

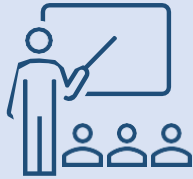
Texas Education Agency

HOUSE APPROPRIATIONS - ARTICLE III

LAR BRIEFING – 88TH LEGISLATURE

Every Child, Prepared for Success in College, Career, or the Military

Strategic Priorities



Recruit, support and retain teachers and principals.



Build a foundation for reading and math.



Connect high school to career and college.



Improve low-performing schools.

Key Actions



Supported Educators



Ready Students



Rigorous Engagement



Aligned Systems



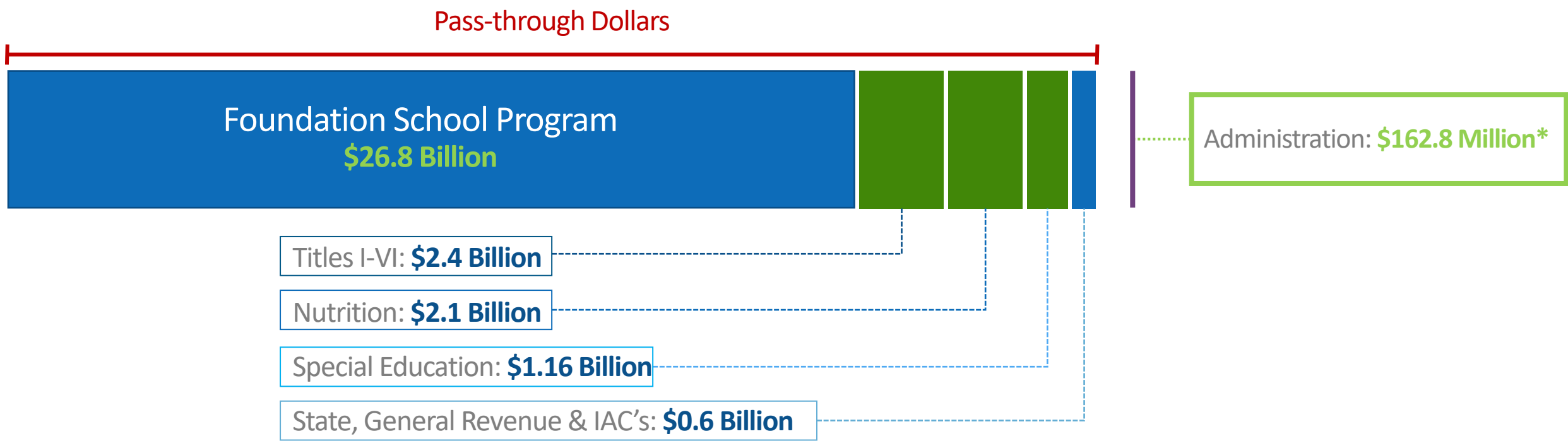
Actionable Goalsetting



Continuous Improvement

FY 2023 TEA Agency Budget: \$33.2 Billion

The Texas Education Agency is responsible for the wise fiduciary stewardship of **\$33.2B** in state and federal funding and agency administrative costs totaling **\$162.8M***



*LAR amounts plus \$1.5M in PSF dollars that will be MOU'd to TEA in 2023



TEA LAR and HB 1

THANK YOU

Method of Finance	FY 2022-2023 (Base)	FY 2024-2025 (HB 1)	Biennial Change
State Funds*	\$51.2 B	\$60.0 B	\$8.8 B
Federal Funds	\$12.7 B	\$12.5 B	\$(0.2) B
All Funds	\$63.9 B	\$72.5 B	\$8.6 B

**Includes recapture*

Foundation School Program in HB 1

- ✓ Fully funds current law for the Foundation School Program
- ✓ Golden penny yield increases from \$98.56 to \$126.21 in FY24 and \$129.52 in FY25
- ✓ Includes \$15B in property tax relief (\$5.3B under current law + \$9.7B new, with mechanism TBD)

What does this mean?

- The Golden Penny yield increase means that any district that is taxing in Tier 2 that does not have a wealth per student level above the yield will see a budget increase.
- Given average Tier 2 tax rates in the state and average property wealth projections, this translates to an average funding increase for districts of

~ \$239 per ADA

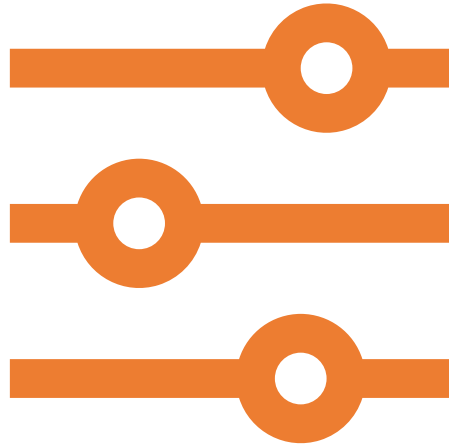
HB 1: Funding for School Systems

- ✓ New riders indicate legislative intent to increase funding for public education
- ✓ Indicates intent to provide \$600M for school safety through supplemental appropriations bill*
- ✓ Restores Instructional Materials Allotment to traditional levels (~\$1B per biennium)



* Addresses TEA exceptional item

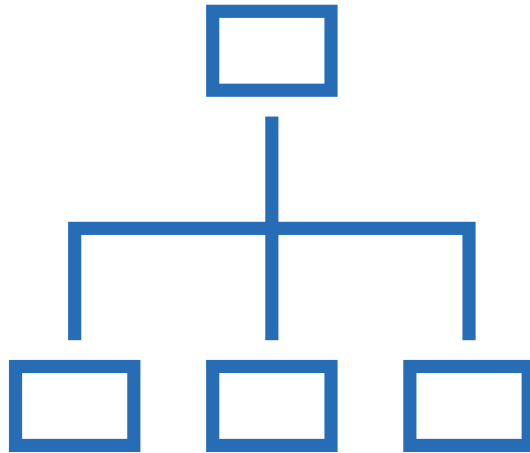
HB 1 Funded items from TEA's LAR



- ✓ Funds Supplemental Special Education Services program at \$93.3M
- ✓ Learning Acceleration:
 - Maintains HB 4545/Strong Foundations funding at FY22-23 level (\$150M)
 - Provides \$30M of state funds for ongoing learning acceleration/COVID recovery programs
- ✓ Funds TEA exceptional item for LEA cybersecurity*

