college faculty are essentially equivalent. He stated that this was a promising conclusion. However, the study did not determine if the levels of rigor were high enough to prepare students adequately to take a full range of college courses. Commissioner Paredes also said that the biggest barrier for economically disadvantaged students to access dual credit is adequate preparation. Senator Seliger stated that dual credit and ECHS will be one of the greatest advances going forward dealing with cost and accessibility of higher education.

Senator West referenced HB 1638, passed during the 85th Legislative Session, which required a report be completed and provided to the Legislature relating to statewide goals for dual credit programs provided by school districts. Senator West stated that the bill required THECB and TEA to develop and align goals for all dual credit courses and to provide standards on evaluating those courses. Rex Peebles, PhD, Assistant Commissioner, Texas Higher Education Coordinating Board, noted HB 1638's requirement for THECB and TEA to develop goals and objectives that would be reflected in the memoranda of understanding (MOU) signed between independent school districts (ISD) and institutions of higher education offering dual credit. Dr. Peebles stated that any dual credit arrangement between an ISD and institutions of higher education has to be in the form of an MOU, and these goals and objectives will be added to the MOU. Lilly Laux, Associate Commissioner of School Programs, Texas Education Agency, agreed, noting that TEA is working with THECB to develop these goals and objectives.

Commissioner Paredes stated that the short shelf life of articulation agreements has become problematic. In order for articulation agreements to work, a significant number of

staff at both the receiving institution and the sending institution must be responsible for ensuring courses are current due to majors changing so frequently.

After the conclusion of the joint hearing, both the THECB and TEA released four objectives and goals. The first goal is for ISDs and institutions of higher education to implement purposeful and collaborative outreach efforts to inform all students and parents of the benefits and costs of dual credit, including enrollment and fee policies. The second goal is for dual credit programs to assist high school students in the successful transition to and acceleration through postsecondary education.

The third goal is to have all dual credit students to receive academic and college readiness advising with access to student support services to bridge them successfully into college course completion. The fourth and final goal is for the quality and rigor of dual credit courses to be sufficient to ensure students success in subsequent courses.

Lilly Laux, Associate Commissioner of School Programs, Texas Education Agency, testified on TEA's role in the administration of dual credit programs in high schools. She stated that there are many variations of dual credit programs that differ by location, the setting in which the course is taught, the type of instructor delivering the course, the method of delivery and other classmates in the course.

Ms. Laux stated that the credentialing for the instructor is the same, no matter the location. The Texas Administrative Code requires that all dual credit instructors be college faculty or meet the same standards and approval procedures as college faculty.

Ms. Laux discussed the College and Career Readiness School Models that is a network of ECHS, Texas Science, Technology, Engineering and Math Academies (T-STEM), Industry Cluster Innovative Academies (ICIA) and Pathways in Technology Early College High Schools (P-TECH). These models all have the essential partnerships between an institution of higher education and an ISD. Additionally, T-STEM, ICIA and P-TECH all focus on the partnership with workforce to ensure labor market alignment, workforce partnerships, and work- based learning experiences. All of these models are designed to provide dual credit at no cost to students, offer rigorous instruction and accelerated courses, provide academic and social support services to help students succeed, increase college readiness and reduce barriers to college access.

Ms. Laux identified two challenges around dual credit. The first is that dual credit costs are challenging to determine partly because costs vary across the state due to variations in tuition and fee arrangements. She stated the costs include: tuition and fees (including instructor costs), textbooks, transportation and the TSI Assessment. The second challenge is the applicability of credits toward a degree because TEA is not able to track core curriculum courses that are transferable because the core curriculum varies among dual credit providers. Ms. Laux testified that although the core curriculum is guaranteed to transfer, they may not transfer to the specific degree plan for the student, depending on to which institution they transfer.

Senator Watson asked Ms. Laux what is needed in order to determine the true cost of dual credit. She stated that TEA does not collect data on the cost of dual credit because those decisions are made by community colleges and ISDs at the local level. Ms. Laux stated that one of the components of HB 1638 requires ISDs and community colleges to post the cost of dual credit to students on their websites in an effort to be as transparent. Ms. Laux recommended TEA administer a comprehensive survey to determine the cost of dual credit, including the cost arrangements and who is bearing the cost of the program.

Tedd Holladay, Analyst, Public Education Team, Legislative Budget Board (LBB), gave an overview of funding for dual credit programs located at TEA. Mr.

Holladay stated that the Foundation School Program (FSP) is the principal vehicle for distributing state aid to school districts, which in turn use state funds, local property tax revenue, and federal funding to provide education services to students. The amount of funding provided through the FSP to school districts and charter schools does not change for attendance in dual credit or non-dual credit courses.

Therefore, the same rate of funding would be attributable to attendance in dual credit and non-dual credit courses.

In addition to the FSP, TEA was provided \$14.6 million in the current biennium for the Texas Advanced Placement (AP) Initiative, with the goal of prioritizing examination fee subsidies for students. The Legislature also appropriated \$6 million for ECHS to support programs which allow students who are less likely to attend college to earn a high school diploma and up to 60 SCH. The University of Texas at Austin (UT Austin) OnRamps program was appropriated \$4 million to reimburse districts for costs related to students taking OnRamps Dual Enrollment courses. Lastly, Mr. Holladay highlighted that the Legislature appropriated \$5 million for P-TECH program costs associated with beginning the program.

Emily Schmidt, Analyst, Higher Education Team, Legislative Budget Board, provided an update on dual credit funding through higher education formulas. Ms. Schmidt stated that dual credit programs are included in formula funding calculations for General Academic Institutions (GAI) and community colleges. For dual credit SCH earned at a GAI, they are included in the Instruction and Operations (I&O) Formula and funded at the same rate as non-dual credit SCH. LBB estimates that this biennium there will be 99,615 SCH taken by dual credit students. For community colleges, dual credit contact hours are included in the contact hour formula and are also funded at the same rate as non-dual credit contact hours. LBB estimates that 26,627,398 contact hours will be taken by students this biennium.

Ms. Schmidt also listed which GAIs receive funding to support dual credit programs through non-formula support items. The first is housed at UT Austin where \$16 million was appropriated to support Texas OnRamps program.

University of Texas at Arlington (UT Arlington) was appropriated \$39,227 for the

biennium to house the Science Education Center to support pre-service secondary STEM teacher preparation through UT Arlington's UTeach program. Also at UT Arlington is the Mexican-American Studies program which received \$41,039 for this program. University of Texas El Paso was appropriated \$100,000 for the El Paso Collaborative for Academic Excellence for UT-El Paso, El Paso Community College and school districts to assist in preparing high school students for college. University of Texas Rio Grande Valley received \$71,697 from the state to facilitate the UT System K-12 Collaborative Initiative to promote and prepare South Texas high school students for success with a focus on dual credit outreach. Angelo State University received \$1.5 million over the biennium for the Freshman College which is designed to assist new students with transition to college and to develop a dual credit advising model for students who have completed over 15 dual credit hours from Angelo State University. The final non-formula support item was for \$100,000 this biennium and appropriated to the Spindletop Center for Excellence in Teaching Technology at Lamar University, which provides content to the SouthEast Texas Telecommunications Education Network.

David Troutman, PhD, Associate Vice Chancellor, Institutional Research & Decision Support, University of Texas System (UT System), shared the findings that UT System and Texas Association of Community Colleges (TACC) set forth when the two institutions jointly announced the creation of the Dual Credit Task Force. Dr. Troutman only surveyed students attending institutions of higher education within the UT System. Dr. Troutman stated that 39 percent of the entering freshmen class at the UT System academic institutions have some dual credit. One out of every five students have entered into a UT System institution with an AP or International Baccalaureate (IB) credit. One in every ten students have both dual credit and AP or IB credit. Dr. Troutman compared students with one to fifteen dual credit hours, 16 to 30 and 31 to 59 hours. He stated that even though the number of hours did not have an impact on retention, it did predict a student's four, five and six year graduation rates.

Students with 16 to 30 dual credit hours are 1.4 times; students with 31 to 59 hours are 1.9 times; and students with 60 hours or more are 4.9 times more likely to graduate in four years than students who had taken 1 to 15 dual credit hours. Dr.

Troutman stated that the key takeaway is that there is no "sweet spot" for the ideal number of dual credit hours students should take to be successful. Dr. Troutman testified that in the study, as it relates to access and equity, early data indicates that dual credit is an important contributor to successfully reaching the goals of 60x30TX. Dr. Troutman stated that statewide equity gaps exist for certain student populations in terms of access eligibility, enrollment and participation.

Regional equity gaps exist due to geographic variance in access to programmatic models, infrastructure and faculty, proximity to institutions of higher education, and availability of funding, with some gaps being more pronounced in rural parts of the state. CTE programs have distinct equity challenges, and the quality and funding components are exacerbated because of their high costs, especially the need for qualified teacher and industry partners. Dr. Troutman stated that as it relates to funding, there is a great variance in how dual credit courses are funded across Texas and in who bears the cost,

ranging from colleges, school districts, and/or parents and students. He also stated that there is a growing need to increase funding for CTE programs.

Dr. Troutman stated that the last area of findings is surrounded by the issue of course alignment. He stated that the implementation of dual credit programs differs based on agreements between institutions of higher education and school districts, and there is no statewide model of where and how most courses are taught. Dr.

Troutman found that the lack of a coordinated, statewide infrastructure inhibits meaningful communication among stakeholders.

