

HOUSE BILL 3: THE TEXAS PLAN

TRANSFORMATIONAL SCHOOL FINANCE REFORM



INVESTS IN STUDENTS & TEACHERS

House Bill 3: invests in students and teachers by adding \$9 billion in funding above enrollment growth & current law entitlement over the next two years.



PUTS MORE MONEY INTO CLASSROOMS

House Bill 3: empowers local school districts to put more money in their classrooms by raising the Basic Allotment from \$5,140 to \$6,030, an \$890 increase per student.



REDUCES ROBIN HOOD

House Bill 3: provides property tax reform by lowering school property tax rates by 4 cents statewide and reduces recapture payments by more than 38% this biennium.

HOUSE BILL 3 INVESTS \$9 BILLION

TOWARD: STUDENT ACHIEVEMENT, TEACHER QUALITY & PROPERTY TAX REFORM

House Bill 3 fundamentally transforms the entire school finance system to accelerate student achievement, prioritize teacher quality, and make available more dollars for the classroom.



FOCUSES ON EARLY CHILDHOOD EDUCATION

House Bill 3: establishes a program to fund full-day Pre-K for low income students; targets money to schools with higher concentrations of underserved students; and provides funding for extended year summer instruction.



SUPPORTS THE TEACHING PROFESSION

House Bill 3: invests billions of dollars in Texas classrooms; substantially increases the minimum teacher salary schedule; provides an additional \$140 million for recruiting and retaining teachers; and creates a grant program for training teachers to effectively combine e-learning and traditional classroom instruction.



ADVANCES STUDENT ACHIEVEMENT

House Bill 3: dedicates more money to research-based programs proven to advance student achievement, such as dual-language immersion, dyslexia identification, and expanded career & technology education programs.

HOUSE BILL 3 ALSO INVESTS IN TEXAS STUDENTS AND CLASSROOMS THROUGH:

- A more equitable system that gives districts the ability to earn and keep more money from local property taxes
- A new grant program allowing parents to utilize additional services for children with learning disabilities
- Updates to the transportation funding model, which creates a simplified \$1.00 per mile reimbursement
- Quadrupling the allocation for building and equipping new facilities to \$100 million per year

House Bill 3 meets the classroom needs of today's students and tomorrow's workforce.

#TheTimeIsNow

HOUSE BILL 3: THE TEXAS PLAN

TRANSFORMATIONAL SCHOOL FINANCE REFORM

THE CHALLENGE:

Texas' current school finance system is limited by decades-old funding formulas in desperate need of updating. These outdated laws have resulted in a series of legal challenges, and in modern times, the legislature has only rewritten the laws when forced to do so by court order. This bandaid approach to fixing school finance ends with House Bill 3. Texas' current school finance system ties up billions of dollars in archaic funding mechanisms that are no longer supporting the needs of all students across our state. House Bill 3 eliminates these outdated funding formulas, freeing up billions of dollars for reinvestment into programs that meets the classroom needs of today's students and tomorrow's workforce.

House Bill 3 modernizes our school finance system and fundamentally transforms the way we fund our public schools. Supported by years of research, data and personal testimony, House Bill 3 formulaically realigns the entire school finance system to meet specific objectives -- objectives that accelerate student achievement, prioritize teacher quality, and invest more dollars per student than ever before.

THE OPPORTUNITY:

House Bill 3 is built upon years of preparation, research, and witness testimony conducted and collected by Chairman Huberty, the House Public Education Committee, and the Texas Commission on Public School Finance. The Commission's findings are well worth the state's investment, and House Bill 3 includes an overwhelming majority of those recommendations.

House Bill 3 fundamentally transforms the way Texas invests in its students. This bill puts into motion approximately \$9 billion in funding – beyond enrollment growth and current law entitlement over the next two years – and includes a series of reallocations that prioritize resources toward students with the highest needs.

This \$9 billion investment represents a significant increase in the state's share of public education funding that will reduce recapture, provide much-needed property tax relief, and strengthen support for our schools.

House Bill 3 funds its changes through set education budget formulas that provide stability for school districts and ensure that funding will exist beyond the next two years. The investments we make today will still exist for the students of tomorrow and set the stage for our state's economic success.

House Bill 3 makes school funding formulas more efficient and equitable by reframing our approach to public school funding. Rather than focusing on how much is being invested in districts and the education system as a whole, House Bill 3 focuses on how much we are investing in classrooms. Only when we focus on improving student outcomes can we truly transform our public education system.