* Addresses TEA exceptional item

HB 1 Funded items from TEA's LAR

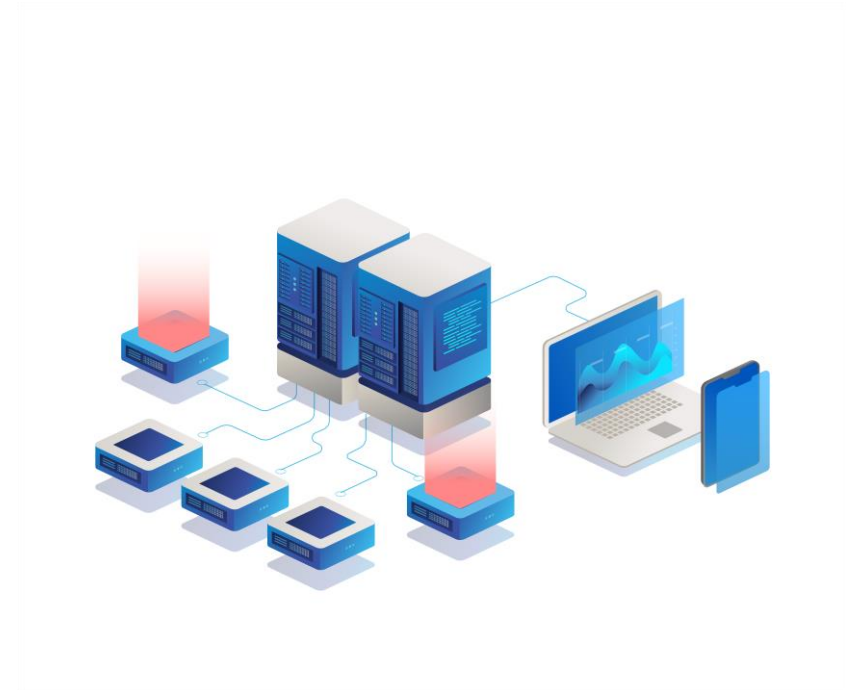


- ✓ Replaces PSF administrative funds (fills budget hole)*
- ✓ Provides funding for employee salary increases*
 - 5% or \$3,000 in FY24
 - Another 5% or \$3,000 in FY25
 - Indicates intent to fund increases beginning June 1 2023

* Addresses TEA exceptional item

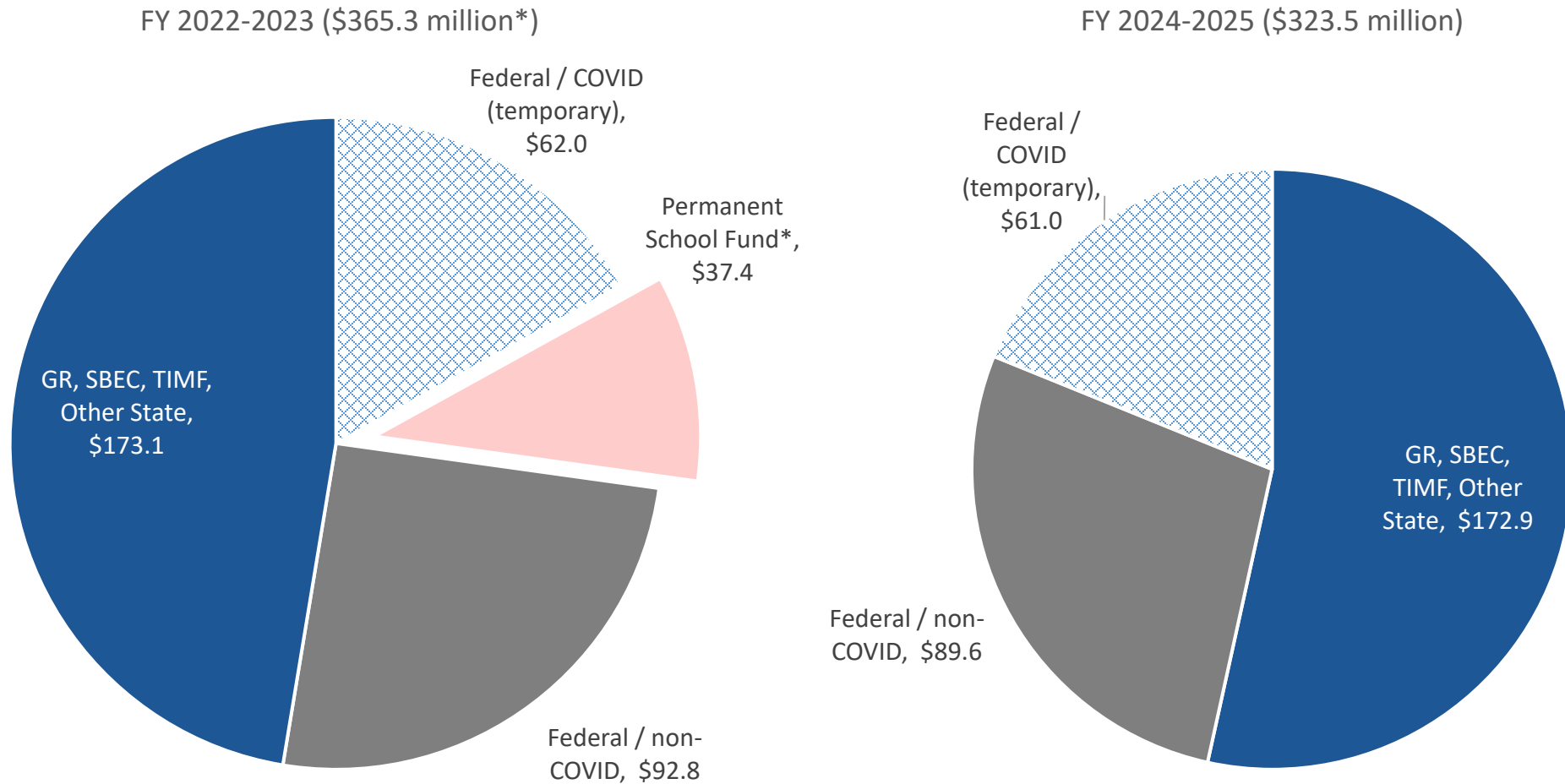
LAR Items *Not* Yet Addressed

- Exceptional Item request for IT deferred maintenance funding (\$11.25M)
- Additional rider requests for flexibility and clarity (TIA, Civics Academies)
- Reappropriation of funding to address MFS shortfall (\$74.6M)
- 000000000000000000



Appendix

Agency Admin by Method of Finance (\$ million)



*LAR amounts plus \$1.5M in PSF dollars that will be MOU'd to TEA in 2023

ESSER Formula Funds – Direct to LEAs

Formula ESSER Funds
As of January 6, 2023

	ESSER I (CARES)	ESSER II (CRRSA)*	ESSER III (ARP)	Total^
Hold Harmless Offset	\$1,069 M	\$1,109 M	\$0	\$2,179 M
Fully Available to LEAs	\$88 M	\$3,869 M	\$11,185 M	\$15,142 M
Total Formula Funds	\$1,157 M	\$4,979 M	\$11,185 M	\$17,321 M
<i>Drawn down to date</i>	<i>\$1,155.4 M</i>	<i>\$3,060.6 M</i>	<i>\$4,243.7 M</i>	<i>\$8,459.7 M</i>
<i>Remaining</i>	<i>\$1.8 M</i>	<i>\$1,918.4 M</i>	<i>\$6,941.3 M</i>	<i>\$8,861.5 M</i>
Funding Expiration Date	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024	

Totals may not sum due to rounding.