Dr. Troutman also provided many recommendations including establishing and funding a dual credit advisory committee with stakeholders from K-12, higher education, and workforce, including the TEA, the THECB and the TWC. Another recommendation is for the dual credit advisory committee to establish equity goals distinct to dual credit and in support of the targets and strategies in 60x30TX, specifically for economically disadvantaged, African-American, Hispanic and male students. Additionally, the report recommends for high schools and institutions of higher education to align dual credit courses to endorsements, established in HB 5, as well as Field of Study Curricula for academic transfer courses, and Programs of Study for career and technical courses. The last recommendation the report states is to require colleges to provide advising to dual credit students upon entry and at 15 SCH. Upon entry, advising should provide students with clear information on college and career paths.

Trey Miller, PhD, Principal Researcher, American Institutes for Research (AIR), provided an overview of findings from AIR's study on dual credit education programs in Texas which was conducted on behalf of the THECB. Dr. Miller stated that the study's overall findings make it clear that dual credit is a worthwhile investment for Texas high school students and the state of Texas. Dr. Miller stated that the study determined that dual credit courses increase the overall chances that students will enroll at a GAI by 2.4 percent and increase the chances that these students will earn a degree by 1.1 percent. Dr. Miller stated that based on a limited set of College Algebra and English Composition courses delivered for dual credit and college credit only, the study found that the instructors teaching dual credit courses and those teaching college credit-only courses delivered similar content and assessed students using similar metrics and standards. In the report, Dr. Miller also stated that low-income students and minority students benefitted less from dual credit education delivered in a traditional high school setting when compared with affluent and white students.

High school guidance counselors and college advisors who participated in the AIR study reported that the cost of tuition and textbooks often deters students from considering and pursuing dual credit courses. The study concluded that although many community colleges absorb all or part of the tuition costs for low-income students, some do not. Dr. Miller also noted that college advisors and high school counselors face challenges to ensure that dual credit courses taken lead to a degree at an institution of higher education. He stated that advisors and counselors lack the information needed to help ensure dual credit students can transfer credits toward major requirements. Senators Seliger, Bettencourt and West expressed concern for the methodology used that Dr. Miller

presented, particularly the exclusion of ECHS in the study.

Jacob Fraire, PhD, President and CEO, Texas Association of Community Colleges (TACC), testified that when Dr. Miller and Dr. Troutman presented their findings of each of their respective studies to TACC, they stated that there were no academic issues in regard to rigor. Dr. Fraire stated that the most important issues when it comes to dual credit courses, is the transferability of those courses to a degree plan, and the adequate advising that needs to take place in order for students to take courses that apply to a degree. He stated that there is unequivocally room for improvement with regard to advising. Dr. Fraire stated that within all dual credit students in Texas, 44 percent of them attend an ECHS.

Dr. Fraire provided recommendations from TACC with regard to dual credit. TACC's first recommendation is to create a statewide commission on dual credit, which would include the TEA, THECB, TWC, higher education and business stakeholders, ISDs, and researchers. The next recommendation would be to establish a state goal for dual credit to be by 2030, where no less than 30 percent of high school graduates will have earned at least 12 SCH in dual credit. Another recommendation is to require that dual credit students declare a meta-major or field of study upon completion of 12 SCH in core academic subjects or declare a career path upon completion of 12 SCH in CTE.

TACC also recommends to broaden dual credit access by expanding student eligibility for the Texas Education Opportunity Grant (TEOG) program to high school students enrolled in dual credit for up to 12 SCH in core academic transfer subjects or in CTE dual credit courses leading to certification. Dr. Fraire recommends the state continue academic dual credit access for high school sophomores, juniors and seniors who demonstrate college readiness.

Robert Riza, PhD, President, Clarendon College, testified on the successes of Clarendon College's dual credit program. He stated that in the spring of 2014, the headcount at Clarendon College was 338 students and this year it is at 739 students. President Riza noted that Clarendon College's graduation rate of dual credit students that finish a bachelor's degree in four years or less is at 39 percent and that the five-year graduation rate is 49 percent. He testified that academic advising is driven by the core curriculum, not only at Clarendon College but also for the institution's dual credit courses. Clarendon College's three-year transfer graduation rate, predominately to Texas Tech University and West Texas A&M University, is 70 percent.

President Riza stated although there are no ECHS in the eastern panhandle, the impact of HB 505 is tremendous. HB 505 has allowed some ISDs to create pathways to allow some of their students to finish with an associate's degree while still in high school. For example, due to HB 505 Clarendon College has had 28 students complete a CTE certificate last year while they were still in high school. President Riza stated that their dual credit headcount has increased 225 percent over the last five years, while SCH has increased 250 percent.

Elizabeth Ozuna, Director of Advanced Academics, San Antonio Independent School District (SAISD), provided an overview of SAISD's demographics and how it relates to dual credit programs that are offered at SAISD. Ms. Ozuna stated that SAISD has three ECHS, two of which are standalone campuses and one that is housed at a comprehensive high school. Ms. Ozuna stated that SAISD has a growing AP program, with over 30 courses that are currently offered to students.

Ms. Ozuna also testified that 80-90 percent of students attending SAISD's free- standing ECHS, earned an associate degree prior to completing high school. At SAISD's comprehensive ECHS, 85 percent of those students are on track to earn an associate degree as well. SAISD partners with three Alamo Community College campuses to offer dual credit and CTE dual credit.

Additionally, SAISD partners with University of Texas at San Antonio (UTSA) to offer dual credit courses and college pathways to allow students to transfer seamlessly from their high school course plan to their major. Ms. Ozuna gave two examples, describing how dual credit hours transfer to the construction management degree and bilingual education degree at UTSA. Ms. Ozuna stated that about 26 percent of SAISD students take one or more dual credit courses, and 80 percent of those students earn passing grades. Ms. Ozuna stated SAISD's cost sharing model with their higher education partners is an expensive investment for the district because SAISD pays for tuition, fees and books for their dual credit students.

Israel Cordero, Deputy Superintendent Academic Improvement and Accountability, Dallas Independent School District (DISD), gave an update on DISD's partnership with Dallas County Community College District (DCCCD) as it relates to HB 505 in creating the P-TECH program in Dallas. Mr. Cordero stated that this partnership's main goal is to help propel Texas to achieve the goal of 60x30TX. Mr. Cordero stated that prior to two years ago, there were only five ECHS in DISD. Since the enactment of Senate Bill (SB) 22, the creation of the P- TECH program, DISD and DCCCD have created 18 P-TECH programs. Of the 23 ECHS, Mr. Cordero stated that 20 of them are within a comprehensive high school. He stated that 400 to 500 students that attend each of those ECHS, and have a chance to earn both a high school diploma and associate's degree upon completing high school.

Mr. Cordero noted the structure of the P-TECH program, where the independent school district, the community college and an industry partner come together to offer relevant work experience. Mr. Cordero stated that DISD and DCCCD have 67 industry partners including American Airlines, IBM, Southwest Airlines, and Baylor, Scott & White. The industry partners sign inter-local agreements stating that when the students earn their associate degree, they have preferential interview status. Mr. Cordero stated that American Airlines has 28 full time employees that are located at Adamson High School to support students with mentoring, work-site visits, internships to ensure students take part in the opportunities American Airlines has to offer.

Each P-TECH school has two to seven industry partners. Mr. Cordero stated that, through scholarships, DCCCD pays for tuition for the ECHS students and DISD pays for textbooks. Dr. Cordero then highlighted the Dallas County Promise, which enables students to enter into a contract with DISD and DCCD at participating high schools to give them three years of tuition scholarships at community colleges within DCCCD if the students fill out the Free Application for Federal Students Aid (FAFSA). Students may also matriculate to a four-year institution, primarily the University of North Texas at Dallas, where they may earn a bachelor's degree at no cost. Mr. Cordero testified that last year 31 high schools in DISD participated in the Dallas County Promise.

Kai Bouchard, Principal, Robert Turner Career College and High School (Turner), Pearland Independent School District (PISD), gave an overview of the school and the efforts that PISD is pursuing to help students earn an associate's degree while in high school. Principal Bouchard stated that the high school's demographics are 40 percent white, 40 percent Hispanic, eight percent Asian, and eight percent African American, with approximately 37 percent of students that are eligible for free or reduced lunch. Principal Bouchard testified that each high school student in the district has the choice to either attend a comprehensive high school for which they are zoned, or they are able to apply to Turner.

Turner offers fifteen specialized CTE pathways, in addition to the dual credit program. Principal Bouchard stated that Turner is currently at full capacity and 80 to 90 students earn their associate degree in general studies from Alvin Community College each year. Last year, of the 233 seniors that graduated from Turner, 44 percent earned more than 30 SCH through dual credit and 30 percent of graduates earned more than 60 SCH and their associate degree. Alvin Community College sends their faculty to teach on Turner's campus to teach all of the 28 dual credit classes offered. Principal Bouchard stated that the success of the program is partly due to an on-campus, full-time advisor at Turner that is an Alvin Community College advisor.

Principal Bouchard highlighted that the best part of the dual credit program is the relatively low cost of tuition paid by the student because classes are taught on the high school campus, where students pay approximately \$170 per course. By the time students graduate from Turner, they have paid less than \$5,000 for an associate degree. Principal Bouchard also emphasized the 15 CTE pathways that Turner offers. He testified that each of the pathways offer at least one certification once a student completes the CTE sequences. Last year, students at Turner tested for over 40 different credentials and earned 661 industry credentials. Students use these credentials for internship opportunities or the ability to start a career upon graduating from high school.