House Bill 3 reforms our public school finance system from top-to-bottom. It reduces reliance on recapture, eliminates outdated or otherwise inefficient funding allotments to our districts, boosts investment in low-income/high-needs communities, and systemically increases per-pupil funding by raising the basic allotment to new heights.

Unnecessary partisan divides have prevented the Legislature from accomplishing meaningful school finance reform in sessions past, making it all the more significant that members from both sides of the aisle are uniting behind House Bill 3 – the TEXAS plan – today.

When it comes to reforming our public school finance system, the time is now. Our constituents are unanimous and consistent – patchwork fixes to school finance and property taxes won't do. We have the obligation and the mandate to create a universally-aligned property tax and school finance systems to meet the classroom needs of today's students and tomorrow's workforce.

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POLICY HIGHLIGHTS OF HOUSE BILL 3:

Invests in Texas students and teachers by adding approximately \$9 billion in funding above enrollment growth and current law entitlement over the next two years;

Empowers local school districts to put more money in their classrooms by raising the Basic Allotment from \$5,140 to \$6,030, an \$890 increase per student;

Provides property tax reform by lowering school property tax rates by 4 cents statewide;

Reduces recapture from \$7.7 billion to \$4.7 billion for the biennium, a \$3 billion or 38% reduction;

Establishes an early reading program that funds full-day, high quality Pre-K for low-income students, setting the right foundation for students to be able to read at grade level by third grade;

Substantially raises the minimum teacher salary schedule and allocates an addition \$140 million in funding for a teacher quality program, providing districts with the resources for recruiting and retaining teachers in the classroom;

Enhances the yield on the "enrichment" pennies, allowing schools to earn and keep more money for property taxes levied above the standard Tier 1 tax rate;

Creates a professional development grant program to train teachers in blended learning instruction so they can effectively combine e-learning and traditional classroom instruction;

Dedicates more money for dual language immersion education, which has proven to be more effective in producing greater achievement levels for multilingual and native English speaking students;

Equips districts with the resources needed to identify and intervene at the earliest signs of student dyslexia and related disorders;

Establishes an extended year program that allows districts to combat "summer slide" by providing 30 days of half-day instruction for students in grades PreK-5 during the summer months;

Updates the transportation funding model from a burdensome linear density model to a simplified one dollar per mile reimbursement;

Allocates resources to low-income students on a sliding scale (rather than an equal weight) to prioritize students with the highest needs, and provides more funding to schools with higher concentrations of economically disadvantaged students and generational poverty;

Quadruples the amount allocated to fast growth districts to build and equip new instructional facilities funding to \$100 million per year;

Expands career and technology education programs for students in grades 6-12 (previously grades 9-12), making students more skilled and better prepared for the workforce or post-secondary education; and

Establishes a grant program for districts to offer parents of economically disadvantaged students with learning disabilities in grades 3-8 access to additional services to help improve educational performance.

Graphics:



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TALKING POINTS: How House Bill 3 Benefits Educators

Investing in Texas teachers starts with investing in Texas classrooms. Through House Bill 3, we are directing more money than ever to Texas classrooms while giving local districts the discretion to spend money and resources as they see fit.

House Bill 3 adds \$9 billion in additional funding (above enrollment growth and current law entitlement) toward public education, which gives districts the funding they need to invest in classrooms, students, and teachers.

The allotments and weights that have been added in House Bill 3 will target funding towards educating students with the highest needs, including low-income students and students with learning disabilities.

House Bill 3 also substantially raises the minimum salary schedule for teachers and provides \$140 million in funding for district programs to recruit and retain quality teachers. This is especially important for high needs schools that struggle to attract and retain teachers. House Bill 3 will provide them with the resources to do that.

What's equally important is providing ongoing support for teachers throughout their careers. House Bill 3 provides funding for professional development programs that train teachers to be proficient in the most up-to-date instructional practices.

There's more we're doing beyond House Bill 3 to invest in Texas Teachers. House Bill 9, by Dr. Greg Bonnen, increases the state's share of TRS payments, making the teachers retirement fund more stable and solvent for generations of retired teachers. The teachers investing in the fund today must be reassured that the benefits will exist for them tomorrow. HB 9 makes the state pay more and invest in teachers long term.

If school districts wish to provide pay raises, House Bill 3 does nothing to prevent them from doing so. By investing \$9B and raising the basic allotment to \$6,030 per student, we are investing more money than ever to local districts who will be able to spend it as they see fit.