*Includes approx. \$2 million from state discretionary that TEA transferred to statutory formula allocations

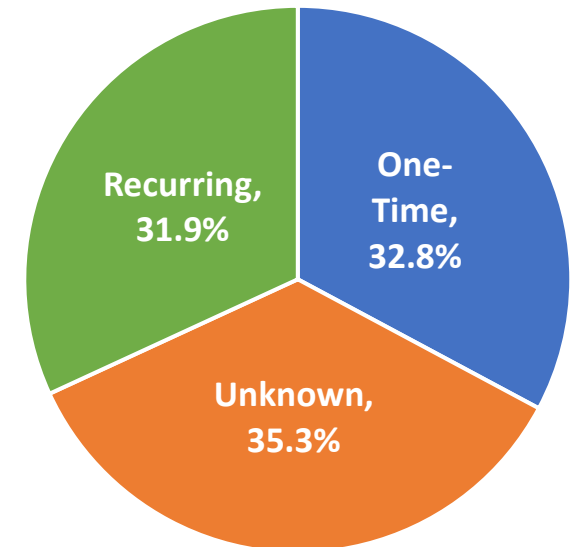
^From among discretionary ESSER funds and GEER funds, another \$227 million was provided to LEAs via the ESSER Supplemental program, \$10M was dedicated for technical assistance across formula programs, and \$304 million was provided for equitable services and support of private schools.

How LEAs are Using Formula ESSER Funds

This chart shows totals drawn down from the combination of ESSER-SUPP, ESSER II & III as of January 1, 2023. Percentages are based on total formula funds drawn down, not funds awarded.

Staffing Model & Planning Supports	\$1,356M	20.3%
Teacher Pay Increases	\$969M	14.5%
Additional Teachers	\$747M	11.2%
Student Services (e.g., Counseling, Nursing, Food, etc.)	\$754M	11.3%
COVID-related Facilities Supports (e.g., cleaning, PPE)	\$656M	9.8%
Technology	\$575M	8.6%
Indirect (administrative support)	\$481M	7.2%
Curricular Resources	\$386M	5.8%
Before/After/Summer School	\$318M	4.8%
Tutoring	\$207M	3.1%
Training Time Stipends	\$129M	1.9%
Professional Development	\$68M	1.0%
Other	\$29M	0.4%

Expenditure Comparison:
Recurring vs. One-Time Costs

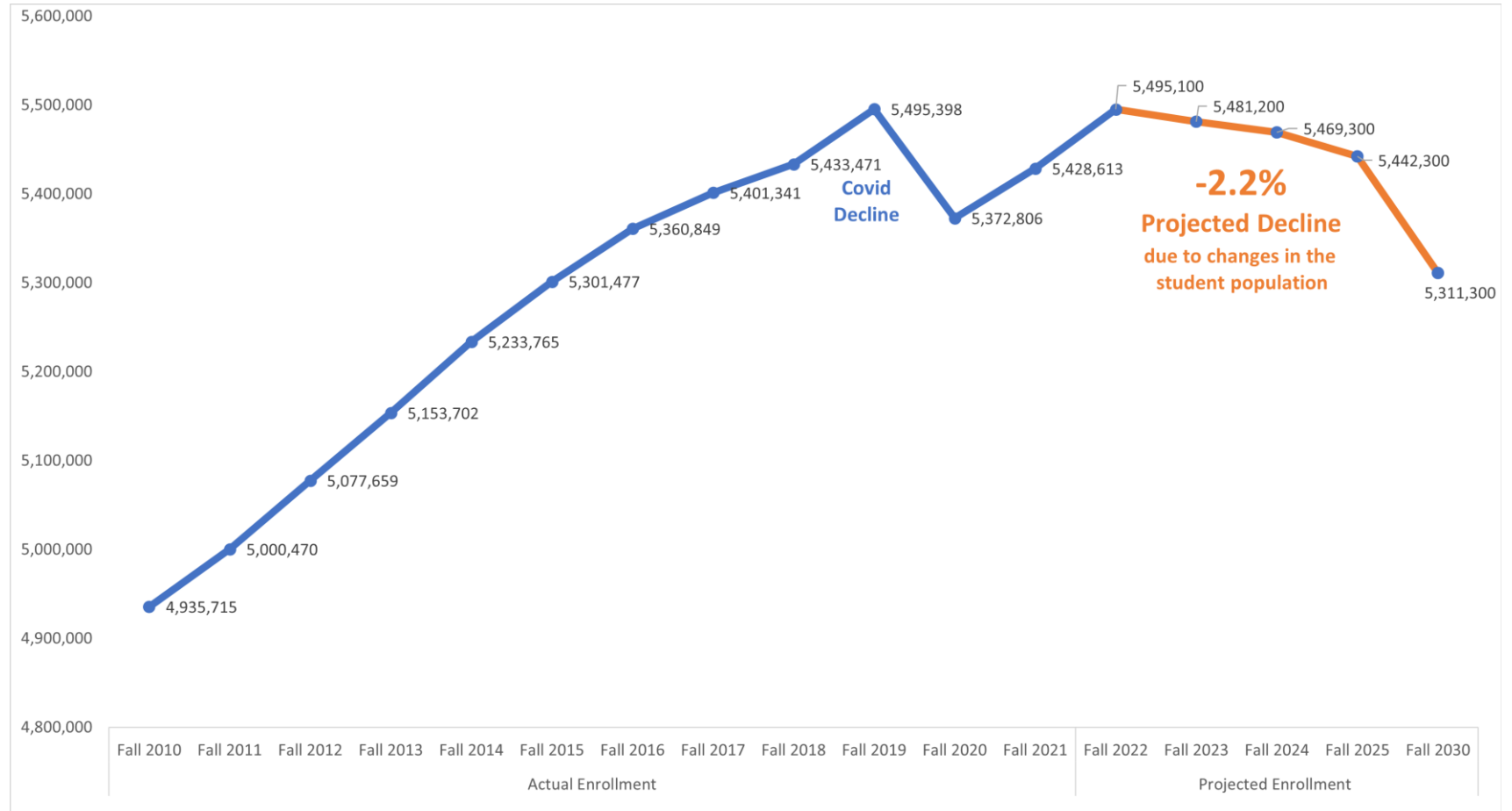


Note: To improve transparency, TEA reviewed expenditures that LEAs previously reported under the "Other" category and reclassified those expenditures into appropriate categories whenever possible. TEA also updated LEA reporting requirements on an ongoing basis.

Enrollment Trends – Near & Long Term

Statewide: Enrollment in Texas public schools is projected to decline over time

Historically, enrollment in Texas public schools has linearly **increased over time**. Texas saw a **significant drop** in enrollment with the COVID-19 pandemic. While enrollment has rebounded, NCES **projects a decline in statewide enrollment over time** due to factors that impact the school-age population.