Lonnie Howard, PhD, President, Lamar Institute of Technology (LIT), discussed LIT's partnership with Beaumont ISD and the creation of an Industry Cluster Innovative Academy (ICIA). President Howard stated that this model is the next iteration of the ECHS model. He also said that in southeast Texas, since the economy is driven by the petrochemical industry, there is a large need for qualified, skilled workers. Due to such a need, in 2017, Beaumont ISD's Austin Innovation Center for Petroleum and Refining

Academy (Austin Innovation Center) was one of the first of 18 ICIA's with a cohort of 40 students. Beginning in the 9th grade, students can earn up to 21 SCH of a 60 SCH Process Operating Technology degree or up to 25 SCH of 60 SCH for a Instrumentation Technology degree.

Due to strong industry partnerships with ExxonMobil, BASF, Huntsman, and Air Products, students at the Austin Innovation Center may connect with experts for internships. President Howard testified that after earning a certificate or two-year degree, students have the capacity that obtain entry-level salaries in excess of \$70,000. He also stated that the ICIA model helps to change student's lives, meets the needs of business and industry, and drives the state's economy.

Steve Head, PhD, Chancellor, Lone Star Community College System, provided an overview of dual credit taken at Lone Star College (LSC) and the impact of HB 505. Chancellor Head stated that LSC educates 16,000 students through dual credit courses. Additionally, LSC charges \$63 per course offered. Chancellor Head testified that LSC enrolls less than 300 ninth and tenth grade students in dual credit and has found that even though some ninth and tenth graders are mature enough to take college-level courses, while some are not.

In LSC's service area there are 61 high schools, ten ECHS and the completion of one P-TECH facility. Chancellor Head also discussed strategies that LSC has implemented to help dual credit students earn credit that is applicable to a degree. First, LSC helps students have a specific plan for their courses to create a pathway so they know where they are going and how to get there. LSC also maintains high standards for all students and instructors to ensure dual credit students are prepared to attend an institution of higher education after high school. Lastly, LSC builds strong relationships with partner school districts.

Chancellor Head provided the committees with recommendations to support dual credit success. His first recommendation was that students should be provided a clear plan of the courses they need in order to complete their post-secondary credential which also outlines their opportunities for transfer to a four-year institution or the workforce. He also recommended creating specific advising milestones along a students pathway to credential completion. Additionally, he recommended that ISDs and community colleges improve dual credit communication with students and families to enable informed decisions. The last recommendation he provided is to expand ECHS model for under-represented student populations.

Senator Bettencourt provided committee members with data on the impact of SB 1004 from the 84th Legislative Session, relating to courses and programs offered jointly by certain public junior colleges and independent school districts. SB 1004 allowed the Houston Independent School District (HISD) and other school districts in Harris County, and surrounding counties, to contract with any of the 10 community college districts in

the region to provide dual credit programs. Senator Bettencourt noted that there has been a 45 percent increase in dual credit enrollment at Houston Community College, 54 percent increase at Lee College, a 40 percent increase at Lone Star College and 70 percent increase at San Jacinto College.

Mike Meroney, Texas Association of Manufacturers, testified on the importance of dual credit, specifically CTE for the benefit of many large employers in the state. Mr. Meroney stated that the Association of Manufacturers support policies that encourage Texas' public education and higher education systems to better align with the diverse workforce needs of employers. He also testified on the importance of data-sharing of workforce opportunities to students, parents, advisors, counselors, teachers and administrators. Mr. Meroney highlighted the importance for the state to have a fair and transparent public school accountability system that does not diminish or de-emphasize CTE. Mr. Meroney stated that there also needs to be a significant improvement in advising to better ensure students are taking the correct dual credit and CTE courses that lead to a degree or certification.

Daniel P. King, PhD, Superintendent, Pharr-San Juan-Alamo Independent School District (PSJAISD), discussed the ECHS model success that PSJAISD has developed. Superintendent King stated that at all high schools in the district, students are able to earn their associate degree while in high school. He testified that this model focuses on building career pathways "to and through" postsecondary completion and that PSJAISD employs districtwide pathways aligned to degree plans and certifications, and students are able to be enrolled in specialized programs that are clustered at various high schools. Superintendent King stated that in 2007 the four year graduation rate was 62.4 percent, and in 2017 it was up to 91.5 percent.

He then discussed PSJAISD's comprehensive approach to advising, which is centered around the Student Success Team. Within the Student Success Team, all PSJAISD high school counselors are certified by the National Academic Advisory Association. A positive result of the close relationship PSJAISD has with South Texas College (STC) allows the ISD's counselors to be trained by STC staff which makes them better able to advise on the college level. Also within the team are Early College Directors, who receive training from STC faculty and are placed at each high school who are also a financial aid officer. This partnership helps take some of the college advising burden off of the high school counselors. There is also a college transition specialist at each high school to help the student transition during their senior year and during the summer to reduce "summer melt," where seniors do not then matriculate into college, and to support them to and through their first year of college.

Finally, the STC high school programs and services division as well as student affairs division work hand in hand with PSJAISD. Superintendent King stated that the PSJAISD college transition specialist has an on-campus office at local colleges or universities to allow students who choose to attend the ability have a sense of familiarity. In 2017, PSJAISD graduated 2051 students, 70 percent of which had some dual credit or CTE

earned, 50 percent had 12 to 29 SCH, 30 percent had 30 to 59 SCH earned, 16 percent had more than 60 SCH, 15 percent earned an associate's degree and ten percent earned a certificate.

Melanie Storey, Senior Director, Higher Education & Student Aid Policy, The College Board, gave an overview on the AP program in Texas. Ms. Storey stated that the AP program serves 318,000 students in Texas, 100,000 more students than those enrolled in dual credit courses. The College Board convened a College Credit in High School Working Group to equip policymakers and program leaders to promote and invest in the most effective advanced coursework. The working group identified three primary pillars to address a strong college credit high school program. The pillars include: program quality and accountability, value for time and dollars invested, equity and access and transparency around credit transfer.

Ms. Storey stated that dual credit programs and AP share the same goal of delivering opportunities for students to get a head start on their college education. Ms. Storey referenced the AIR Dual Credit Education Study that found that students who enroll in AP and dual credit, experience the largest gains in postsecondary success. Since the passage of HB 1992 in 2015, Ms. Storey testified that colleges and universities grant college credit with a score of 3 or better which this has translated to over \$265 million in total tuition savings for students in 2017.

Leticia Adams, Team Lead-Advising, San Antonio College, Alamo Community College District, provided an overview of best practices on advising at San Antonio College (SAC) and Travis ECHS in San Antonio. Ms. Adams stated that the faculty collaborate frequently between SAC and Travis ECHS, where SAC faculty is specifically selected to teach at Travis ECHS. Another beneficial practice is to ensure a caseload management of one dedicated SAC Certified Advisor is assigned to each Travis ECHS cohort. She testified that advisors give progress reports for students on academic probation to prevent academic dismissal. SAC created a modified degree plan with the goal to obtain an associate degree, but if they do not, they are moved into a certificate program to ensure the student earns a credential. The modified degree plan allows SAC to concentrate on the courses that the students were taking and to ensure that students are on track to graduate.

SAC has developed a three-step intervention process to ensure student accountability and to take necessary steps to get student back on track the subsequent academic semester when necessary. SAC has also created individualized advising cards to ensure the students are enrolled in accurate coursework. Ms. Adams recommended students be required to identify their college major and transfer institution earlier in the academic process, implement more in-depth advising of chosen endorsement and to collaborate development of specific "boot camps" tailored to each grade level.

Jennifer Saenz, MEd, Associate Director of Strategic Partnerships and Outreach, Texas OnRamps, University of Texas at Austin, provided an overview on the dual enrollment

that UT Austin offers, as well as the professional development that it provides to educators across the state. Ms. Saenz stated that the Texas OnRamps mission is to increase the number and diversity of high school students that are engaged in high quality learning experiences which align with the expectations of leading institutions. Ms. Saenz stated that the Texas OnRamps model is significantly different than the traditional dual credit programs that are offered at most high schools.

The Texas OnRamps program is a dual enrollment program that offers students two separate courses, with two separate instructors, and two separate grades for the courses. This model ensures that students are being held to the same standard as traditional college students at UT Austin, with the same high rigor and quality courses. Texas OnRamps offers courses that are designed and overseen by UT Austin faculty who partner with high school teachers to deliver the courses. Texas OnRamps currently offers 13 core curriculum courses. Additionally, Texas OnRamps provides high quality professional development and deploys strategic partnerships, namely the Dual Credit Innovation Collaborative, to help facilitate the communication between other institutions of higher education to ensure student success. In 2011-12, Texas OnRamps enrollment was at 166 students enrolled.

This year, there are 30,192 students enrolled in Texas OnRamps and 53 percent of those currently enrolled are first generation students. Since the 2012-13 academic year, 11,700 students earned college credit that was transferrable to other institutions of higher education.

John Fitzpatrick, Executive Director, Educate Texas, submitted written testimony on policy recommendations to improve dual credit programs in Texas. Mr. Fitzpatrick testified that studies demonstrate that students who take dual credit courses outperform those that do not at a rate of 2.4. Mr. Fitzpatrick recommended the state require ISDs and institutions of higher education that partner with one another create common practice and terminology for high school counselors and college advisors related to dual credit and college readiness. He also recommended creating a map of the endorsements offered and dual credit courses that fit within those endorsements. Included in this map should be tools to assist counselors, students and families in endorsement and dual credit course selection. He also recommended the Legislature encourage the use of the elements of the TEA ECHS blueprint.

Additionally, he recommended to align dual credit courses to endorsements established in HB 5, FOSC for academic transfer courses and Programs of Study for career and technical courses. His last recommendation submitted was to require colleges to provide advising to dual credit students upon entry and 15 SCH. At 15 SCH, advising should include a map of the courses necessary to complete a postsecondary credential in a timely and affordable manner, and the map should not exceed the maximum number of transferable SCH.

