

The Texas Education Agency (TEA) proposes new §61.1005, concerning additional state aid for staff salary increases at regional education service centers (RESCs). The proposed new section would reflect changes made by House Bill (HB) 3, 86th Texas Legislature, 2019, by explaining how TEA will calculate and make available funding under former Texas Education Code (TEC), §42.2513.

**BACKGROUND INFORMATION AND JUSTIFICATION:** HB 3, 86th Texas Legislature, 2019, repealed additional state aid for staff salary increases under former TEC, §42.2513. Prior law provided a staff supplement of \$500 for full-time and \$250 for part-time staff who were neither classified as administrators nor subject to the minimum salary schedule. These provisions provided a funding entitlement to RESCs. HB 3 repealed the staff salary supplement as a separate allotment and provided the funding through the basic allotment.

RESCs, however, do not receive a basic allotment, and the repeal of the allotment results in the loss of entitlement to these entities. None of the fiscal analyses of HB noted this impact. HB 3 incorporates service centers into many of its reforms. Ongoing training and staffing obligations are created in the bill that contradict an attempt to reduce RESCs' funding. As a result, the loss of funding constitutes an unanticipated loss of entitlement.

Proposed new §61.1005 will adjust entitlement under the authority of TEC, §48.011, to flow funding to RESCs in the amount of the prior staff salary supplement as calculated under former TEC, §42.2513, for the 2018-2019 school year.

**FISCAL IMPACT:** Leo Lopez, associate commissioner for school finance, has determined that the proposed new rule will impose a cost of \$2.2 million annually to the state for the first five years the rule is in effect. The funding will be used for staff salary increases at RESCs.

**LOCAL EMPLOYMENT IMPACT:** The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

**SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT:** The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

**COST INCREASE TO REGULATED PERSONS:** The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

**TAKINGS IMPACT ASSESSMENT:** The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

**GOVERNMENT GROWTH IMPACT:** TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation because it imposes the requirements of recently enacted legislation.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

**PUBLIC BENEFIT AND COST TO PERSONS:** The proposal would ensure that rule language is based on current law and ensure that RESCs receive a flow of funding in the amount of the prior staff salary supplement as calculated under former TEC, §42.2513, for the 2018-2019 school year. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** The proposal would have no data and reporting impact.

**PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS:** The TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

**PUBLIC COMMENTS:** The public comment period on the proposal begins May 8, 2020, and ends June 8, 2020. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on May 8, 2020. A form for submitting public comments is available on the TEA website at [https://tea.texas.gov/About\\_TEA/Laws\\_and\\_Rules/Commissioner\\_Rules\\_\(TAC\)/Proposed\\_Commissioner\\_of\\_Education\\_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/). Comments on the proposal may also be submitted to Cristina De La Fuente-Valadez, Rulemaking, Texas Education Agency, 1701 North Congress Avenue, Austin, Texas 78701.

**STATUTORY AUTHORITY.** The new section is proposed under House Bill (HB) 3, §4.001(39), 86th Texas Legislature, 2019, which repealed TEC, §42.2513, that detailed the calculation of additional state aid for staff salary increases that school districts and regional education service centers were entitled to under the Foundation School Program; Texas Education Code (TEC), §48.004, as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019, which specifies that the commissioner shall adopt rules that are necessary to implement and administer the Foundation School Program; and TEC, §48.011, as added by HB 3, 86th Texas Legislature, 2019, which provides the commissioner authority to resolve unintended consequences from school finance formulas upon approval from the Legislative Budget Board and the office of the governor.

**CROSS REFERENCE TO STATUTE.** The new section implements House Bill (HB) 3, §4.001(39), 86th Texas Legislature, 2019, and Texas Education Code, §48.004 and §48.011, as added by HB 3, 86th Texas Legislature, 2019.

<rule>

**§61.1005. Additional State Aid for Staff Salary Increases at Regional Education Service Centers.**

- (a) This rule, made pursuant to Texas Education Code (TEC), §48.011 and §48.004, addresses calculations in former TEC, §42.2513.
- (b) A regional education service center is entitled to \$500 for each full-time and \$250 for each part-time employee, other than administrators or employees subject to the minimum salary schedule, reported to Texas Education Agency through the Foundation School Program data collection system for the 2018-2019 school year.