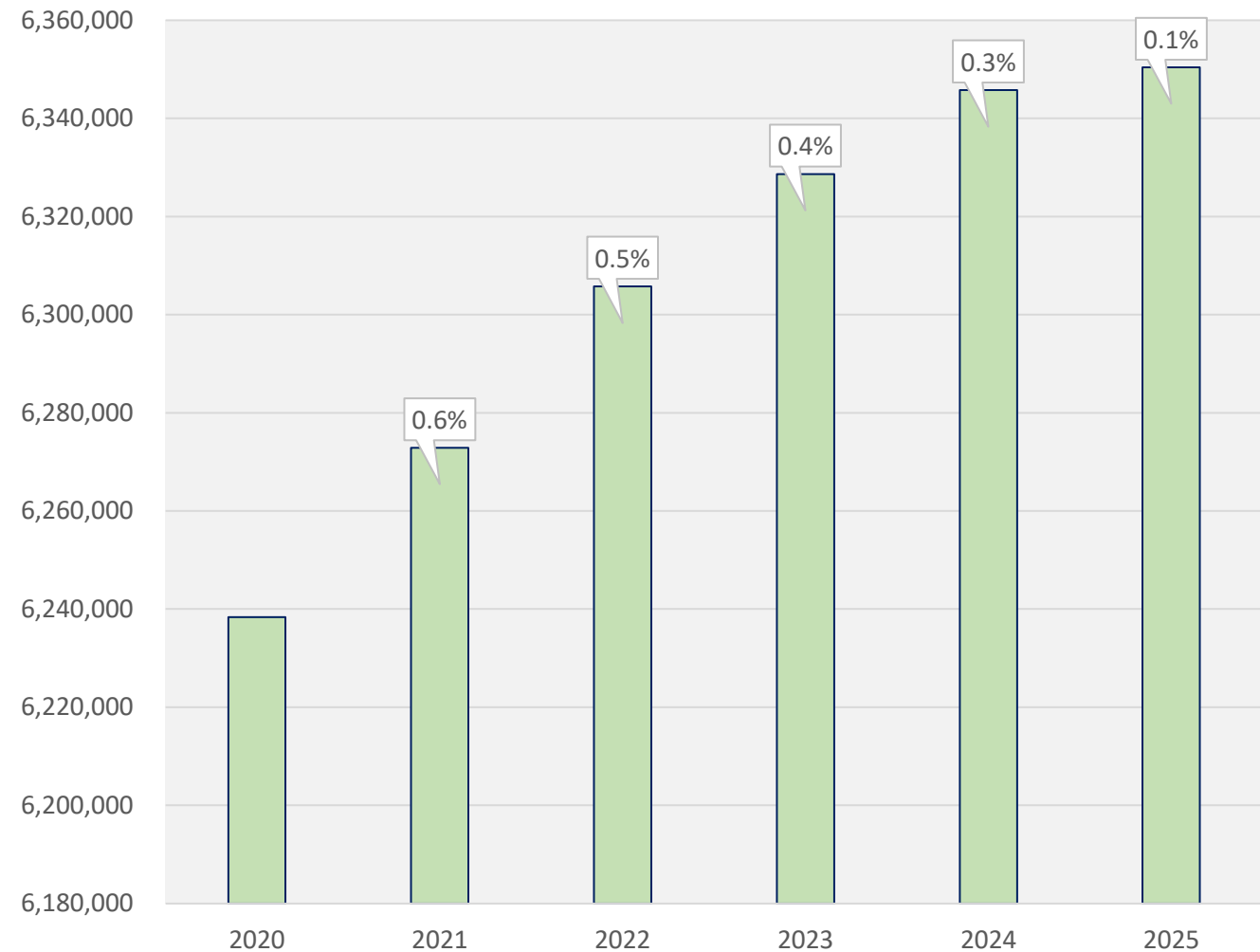


SOURCE: National Center for Education Statistics (n.d.). Digest of Education Statistics, 2022, Table 203.20. Retrieved August 18, 2022 from https://nces.ed.gov/programs/digest/d22/tables/dt22_203.30.asp?current=yes

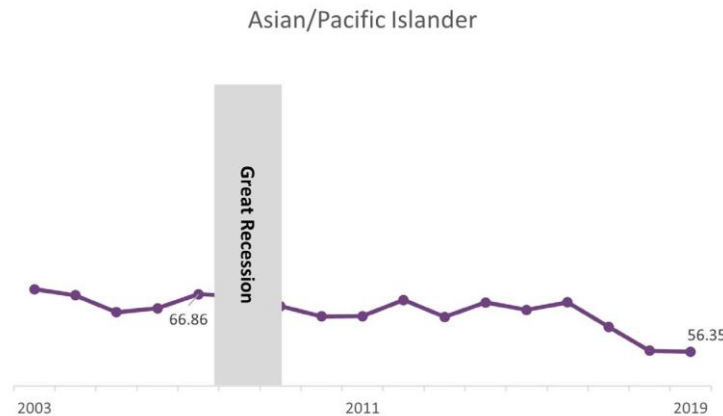
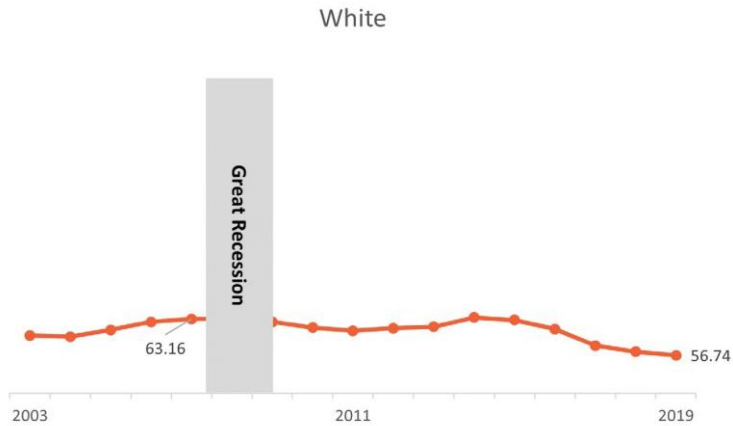
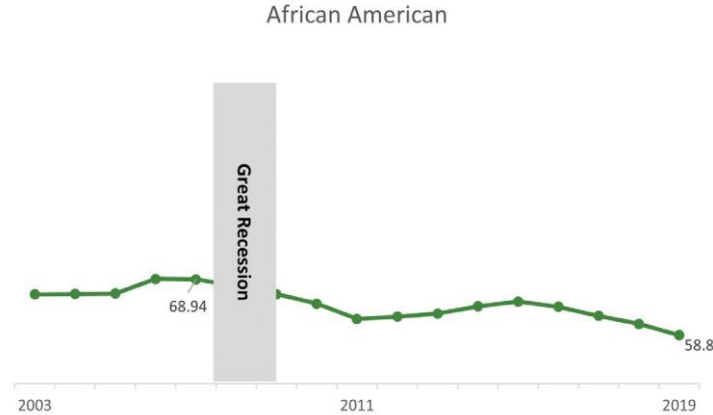
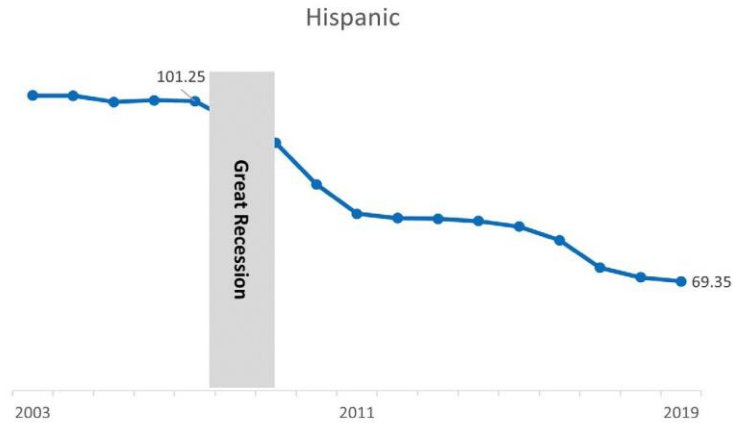
The Texas Demographer projects modest growth for school-aged children (4-18 years) near term

Many remain outside public schools

Texas Demographer 2022 Projection



Statewide: Texas birth rates have showed overall declines since 2007 for all racial/ethnic groups



Projections **should account for the overall decline** in fertility rates and pay attention to changes for specific racial/ethnic groups as applicable in one's local community. In addition, note that **fertility rate declines may not be off set by in-migration for the school age population.**

Fertility rates are calculated as the number of births divided by the number of females, age 15 - 44 years old in the given year(s).