Dee Carney, on behalf of the Texas School Alliance, submitted written testimony on five policy recommendations regarding dual credit. The first recommendation was to establish and fund a dual credit advisory committee that includes representatives from K-12, higher education and workforce, as well as TEA, THECB, and TWC. The goal of the committee is to develop policy solutions to address issues identified in the Report of the Dual Credit Task Force, organize and analyze relevant dual credit data, and coordinate and policy and programs in helping achieve the goals of 60x30TX. The next recommendation submitted by Texas School Alliance was that THECB and TEA should provide disaggregated dual credit participation data to school districts and institutions of higher education with the goal of assisting in identifying and measuring opportunity and making clear any achievement gaps. Texas School Alliance also recommends to increase CTE funding for equipment, faculty training and workforce alignment to provide students with hands-on experiences, access to most up-to-date equipment, and professional development and collaboration with industry experts and employers.

Another recommendation provided was for ISDs and institutions of higher education to align dual credit courses to endorsements established in HB 5, as well as academic transfer courses and Programs of Study for CTE courses in order to provide greater clarity about how many and what types of courses students will need to complete a postsecondary degree or credential. The last recommendation provided by Ms. Carney was for THECB, TEA and TWC to create a variety of online and print resources for counselors, students, and families that clearly communicate the types of dual credit, eligibility requirements and the cost and benefits of participating in dual credit programming to ensure equal access to information about dual credit.

As the joint hearing easily demonstrated, there are many methods of providing dual credit across the state. Equally, there are numerous programs that provide innovative ways to increase student success as well as initiatives to partner with workforce partners and four year institutions. A key component to the testimony and data provided was the role of advisors and counselors who assist students in making very important, but complicated decisions, about the most beneficial dual credit courses to a students' goal of completing a workforce credential or postsecondary degree.

Recommendations

- The Legislature should consider authorizing a study or survey to determine the cost of dual credit to institutions of higher education, independent school districts, as well as students and families, including contact hour, success point and property tax revenue support.
- The Legislature should require students to file a degree plan upon completion of 15 SCH of academic or career and technical dual credit earned and incentivize additional advising for dual credit students.
- The Legislature should study and evaluate whether CTE dual credit provides workforce certification pathways when possible. The Legislature should consider requiring TEA and THECB to develop a map of HB 5 endorsements which best align to individual dual credit courses, including Fields of Study Curriculum for academic dual credit and Programs of Study for CTE dual credit, in an effort to better inform students.

MONITORING CHARGES

MONITORING CHARGE 7.A

Monitor the implementation of legislation addressed by the Senate Committee on Education and make recommendations for any legislation needed to improve, enhance, and/or complete implementation. Specifically, monitor the following:

- *State matching of the federal E-rate program (SB1);*

The Senate Committee on Education (committee) held a hearing on April 4, 2018, and received both invited and public testimony on its charge to monitor the implementation of Senate Bill 1 from the 85th session. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Casey Callahan, Executive Director, Region 15 Education Service Center
- Jarrett Cochran, Director of Technology Services, Comal ISD
- Julie Glasier, Senior District Consultant, EducationSuperHighway
- Melody Parrish, Deputy Commissioner for Technology, Texas Education Agency
- Grace Ting, State Engagement Manager, EducationSuperHighway

SUMMARY:

Senate Bill 1 provides funding to support projects that build high-speed broadband infrastructure to and within schools in order to secure funding through the federal E-Rate initiative. According to Ms. Parrish's testimony during the hearing, in 2017 101 school districts received \$64.5 million, total E-rate funding requested was \$50.9, state funds disbursed \$5.9 million and in 2018, 65 school districts received \$157 million with \$134.7 million coming from federal E-Rate funds and \$16.4 million coming from state funds. In total, \$220 million has been disbursed to districts with \$185 million coming from E-RATE funds and \$22.3 million coming from the \$25 million of state funds allocated by SB 1. This \$25 million in state funding will be matched dollar-for-dollar in federal funding – on top of the federal funding districts receive through the FCC's E-rate program – resulting in a \$250 million broadband investment across Texas. Over 450 districts stand to benefit from the state's investment and, pending approval of their projects, 99% of Texas schools will be connected to fiber.

The committee discussed the ownership and operation of the fiber optic cables that have been laid, the services provided to school districts, and the state benefits of having the cable laid.

Contracts for services are negotiated locally at the school district or Educational Service Center level.

Regarding its monitoring charge on E-Rate, the committee makes the following recommendation:

- The legislature should continue to monitor the progress made in connecting all Texas classrooms to high-speed internet and determine whether any future legislative action is necessary. The Legislature should also monitor the level at which districts and schools leverage the state and federal investment in broadband infrastructure in offering innovative alternatives to students and parents.

MONITORING CHARGE 7.B

Monitor the implementation of legislation addressed by the Senate Committee on Education and make recommendations for any legislation needed to improve, enhance, and/or complete implementation. Specifically, monitor the following:

- *Improper relationships between educators and students and reporting of educator misconduct (SB 7),*
- *Establishment of a Pathways in Technology Early College High School (P-TECH) and workforce pathways (SB 22).*

The Senate Committee on Education (committee) held a hearing on November 27, 2018, and received both invited and public testimony on its monitoring charges. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Heather Justice, Divisional Director of College, Career, and Military Readiness, Texas Education Agency
- Laura Colangelo, Executive Director, Texas Private Schools Association
- Doug Phillips, Director of Investigations, Texas Education Agency

SUMMARY:

Heather Justice, Divisional Director of College, Career, and Military Readiness, Texas Education Agency, began testimony regarding the implementation of SB 22 noting P-TECH in one of four college and career readiness models within the state, the other three being early college high schools, Texas STEM academies, and industry cluster innovative academies. All four models are designed to provide at-risk and disadvantaged students with opportunities to earn dual credit and post-secondary credentials prior to high school graduation at no cost to the students. She also noted that 73% of students who complete an associate's degree prior to graduating high school do so in one of the four college and career readiness models.

P-TECH is designed as a work-based learning experiences for students at every grade level including internships and apprenticeships and establish agreements with business and industry to provide students with first priority in interviewing while aligning career pathways (CTE programs of study) based on high-wage and in-demand regional workforce needs.

Ms. Justice noted P-TECH allows for six years for a student to complete an industry based certification, and level one or two certificate from a technical or community college, or an associate's degree. The program requires business partners as a key stakeholder in the model

\$2,500,000 in General Revenue in each fiscal year of the 2018-1biennium is allocated:

- Support Pathways in Technology Early College High School (P-TECH) programs
- Funds shall be used to support P-TECH programs that align with the Early College High requirements outlined in the Texas Education Code §29.908 (b)

The Texas Workforce Commission also provided \$3 million in funding, in addition to Rider 67, to allow for additional P-TECH grants.

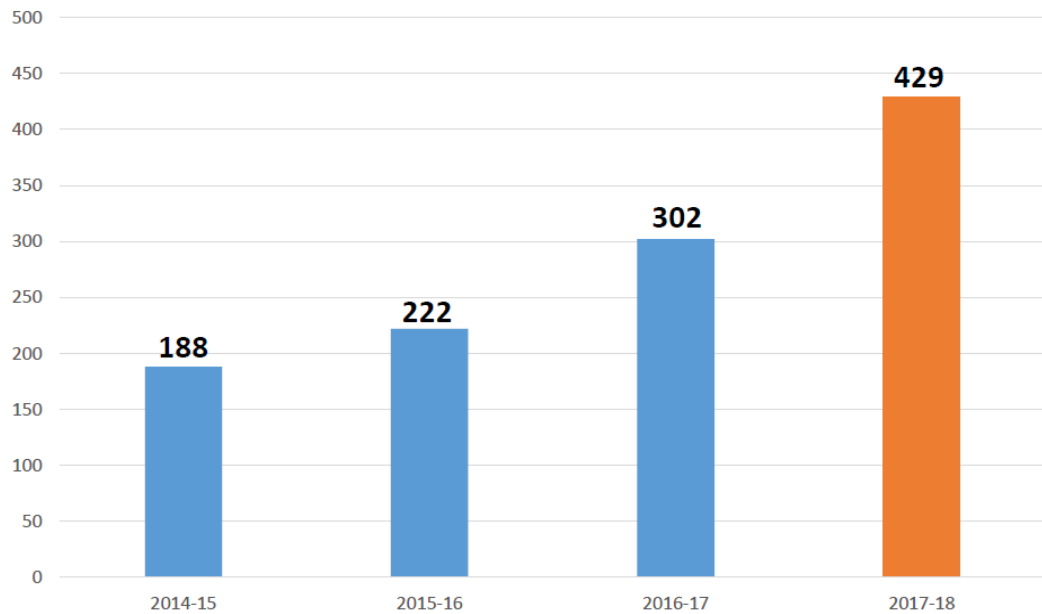
- Planning grants allow School districts to engage in 16 months of planning with a TEA technical assistance provider to build the foundational requirements of the P-TECH Blueprint. Grantees will begin serving students in the 2019-2020 school year.
- Success Grants allow School districts currently implementing a “P-TECH like” campus to strengthen and refine current practices towards distinguished levels of performance (as measured by the Blueprint). These grantees are currently serving students and are designated for the 2018-2019 school year.

Ms. Justice also noted the work of the legislatively appointed P-TECH advisory council in establishing P-TECH Blueprint criteria, outcomes-based measures, and designation criteria. The campus designation process includes a planning year designation, designation as P-TECH campus, and an annual renewal designation. TEA provides technical assistance to applicants throughout this process including regional coaches who walk campuses through requirements. As of the 2018-2019 school year there are 34 designated P-TECH campuses with 14 P-TECH grantees and 29 planning year campuses with 19 P-TECH grantees.

Moving to its' monitoring charge regarding improper student-teacher relationships and the implementation of SB 7 (85R), the committee received testimony from Laura Colangelo, Executive Director, Texas Private Schools Association, regarding how private school administrators need access to Family and Protective Services investigation report conclusions in order to have better understanding of job applicants who have previously been investigated. Ms. Colangelo also stated her desire to see a "do not hire" list created by TEA to inform all public and private school administrators of potential risks posed by job applicants.

Doug Phillips, Director of Investigations, Texas Education gave testimony regarding the implementation of SB 7 and noted it has led to increased reports of inappropriate relationships with a students/minor (IRWSM).

IRWSM Investigations Opened



* Data as of September 1, 2018

Rider 72 appropriated \$136,094 annually to protect students from inappropriate educator relationships. These funds support two additional investigators to address the increased case volume and help ensure all allegations are thoroughly investigated and prosecuted to help keep students safe. Additionally, and as a result of these increased funds, TEA has reduced the average number of days it takes to complete an investigation from 120 to 107.

Mr. Phillips made two recommendations for legislative consideration:

- Consider language to clarify the duty to report when a district has completed an investigation and determined that an educator did not engage in misconduct.
- Consider addressing the growing number of non-certified employees employed in the public schools who engage in misconduct with Texas school children and are beyond the scope of existing reporting requirements.

Regarding its interim charge on P-TECH and inappropriate student-teacher relationships, the committee makes the following policy recommendations:

- Consider legislation creating a "do not hire" registry of educators and school personnel who have been terminated or who have resigned as the result or initiation of an investigation relating to an inappropriate relationship with a student. Include access of the registry and reporting requirements to private schools, Districts of Innovation, and charter schools so educators or personnel who have been terminated or vacated a position as a result of an investigation by school districts are unable to gain future employment. The registry should be maintained by TEA for non-certified personnel and the State Board for Educator Certification for certified teachers.
- Clarify the duty to report when a district has completed an investigation and determined that an educator did not engage in misconduct. If a completed investigation determines that the educator did not commit an act of misconduct, the superintendent or director is not required to notify the State Board for Educator Certification or TEA to prevent false allegations from adversely affecting the career of accused individuals.
- Consider legislation clarifying the circumstances by which resignation of a district, charter, or private school employee while pending an investigation shall be reported to the "do not hire" registry. Resignation should not terminate an investigation into the circumstances of an allegation.
- Continue to monitor implementation of SB 22.

MONITORING CHARGE 7.C

Monitor the implementation of legislation addressed by the Senate Committee on Education and make recommendations for any legislation needed to improve, enhance, and/or complete implementation. Specifically, monitor the following:

- *A prohibition of monitoring system performance indicator based solely on the number or percentage of students receiving special education services (SB 160);*

The Senate Committee on Education (committee) held a hearing on March 26, 2018, and received both invited and public testimony on its charge to monitor the implementation of Senate Bill 160 from the 85th session. A digital recording of the hearing is available via the committee's website.

The hearing included invited testimony from the following individuals:

- Mike Morath, Commissioner, Texas Education Agency
- Dr. Penny Schwinn, Deputy Commissioner of Academics, Texas Education Agency
- Steve Aleman, Policy Specialist, Disability Rights Texas
- Kristin McGuire, Director of Government Relations, Texas Council of Administrators for Special Education (TCASE)
- Marie Gonzales, Executive Director for Special Education, Round Rock ISD
- Kyle Piccola, Chief Government and Community Relations Officer, The Arc of Texas
- Heather Sheffield, Parent Advocate, Decoding Dyslexia

Summary:

Senate Bill 160 prohibits the Texas Education Agency (TEA) from adopting a policy evaluating school districts based on special education enrollment, while still preserving its ability to collect data on children receiving special education services

Commissioner Morath noted the purpose of special education is to provide sufficient support to children with disabilities on an individualized basis so that those students can attain the same level of academic success typical of their peers. He further noted that at the school and state level this can be enormously complicated and difficult, but we should and do have high expectations of providing these services. Commissioner Morath interpreted SB 160 saying that the bill prevents TEA from establishing a performance monitoring indicator based solely on participation rates in special education. The indicator in question, in place since 2004, was part of a larger measurement, and was removed as an indicator before the passage of SB 160, but SB 160 does prevent the indicator from being added in the future.

Commissioner Morath also provided a breakdown of special education populations in Texas noting that the national average of enrolled special education students in the United States is

around 13%, and in Texas it had been 12% in 2000, but bottomed out at 8.5% in 2013-14 and has begun to climb again. Roughly 80% of Texas students approach grade level knowledge and skills across Texas public schools, but only about 40% of special education students reach those benchmarks.

Dr. Penny Schwinn, Deputy Commissioner for Academics, noted TEA began a review of Special Education practices in 2016 and have taken a variety of actions including:

- Child Find Reminder- 11/17/2016- Letter to all schools regarding child find obligations in IDEA; Response to Intervention (RTI) strategies may not be used to delay or deny an initial evaluation; and clarifying TEA's monitoring efforts.
- ARD Process Review – Began evaluation of whether any additional information should be added to the *Parent's Guide to the Admission, Review, and Dismissal Process* as well as what additional training and technical assistance the regional education service centers can provide to school districts regarding the child find process, RTI, and PBMAS.
- Specific District Follow-up – Performed follow-up with specific school districts cited in the media regarding special education compliance.
- PBMAS Revisions – Eliminated indicator 10 (SpEd representation); Added newly required indicators designed to calculate significant disproportionality by disaggregated racial/ethnic groups and disability categories.
- Expanded TEA Technical Support – Hired 10 special education staff members whose primary function is to provide expertise and leadership as it relates to technical assistance to LEAs directly, through the ESCs, and through improvements to the existing grants programs.
- Expanded ESC Technical Support – Provided funding for the ESCs to hire 28 regional special education liaisons to work to improve outcomes for students with disabilities throughout their regions, with a specific focus on developing innovative district practices and professional development for district special education staff.

Commissioner Morath noted that these actions were in place when TEA received the monitoring letter from the United States Department of Education (USDOE) in January of 2018 issuing a corrective action response listing:

- **Child Find:** TEA failed to ensure that all children with disabilities residing in the State who are in need of special education and related services were identified, located, and evaluated, regardless of the severity of their disability, as required by IDEA section 612(a)(3) and its implementing regulation at 34 CFR §300.111.
- **FAPE (Free Appropriate Public Education):** TEA failed to ensure that FAPE was made available to all children with disabilities residing in the State in Texas's mandated age ranges (ages 3 through 21), as required by IDEA section 612(a) (1) and its

implementing regulation at 34 CFR §300.101.

- **Compliance Monitoring:** TEA failed to fulfill its general supervisory and monitoring responsibilities as required by IDEA sections 612(a)(11) and 616(a)(1)(C), and their implementing regulations at 34 CFR §§300.149 and 300.600, along with 20 U.S.C. 1232d(b)(3)(A), to ensure that ISDs throughout the state properly implemented the IDEA child find and FAPE requirements.

Commissioner Morath noted that in TEA's response to the letter, they will work with USDOE to change the trajectory for special education students in the state of Texas with a strategic plan and corrective action response soliciting feedback from online surveys, regional focus groups, one on one interviews. The plan includes:

- State Monitoring
- Identification, Evaluation and Placement
- Training, Support Development
- Student, Family and Community Engagement
- Networks and Structures

Chairman Taylor mentioned constituent concerns with over-testing to identify under-identified students, as well as the 2004 special education indicator being a result of federal guidance to prevent erroneous over-identification. Commissioner Morath noted that as part of the corrective action plan, TEA is required to reevaluate students who may have not been properly identified, but also did note the importance of ensuring that students who are identified need access to services and are not erroneously reported. Dr. Schwinn also noted that different states use different metrics to identify and report special education populations, including universal identification of dyslexic students and private medical professional identification, so that may account for some of the discrepancies in populations between states. Chairman Taylor mentioned that outside evaluations should be considered, and Dr. Schwinn noted that they may be considered to give a more complete understanding of the student, but identification based on outside evaluation is left to the school district.

Chairman Taylor noted that the 2004 identification indicator should not be viewed as a cap as the state average of identified special education students has never fallen to or below 8.5%, and questioned the panel as to how the state is addressing dyslexia in identification. Dr. Schwinn noted that in some instances dyslexia falls into special education, but the feedback TEA has been receiving following the release of the corrective action plan indicates broader applicability may be necessary. Commissioner Morath added that consistent guidance, wrap around training, and supports from TEA are crucial to ensure uniform identification.

Discussion moved to the assessment to identify special education students and as to why private

practice doctor diagnosis is not always adequate to identify students. Dr. Schwinn noted that these diagnoses should be considered, but removing decision making from the Admission, Review, and Dismissal (ARD) committee may ignore other factors including school personnel and parental input. Chairman Taylor noted that if a medical professional identifies a student, the burden of proof should change to require that it be proven that the student does not need special education consideration. Commissioner Morath also mentioned the costs incurred by school districts to test students who may never receive services can increase rapidly.

Dr. Schwinn noted that TEA's corrective action plan is reviewing students who should have been assessed, or who received delayed assessment and may have not received all the services necessary to succeed. To meet the increase in demand for assessment, TEA has created a \$10 million allocation towards providing supports for school diagnosticians to complete evaluations for these populations. Commissioner Morath noted the decline from 12% to 8.6% in special education populations took about 15 years, and he would expect a similar time frame if that number was to be identified by the new strategic plan.