Source: National Center for Disease Control and Prevention, National Center for Health Statistics. National Vital Statistics System, Natality on CDC WONDER Online Database. Data are from the Natality Records 2003-2019, as compiled from data provided by the 57 vital statistics jurisdictions through the Vital Statistics Cooperative Program. Accessed at <https://wonder.cdc.gov/natality-v2006.html>

Statewide: Changes in enrollment from the prior year illustrate likely effects of birth rate declines

Great Recession:
December 2007-June
2009

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Early Education	-297	-1,161	-1,896	72	647	1,132	750	766	1,119	-4,892	384
Prekindergarten	702	2,531	-861	-6,410	1,624	3,479	7,367	7,469	9,580	-52,133	26,640
Kindergarten	5,253	11,188	1,092	-1,161	-13,737	-4,802	-393	2,402	10,094	-22,765	10,153
1	4,392	4,609	12,548	2,905	-2,361	-14,172	-7,168	-1,737	4,549	-10,046	4,829
2	3,513	5,803	5,228	13,708	3,147	-2,469	-14,455	-6,599	912	-8,553	3,716
3	3,968	3,568	7,030	6,322	13,071	3,368	-2,785	-14,085	-4,094	-10,660	3,737
4	1,651	2,987	4,845	6,982	6,513	14,039	2,724	-1,803	-11,905	-14,747	647
5	5,203	-1,305	6,518	5,385	5,821	6,045	14,221	3,151	-93	-21,795	-5,678
6	11,140	7,352	-3,576	7,091	6,853	7,633	4,441	15,123	5,021	-8,383	-13,910
7	8,760	11,084	8,295	-2,479	6,515	6,598	6,355	4,362	16,711	-2,198	-2,559
8	5,954	6,588	12,922	8,663	-1,809	5,804	6,232	6,450	6,224	11,233	2,039
9	2,888	8,873	5,776	11,740	8,762	3,041	1,206	3,735	12,436	-12,599	39,223
10	3,077	3,663	12,008	10,676	13,289	8,800	1,875	3,627	6,208	13,661	-12,005
11	8,507	4,623	2,542	11,687	10,250	11,614	7,938	1,342	3,995	11,235	1,011
12	251	6,858	3,614	4,959	9,668	9,289	12,247	8,025	1,273	10,288	-2,443
Total	64,962	77,261	76,085	80,140	67,663	59,399	40,555	32,228	62,030	-122,354	55,784

Fewer students born after the Great Recession show as an **enrollment decline bubble** progressing through successive grade levels. Note that statewide trends may not reflect specific LEA-level trends, historically or in the future.

Approximate birth
year for students in
early education:

2009 2010 2011

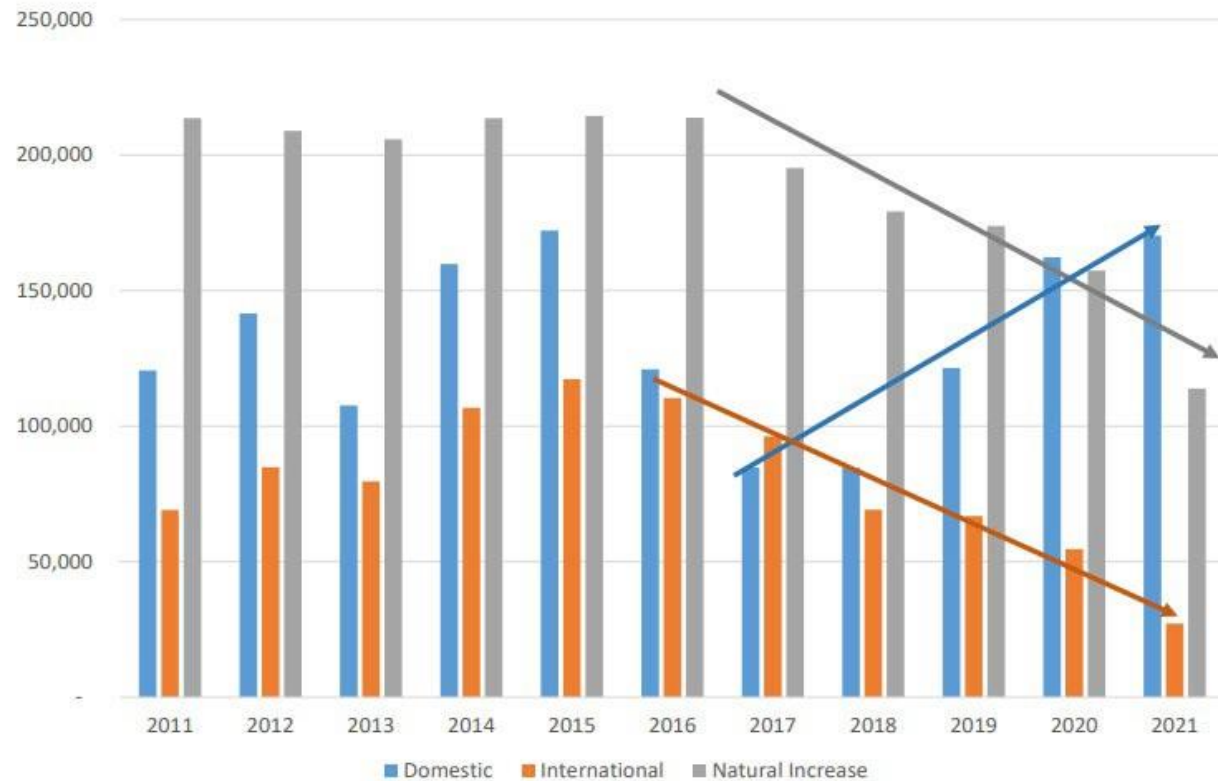
Statewide: The relationship is complex. Declines in birth rates and international migration may be off set by domestic in-migration at the state level.

Statewide, **domestic inbound migration** now accounts for a **higher proportion of Texas student growth** than natural increases or international migration as compared to prior years.

LEA projections must consider effects from within-Texas migration. Local migration effects may or not may reflect statewide migration trends.



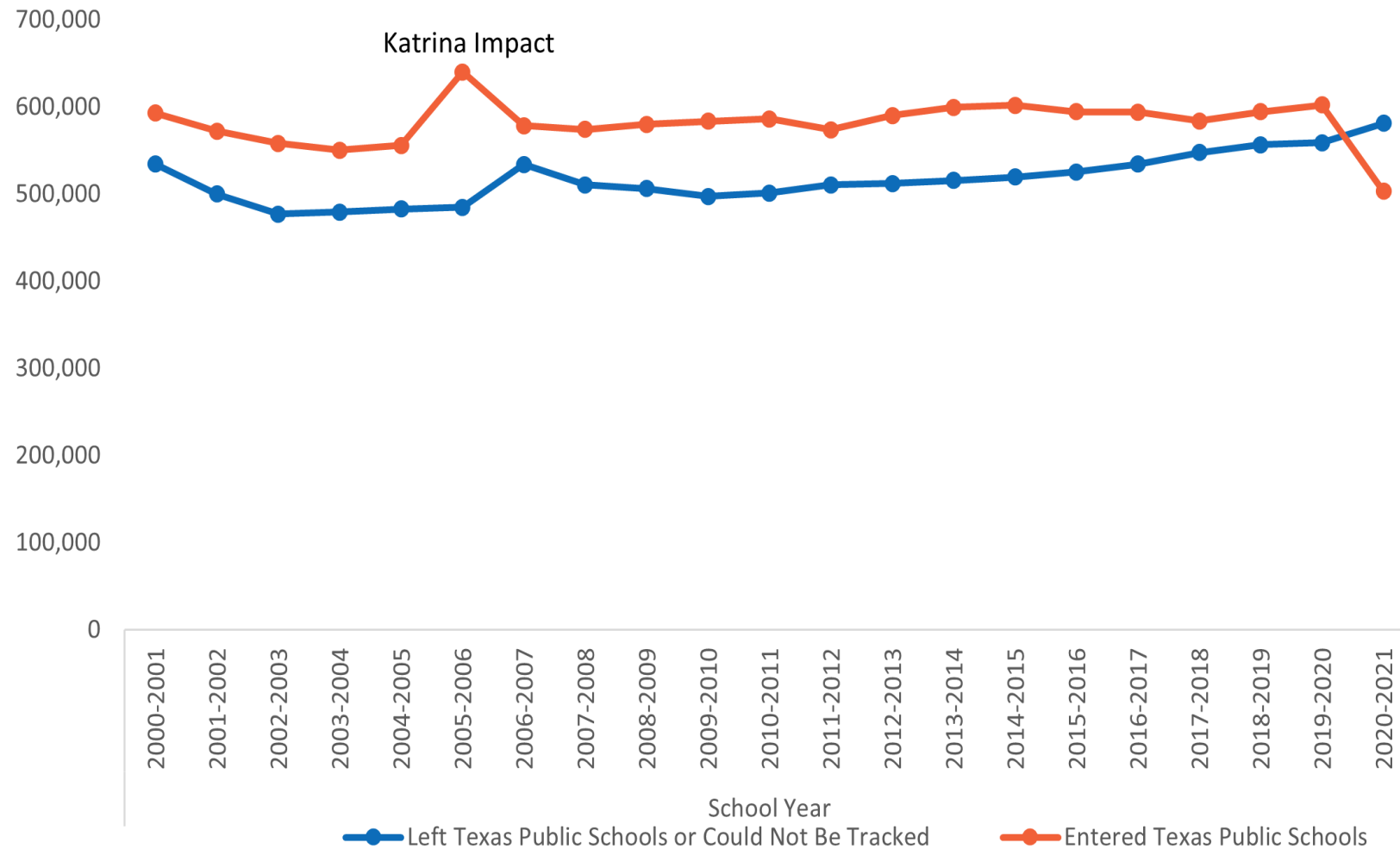
Estimated Domestic and International Migration for Texas, 2011-2021



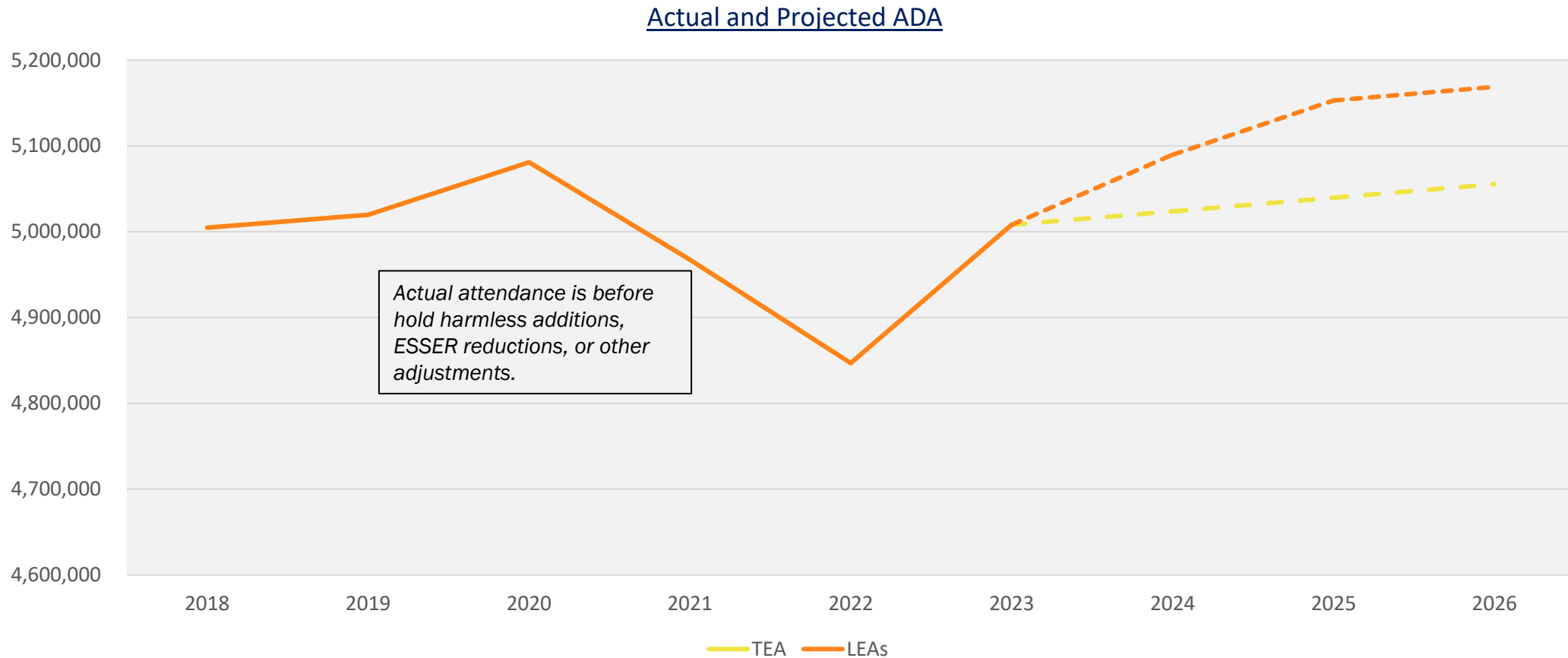
SOURCE: U.S. Census Bureau. 2020 Evaluation Population Estimates and 2021 Vintage Population Estimates

Statewide: Students leaving Texas public schools were offset by students entering Texas public schools until 2020-21

Changes in inter-state and intra-state migration during the COVID-19 pandemic impacted new state-level enrollment in Texas public schools.