Steven Aleman of Disability Rights Texas noted TEA's corrective action plan is a good step moving forward, but more action is needed. He noted that the \$10 million allocation is what TEA was able to find in its budget, but is not adequate to the task of addressing all the issue raised by USDOE. Mr. Aleman stated his belief that students of color are disproportionately under identified, as well as non-English speaking students.

Kyle Piccola of the ARC of Texas began testimony by mentioning the 2004 special education population indicator has created a culture within the state of schools and districts being adversarial to students and parents of under identified-students, resulting in diminishing trust in the TEA to monitor schools and districts. Mr. Piccola encouraged TEA to include compensatory services in their Legislative Appropriation Request (LAR) and all disputed and Individual Education Plans (IEP) unsigned by parents should specifically be escalated for review. He also stated the ARC's belief that a reorganization of network grants and TEA staff to assist people navigating the special education system for the first time would be beneficial.

Vice-Chair Lucio questioned the ability of regional Educational Service Centers (ESC's) within the state to assist with the identification of currently under-identified special education students, Mr. Aleman stated his understanding that most ESC's do not have adequate staff or employees with expertise to assist in the identification, but ESC's could serve a role in coordinating efforts among districts to identify students. Mr. Piccola added ESC's could be instrumental in reorganizing existing network grants to better assist families navigating the special education system.

Kristine McGuire of Texas Council of Administrators of Special Education (TCASE) asked the legislators to prioritize services to students with disabilities, commit to ensuring they receive

appropriate education, and to fund compensatory services for under-identified students. Ms. McGuire repeated that the performance indicator has caused a deterioration of trust among parents, school, district, and the state and noted that regardless of TEA's plan, nothing will change in special education without the funding to ensure services and supports to districts to identify and help children with disabilities. She also added that the TEA's corrective action plan in response to a federal directive uses federal funds, and notes that this may be a misguided effort to not allocate more state funds in order to take responsibility for not offering the services already required by law. Ms. McGuire also noted that students covered by IDEA are only a portion of students with disabilities.

Marie Gonzales, Executive Director of Special Education in Round Rock ISD, began testimony by noting TEA's responsiveness to feedback, and noted her concern that the TEA's plan required the school to reach out to every student that qualifies for 504 accommodation, is currently in interventions, or receives support through general education dyslexia programs. These categories encompass thousands of students in Round Rock ISD and just a small portion of uptake on assessments will double the number of assessments the district is currently administering. She expressed concerns not only with the funding necessary to accomplish the task, but also the logistics of finding qualified personnel to conduct the assessments and the reliability issues that go along with rapid expansion. Ms. Gonzales also mentioned the importance of weighing other factors that may adversely affect student performance, and cautioned against over-identification of students with disabilities. Round Rock ISD currently has just below 10% of students receiving special education accommodations, and she reiterated that there are a large percentage of people who have a disability who will never require specialized instruction.

Heather Sheffield, a parent advocate with Decoding Dyslexia, testified about her struggles to get her child diagnosed with dyslexia and the interventions that accompany a diagnosis, and stated her belief that the special education system in Texas should have performed these tasks. She stated her worry that TEA's intervention plan lists dyslexia under "inclusive practices", and expressed her belief that TEA's plan should explicitly state dyslexic children need "reverse inclusion" with trained teachers providing specific instruction in small groups. The intervention plan should be clearer in using the dyslexia handbook and should specifically require Orton-Gillingham programs to intervene with dyslexic children. Districts should also be required to employ at least one dyslexia specialist and mentioned that upfront spending in the early grades to identify and intervene dyslexic students will save the state money in the long run, and offered Medicaid as an option to pay for these services. She also urged the committee to adjust special education funding weights.

Regarding its monitoring charge on SB 160 and, the committee makes the following policy recommendations:

- The Legislature should continue to monitor the implementation of SB 160 (85R), and determine whether any future legislative changes are necessary.
- In particular, monitor the speed at which TEA implement items mentioned in their corrective action plan. Ensure districts have the financial resources necessary to evaluate and identify students who are entitled to special education services.

LETTERS FROM MEMBERS

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SENATOR
EDDIE LUCIO, JR.

December 10, 2018

The Honorable Larry Taylor
Chairman, Senate Committee on Education
PO Box 12068
Austin, TX 78701

Chairman Taylor:

I begin by commending your work as Chair of the Senate Committee on Education this last session and interim. The past two years have presented this committee with perhaps the most challenging interim in my memory. From the trauma of Hurricane Harvey, to the tragedy at Santa Fe High School, to the ongoing challenges related to special education and school finance, you have been a model leader for education in the Senate, and I am proud to have served with you, both as your Vice Chair in the Education committee and on the Select Committee on Violence in Schools and School Safety.

This report is representative of the testimony the committee received on a wide array of topics, many of which related to the tumultuous events that affected the students of Texas over the interim. Your dedication to inviting witnesses that represent a broad spectrum of stakeholder concerns is worthy of acclaim, and is instrumental in the production of this comprehensive report. In writing this supplemental letter, I seek not to critique any of the important recommendations, but to emphasize one common thread throughout these issues, and throughout this report: the need for supports that will help our Texas children overcome trauma, reduce behavioral challenges, and develop into healthy, successful individuals.

The recommendations related to this need first came to the forefront during the discussions on how to recover from the traumatic experiences of students (and educators) affected by Hurricane Harvey, with many experts testifying to the need for trauma-informed practices that recognize how trauma can negatively impact learning. Later, many of the same experts had similar recommendations following the school shooting in Santa Fe, a



DISTRICT 27: CAMERON ★ HIDALGO ★ KENEDY ★ KLEBERG ★ WILLACY
COMMITTEES: CHAIR, INTERGOVERNMENTAL RELATIONS ★ VICE-CHAIR, EDUCATION ★ NATURAL RESOURCES & ECONOMIC DEVELOPMENT ★
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traumatic event whose reach extends beyond only the students at Santa Fe High School to young Texans across the state who fear that their school may be the next to experience such a deadly event.

The utility of trauma-informed practices, as well as other concepts related to student mental health such as positive behavioral interventions and supports, is broader than simply aiding students who have been affected by news-making tragedies. Unfortunately, trauma is a daily reality for children across Texas, who may experience repeated negative events at home or in other places outside the classroom that have profound negative effects on their physical or mental wellbeing. While the causes of these traumas may not make headlines, they are central to these children's experiences in the rest of their lives, including in school. Ensuring all schools and educators are equipped with the resources they need to support these students is a worthwhile investment, even in areas not impacted by these recent, highly-publicized tragedies.

In the past few sessions, I have authored bills related to instituting positive behavioral supports and interventions for students with behavior problems that could be traced back to trauma; to expanding the capacity for providing mental health services to students who may be struggling with these challenges; and to equipping all educators with the skills they need to teach, nurture, and support every student. With the backdrop of this past interim's extraordinary tragedies, as well as the greater understanding of the importance of student mental health they have engendered on the committee, I hope we will have another opportunity to revisit these concepts during the next session.

Like many steps we can take to improve student outcomes, the provision of resources, personnel, and training to realize this goal of helping students overcome non-academic barriers to their learning will not come without cost. Discussions about school finance, a major topic in last year's regular and special legislative sessions, have largely been left to the Texas Commission on Public School Finance during the interim. I know you have been working diligently to guide the commission's work toward finding solutions that will provide districts, schools, and educators with the resources they need to fulfill their duty to their students, while also increasing transparency and fairness to taxpayers. I look forward to working with you to ensure the needs of all students - especially those with disabilities, for whom English is a second language, or with other special needs - are met.

It has been my honor to serve as your Vice Chair over this interim, and I eagerly anticipate the chance to continue working with you to ensure that all Texas students are given the appropriate supports to help them succeed - in school, and in life beyond school.

Sincerely,



Eddie Lucio, Jr.
State Senator

ELJ/cwl



APPENDIX

Hurricane Harvey School Finance Issues March 12, 2018

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	Pre-Pay for Attendance increases for displaced students					
1	<p>Districts will experience increased enrollment due to student displacement in the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? Yes.</p> <p>Issue: Many districts have newly enrolled students displaced from their home districts because of Hurricane Harvey. TEA does not normally increase Foundation School Program (FSP formula) funding to districts during the school year when there are increases in a district's student enrollment. Instead, FSP formula increases are made during the FSP settle-up process occurring in September of 2018 (FY 2019) following the school year.</p> <p>Legislative solution: Districts can receive an increase in their state aid <i>during</i> the 2017–2018 school year if they have increased average daily attendance (ADA) and apply to TEA.</p> <p>To date, only six districts have applied for adjustments with TEA, with a total of 324 students in ADA. These districts include Calallen ISD, College Station ISD, Cuero ISD, Gregory Portland ISD, Splendora ISD, and Victoria ISD.</p>	<p>No.</p> <p>TEA issued guidance to school districts. Beginning with the October 2017 FSP formula payment, TEA will increase the amount of state aid to districts that (1) have additional ADA and (2) apply to TEA.</p> <p>To date, only six districts have applied for adjustments, with a total of 324 students ADA. These districts include Calallen ISD, College Station ISD, Cuero ISD, Gregory Portland ISD, Splendora ISD, and Victoria ISD.</p>	State cost: \$5 million	State savings: (-\$5 million)	State cost: \$0	TEC §42.005(d). Average Daily Attendance.
	Enrollment Decline					
2	<p>Districts will lose FSP formula funding due to student enrollment declines caused by Hurricane Harvey during the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? Yes. With legislative approval, TEA has agreed to hold districts harmless for 2017–2018 enrollment declines that would otherwise decrease FSP state formula funding.</p>	<p>No.</p> <p>With legislative approval, on October 9, 2018, TEA issued a To the Administrator Addressed Letter providing an ADA hold harmless option for 152 initially identified school districts and charter schools</p>	Lost recapture state revenue: \$33 million	State cost: \$66 million	State cost/lost recapture revenue: \$99 million	TEC §42.005(d). Average Daily Attendance.