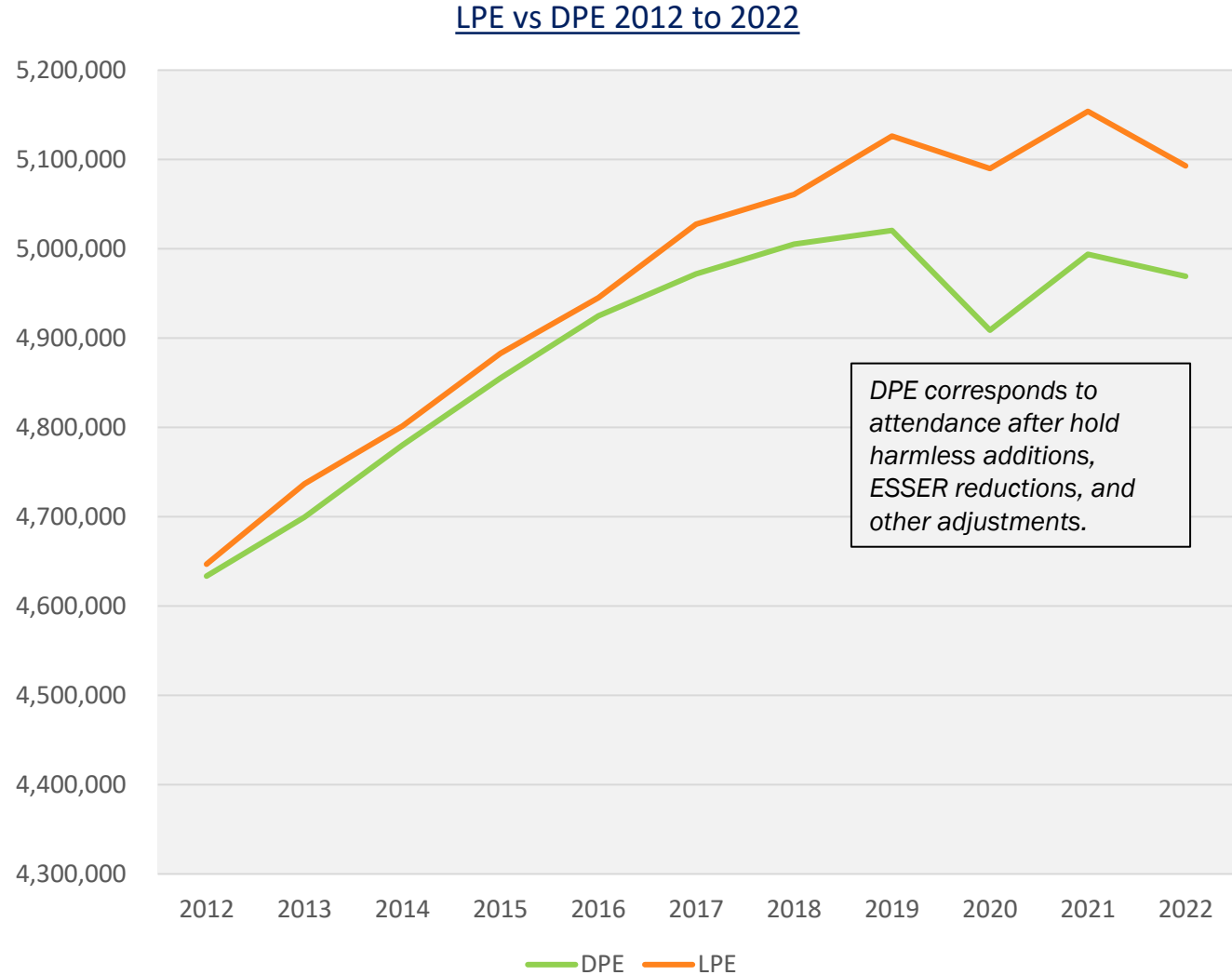


LEAs projected significantly higher ADA than prior TEA projections



LEAs attendance projections (LPE) have historically been higher than final ADA (DPE)

This difference became larger after 2017, when ADA growth began to slow and charter schools began educating a larger share of students. COVID years also included numerous adjustments to DPE attendance.

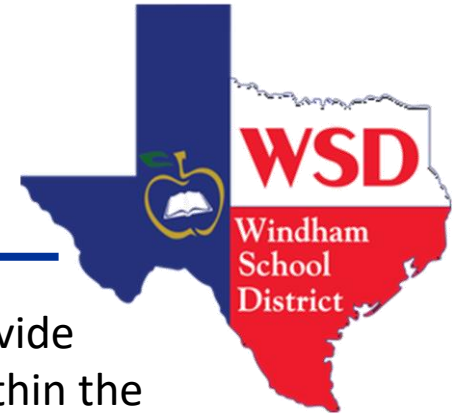




LAR Appendix Slides

Windham School District

Exceptional Item Request (original from LAR)
2024 – 2025 Legislative Appropriations Request