**Amounts are estimates based on TEA's current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements. For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	<p>Issue: School districts and charter schools with enrollment losses during the 2017–2018 school year will have lower average daily attendance (ADA). ADA is a major component in determining FSP formula funds as Texas provides funding on a per ADA basis. Thus, a decline in ADA in the 2017–2018 school year would normally result in the following:</p> <ol style="list-style-type: none"> For Chapter 42 districts, a loss of FSP funds in September 2018 (FY 2019) during FSP settle-up for the 2017–2018 school year. For Chapter 41 districts, an increase in recapture made during the 2017–2018 school year. <p>Legislative solution: TEA will hold school districts and charter schools meeting certain qualifications <i>harmless</i> for their loss of ADA during the 2017–2018 school year. This will encourage districts to avoid reducing school personnel throughout the 2017–2018 school year. This is a one-time adjustment for the 2017–2018 school year.</p> <p>As of February 20, 2018, TEA has approved 76 districts as eligible for the hold harmless option.</p>	<p>that (1) had damage to at least one facility, or (2) had instructional facilities that were closed for nine or 10 hurricane-related waiver days. The school district or charter school must complete the Governor’s Commission to Rebuild Texas Worksheet.</p> <p>As of February 20, 2018, TEA has approved 76 districts as eligible for the hold harmless option.</p> <p>TEA will continue to monitor to ensure that qualifying districts are held harmless for ADA losses.</p>		<p>school districts harmless for 2017–2018 enrollment declines.</p> <p>TEA will request a supplemental appropriation for the state aid portion during the 86th Texas Legislature.</p>		
2017–2018 School Year Tax Issues						
3a	<p>Districts which have not ordered re-appraisals may experience a loss of maintenance and operations (M&O) local property tax revenue during the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: School districts may experience losses in M&O local property tax revenue during the 2017–2018 school year due to delayed and uncollected tax collections. TEA collected district data and currently estimates that local M&O property tax revenue collections will be approximately \$150 million less than anticipated.</p> <p>Potential legislative solution: The legislature must decide whether it wants to hold school districts harmless for the \$150M loss of anticipated local property tax revenue during the 2017–2018 school year.</p>	<p>Yes.</p> <p>The legislature must decide whether it wants to hold school districts harmless for the loss of anticipated local property tax revenue during the 2017–2018 school year.</p>	<p>Potential state cost: \$150 million</p>	<p>State cost: N/A.</p> <p>This is covered in the 2018–2019 school year tax issues in row 6 below.</p>	<p>Potential state cost: \$150 million</p>	<p>TEC §42.2523. Adjustment for Property Value Affected by State of Disaster.</p>

**Amounts are estimates based on TEA’s current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements. For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
3b	<p>Districts that have re-appraised their property for the 2017 will realize losses in SY 2018 tax collections as a result of the re-appraisals</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: Twelve school districts accounting for 26% of the affected districts property value have ordered reappraisals for the 2017 Tax year. These districts will experience losses in M&O local property tax revenue during the 2017–2018 school year due to lost tax collections. TEA collected district data and currently estimates that for these districts local M&O property tax revenue collections will be approximately \$150 million less than anticipated.</p>	<p>YES</p> <p>The legislature could choose to hold these districts harmless for the lost collections as a result of the re-appraisal</p>	<p>Potential state Cost: \$150 million</p>	<p>State Cost: N/A</p> <p>This is covered in the 2018–2019 school year tax issues in row 6 below.</p>	<p>Potential state cost: \$150 million</p>	<p>TEC §42.2523. Adjustment for Property Value Affected by State of Disaster</p>
4	<p>Districts could experience a loss of local interest and sinking (I&S) property tax revenue during the 2017–2018 school year and default on their debt payments.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: The local I&S property tax revenue provides funds for the payment of the debt that districts issue to finance facilities and other capital expenditures. TEA anticipates decreases in local I&S property tax revenue but is not aware of any district that is in jeopardy of not making its I&S payments.</p> <p>TEA solution: TEA is not aware of any district that is in jeopardy of not making its I&S payments and has no recommendation to assist districts at this time.</p> <p>Note: Charter schools do not levy taxes.</p>	<p>No.</p> <p>TEA will continue to monitor, but is not aware of any district that is in jeopardy of not making its I&S payments.</p>	<p>State cost: \$0</p>	<p>State cost: N/A.</p> <p>This is covered in the 2018–2019 school year tax issues in row 6 below.</p>	<p>State cost: \$0</p>	<p>TEC §42.2523. Adjustment for Property Value Affected by State of Disaster.</p>
2018–2019 School Year Tax Issues						
5a	<p>Un-reappraised districts will not receive their originally estimated amount of maintenance and operations (M&O) property tax revenue due to property value declines caused by Hurricane Harvey. This could cause the district to lay off personnel prior to the 2018–2019 school year.</p>	<p>Yes.</p> <p>. The legislature must determine whether to hold districts harmless for the loss of anticipated property tax revenue due to property value</p>	<p>State cost: N/A</p> <p>This is covered in the 2017–2018 tax information above.</p>	<p>Potential state cost: Between \$500 million and \$1 billion (TEA estimate of the difference between the originally anticipated local property tax revenue and currently</p>	<p>Potential state cost: Between \$500 million and \$1 billion</p>	<p>TEC §42.2523. Adjustment for Property Value Affected by</p>

**Amounts are estimates based on TEA's current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements. For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	<p>Is this currently a legally required cost to the state? No. There is no state obligation to make up for maintenance and operations (M&O) property tax revenue declines caused by Hurricane Harvey.</p> <p>Issue: Un-reappraised districts will not receive their originally estimated amount of maintenance and operations (M&O) property tax revenue due to property value declines caused by Hurricane Harvey. Potential legislative solution: The legislature must determine whether to hold districts harmless for the loss of anticipated property tax revenue due to property value declines. TEA estimates that the amount necessary to hold districts harmless for the loss of local property tax revenue is between \$500 million and \$1 billion.</p>	declines. TEA estimates that the amount necessary to hold districts harmless for the loss of local property tax revenue is between \$500 million and \$1 billion.		<p>estimated local property tax revenue).</p> <p>There is currently no state obligation to make up for maintenance and operations (M&O) property tax revenue declines caused by Hurricane Harvey.</p> <p>The legislature will decide whether it wants to hold school districts fully or partially harmless for the loss of <i>anticipated</i> local property tax revenue during the 2018–2019 school year.</p> <p>TEA estimates that the amount necessary to hold districts harmless for the loss of local property tax revenue is between \$500 million and \$1 billion.</p>		State of Disaster.
5b	<p>Districts that reappraised their property will have lower local property tax collections and therefore, will receive more state formula funding.</p> <p>Is this currently a legally required cost to the state? Yes. TEA is required by the FSP formulas to provide increased FSP formula state aid for districts that reappraised their property value and lost local property tax revenue as a result.</p> <p>Issue: Beginning with the 2018–2019 school year, the state is legally obligated to “make-up” state aid (state share) for any reported loss of local property tax revenue on reappraised 2017 tax year property.</p> <p>TEA solution: TEA will pay additional state aid to make up for the loss of local property tax revenue. TEA will ask for a supplemental appropriation for the difference between amounts appropriated and actual district entitlements.</p> <p>TEA is aware of 12 school districts that have voted to reappraise their 2017 taxable property values: Conroe ISD,</p>	<p>No.</p> <p>TEA will pay additional state aid to make up for the loss of local property tax revenue.</p> <p>TEA will ask for a supplemental appropriation for the difference between amounts appropriated and actual district entitlements.</p>	<p>State cost: \$0</p> <p>N/A. This is covered in the 2017–2018 tax information above.</p>	<p>State cost: \$150 million</p> <p>Combined, these districts account for 29 percent of the tax base of the affected districts. TEA’s \$150 million estimate assumes a seven-percent decline in value due to reappraisals.</p>	<p>State cost: \$150 million</p>	

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	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	Fort Bend ISD, Humble ISD, Katy ISD, Lamar CISD, La Porte ISD, Magnolia ISD, Montgomery ISD, New Caney ISD, Splendora ISD, Spring Branch ISD, and Willis ISD.					
6	<p>As property values have declined, districts may be required to increase their local interest & sinking (I&S) tax rates to cover debt service payments during the 2018–2019 school year. This may result in higher local tax bills in certain districts.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: School districts are required to levy an I&S tax rate to provide enough property tax revenue to pay for the debt for their facilities and other capital expenditures. School districts may experience losses in I&S local property tax revenue during the 2018–2019 school year and be required to raise I&S tax rates. This may result in higher local tax bills in certain districts.</p> <p>Potential legislative solution: The legislature must determine whether to hold districts harmless so that they are not required to raise their tax rates. TEA estimates the amount necessary to hold districts harmless for the loss of I&S local property tax revenue is \$132 million.</p> <p>Note: Charter schools do not levy taxes.</p>	<p>Yes.</p> <p>The legislature will decide whether it wants to hold school districts fully or partially harmless so that they will not have to increase local I&S property taxes rates.</p> <p>TEA estimates the hold harmless amount required to be paid to districts to be \$132-\$260 million.</p>	<p>State cost: N/A.</p> <p>This is covered in the 2017–2018 school year tax issues (above).</p>	<p>Potential state cost: \$132-\$260 million</p> <p>The legislature will decide whether it wants to hold school districts fully or partially harmless so that they will not have to increase local I&S property taxes rates.</p>	<p>Potential state cost: \$132-\$260 million</p> <p>The legislature could consider options to help mitigate the tax increase. However, I&S rates are adopted in the summer of 2018.</p>	<p>TEC §45.003 Bonds and Tax Elections.</p> <p>TEC §45.052 Guaranteed Bonds.</p> <p>TAX §26.08a Election to Ratify School Taxes</p>
7	<p>Districts with enrollment losses during the 2017–2018 school year will have lower average daily attendance, which will in turn decrease the amount of their potential Instructional Facilities Allotment (IFA) or Existing Debt Allotment (EDA) state aid during the 2017–2018 school year settle-up that will occur in September of 2018 (FY 2019).</p> <p>Is this currently a legally required cost to the state? Yes.</p> <p>Issue: Approximately 39 of the 130 affected school districts receive approximately \$47 million in state FSP aid for the IFA or EDA. These programs help districts pay for the debt they incur for facilities and other capital expenditures.</p>	<p>No.</p> <ol style="list-style-type: none"> For the 2017–2018 school year, TEA will hold school districts meeting certain qualifications <i>harmless</i> for their loss of ADA. This is anticipated to largely stabilize their IFA and EDA state aid amounts. This is a one-time adjustment for the 2017–2018 school year. See row 2 above. For the 2018–2019 school year, qualifying districts that reappraised will receive additional EDA and IFA state 	<p>State cost: N/A. Cost is included in \$100 million ADA hold harmless in row 2 above.</p> <p>TEA will hold school districts meeting certain qualifications <i>harmless</i> for their loss of ADA. This will largely stabilize their IFA and EDA amounts. This is a one-time adjustment for the 2017–2018 school year. See row 2 (above).</p>	<p>State cost: \$10 million</p> <p>Qualifying districts that reappraised will receive additional EDA and IFA state aid funding to make up for lost local property value and property tax revenue. See 5b above.</p>	<p>State cost: \$10 million</p>	<p>TEC §46.003 IFA</p> <p>TEC §46.032 EDA</p>

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For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	<p>TEA solution:</p> <ol style="list-style-type: none"> For the 2017–2018 school year, TEA will hold school districts meeting certain qualifications <i>harmless</i> for their loss of ADA. This will largely stabilize their IFA and EDA state aid amounts. This is a one-time adjustment for the 2017–2018 school year. See row 2 above. For the 2018–2019 school year, qualifying districts that reappraised will receive additional EDA and IFA state aid funding to make up for lost local property value and property tax revenue. See row 5b above. <p>Note: Charter schools are not eligible for IFA or EDA funding.</p>	<p>aid funding to make up for lost local property value and property tax revenue. See row 5b above.</p>				

**Amounts are estimates based on TEA’s current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements. For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	Facilities Issues					
8	<p>Chapter 41 districts that experienced facilities damage due to Hurricane Harvey may not have enough funds to cover their recapture payments.</p> <p>Is this currently a legally required cost to the state? Yes, in forgone recapture funding to the state treasury.</p> <p>Issue: Chapter 41 school districts that have property damage can apply for a reduction or elimination in their recapture payment to the state for the 2017–2018 and 2018–2019 school years for any facility damage costs <i>not</i> covered by insurance or FEMA. Importantly, however, districts cannot recover <i>more than their recapture payment amounts</i> (but see row 9 below).</p> <p>TEA solution: Chapter 41 districts with eligible remediation costs can offset recapture payments by applying to TEA in the 2017–2018 and 2018–2019 school years. To date, TEA has received no applications.</p>	<p>No.</p> <p>Chapter 41 districts can apply to TEA for disaster aid assistance to reduce their recapture payments for the 2017–2018 and 2018–2019 school years.</p> <p>Facilities replacement costs obtained by TEA are estimated at \$900 million, \$300 million of which would be realized by Chapter 41 districts. FEMA and insurance should cover 90 percent of the anticipated losses, which implies a total of \$30 million in uncovered costs for Chapter 41 districts.</p>	<p>Lost recapture state revenue: \$10 million</p> <p>Loss of budgeted recapture to state treasury.</p> <p>Due to TEA requirements in documenting unremediated losses, TEA anticipates the majority of losses will be realized in the 2018–2019 school year</p>	<p>Lost recapture state revenue: \$20 million</p> <p>Loss of budgeted recapture to state treasury.</p>	<p>State cost: \$30 million</p>	<p>TEC §41.0931 Disaster Remediation Costs.</p>
9	<p>Chapter 42 districts that experienced facilities damage due to Hurricane Harvey can receive facilities assistance, and Chapter 41 districts that experienced facilities damage due to Hurricane Harvey can receive facilities assistance beyond their recapture payment amounts.</p> <p>Is this a legally required cost to the state? No.</p> <p>Issue: The Texas Education Code provides that (1) Chapter 42 districts can receive facilities assistance, and (2) Chapter 41 districts can receive facilities assistance beyond their recapture payment amounts (see row 8 above), only if there is an FSP surplus in the fiscal year. Even if there is an FSP surplus, TEA must first use the surplus to finance special education camera needs.</p> <p>Note: Based on preliminary information, TEA has learned that FEMA may cover up to 90 percent of uninsured loss, leaving districts with at least a 10 percent uninsured and uncovered loss.</p>	<p>Yes.</p> <p>TEA is encouraging districts to work with their insurance providers and FEMA to determine unreimbursed damage amounts and turn in applications to TEA. To date, TEA has received no qualifying applications.</p> <p>Facilities replacement costs obtained by TEA are estimated at \$900 million, \$600 million of which would be realized by Chapter 42 districts. FEMA and insurance should cover 90 percent of the anticipated losses, which implies a total of \$60 million in uncovered costs for Chapter 42 districts.</p>	<p>Potential increased state aid payments: \$30 million</p> <p>This cannot happen unless TEA borrows money from FY 2019 to create an FSP surplus in FY 2018. This has never been done before.</p>	<p>Potential increased state aid payments: \$30 million</p> <p>\$0 unless there is a sufficient FSP formula surplus in FY 2019.</p> <p>The legislature could provide additional funding as part of a supplemental appropriation during the 86th Texas Legislature.</p>	<p>Potential state cost: \$60 million</p>	<p>TEC §42.2524 Reimbursement for Disaster Remediation Costs.</p>

**Amounts are estimates based on TEA's current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements. For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	<p>Potential legislative solution: For school year 2017–2018, the only <i>potential</i> legal mechanism TEA can use to assist districts is to borrow money from FY 2019 and declare an FSP surplus in FY 2018. This has never been done before. Further, the surplus would first be required to be used for special education camera needs.</p> <p>For school year 2018–2019, the legislature could provide additional funding as part of a supplemental appropriation during the 86th Texas Legislature.</p>					
Other Funding Issues						
10	<p>Students will be newly eligible to generate State Compensatory Education (SCE) FSP formula funds, which will increase FSP state formula costs.</p> <p>Is this currently a legally required cost to the state? Yes.</p> <p>Issue: Data from the Texas Department of Agriculture (TDA) National School Lunch Program (free and reduced-price lunch) indicates that districts will have more students qualifying for the FSP formula SCE weight during the 2017–2018 and 2018–2019 school years.</p> <p>TEA solution: For the 2017–2018 school year, TEA estimates that 80,500 additional students will qualify for the SCE weight in the school finance system. Consistent with current practice, TEA updated its FSP formulas related to SCE in February of 2018. As a result, affected districts recognized increases to state aid for SCE–identified students beginning with their February 2018 FSP payments.</p>	<p>No.</p> <p>TDA collects and provides National School Lunch Program student eligibility data to TEA. Per customary practice, TEA incorporated TDA data into the FSP system for the 2017–2018 school year during February of 2018. Thus, affected districts recognized increases to state aid beginning with their February 2018 FSP payments.</p>	State cost: \$103 million	State cost: \$44 million Costs will vary depending on the number of additional students eligible for free or reduced-price lunch.	State cost: \$147 million	TEC §42.152. Compensatory Education Allotment.
11	<p>Districts will incur unreimbursed storm recovery costs.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: Affected districts may face storm recovery expenditures for transportation, additional counselors, student mental health needs, and overtime for auxiliary and maintenance staff.</p>	<p>Yes.</p> <p>The legislature could provide additional funding as part of a supplemental appropriation during the 86th Texas Legislature.</p>	Potential state cost: \$0 All additional costs are borne by school systems.	Potential state cost: \$0 All additional costs are borne by school systems. The legislature could provide additional funding as part of a supplemental appropriations bill during the 86th Texas Legislature.	Potential state cost: \$0	

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	Finance Issue/Response A	Is there an Outstanding Decision for the Legislature? B	FY 2018 Estimated Costs** C	FY 2019 Estimated Costs** D	Biennial Total Est. Cost** E	Legal Authority F
	Potential legislative solution: The legislature could provide additional funding as part of a supplemental appropriation during the 86th Texas Legislature.					
12	<p>Education service centers (ESCs) are incurring additional costs.</p> <p>Is this currently a legally required cost to the state? No, but TEA has pledged assistance.</p> <p>Issue: ESCs are incurring substantial costs as they help districts with hurricane-related remediation.</p> <p>TEA solution: TEA has pledged to help the ESCs, possibly by using its FSP transfer authority in Rider 25 of the 2018–2019 General Appropriations Act.</p>	<p>No.</p> <p>TEA will continue to collect hurricane-related costs from the ESCs and report to the legislature.</p>	State cost: \$1 million	State cost: \$1 million	State cost: \$2 million	

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