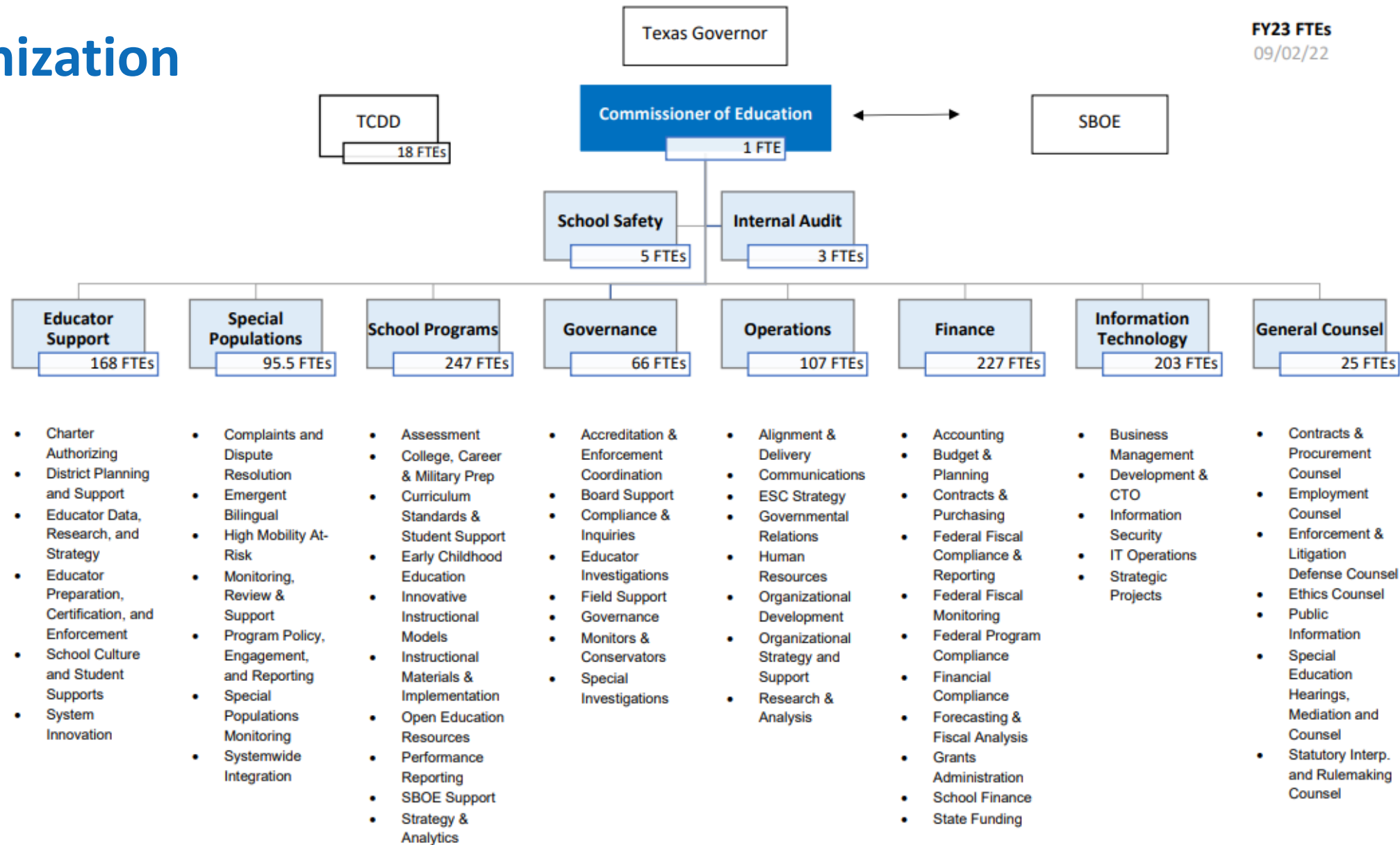
- Windham School District (WSD) was authorized by the Texas Legislature in 1969 to provide academic, life skills, and career and technical education courses to eligible students within the Texas Department of Criminal Justice. WSD is requesting an exceptional item to better achieve the goals of the district.

FY 2024	FY 2025	Biennial Total Request
\$5.4 million	\$4.9 million	\$10.3 million

- Components of the Exceptional Item Request
 1. Continued Funding for 10% Teacher Salary Increase: \$6.2 million
 2. Educational Services for Students in Restrictive Housing: \$488,000
 3. Career and Technical Education Expansion: \$1.9 million
 4. Family Literacy Programming: \$961,000
 5. Workforce Coordinator Program: \$744,000

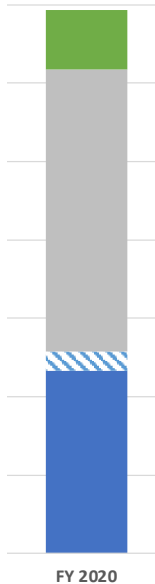
Organization Chart

FY23 FTEs
09/02/22



Federal COVID Relief: More Funding to Support Learning Acceleration

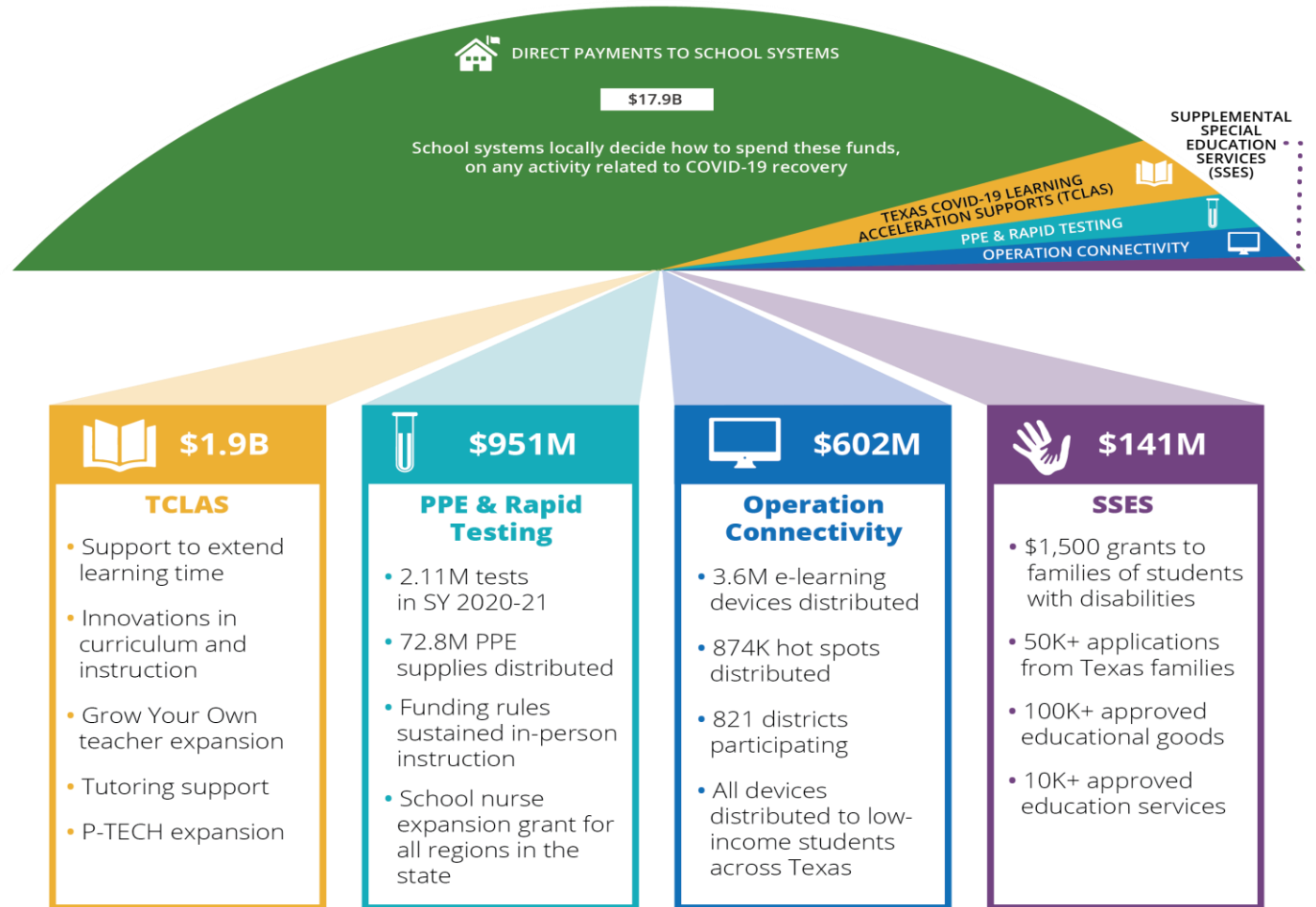
2020 Total Annual School
Funding (all sources)



\$69.3 Billion



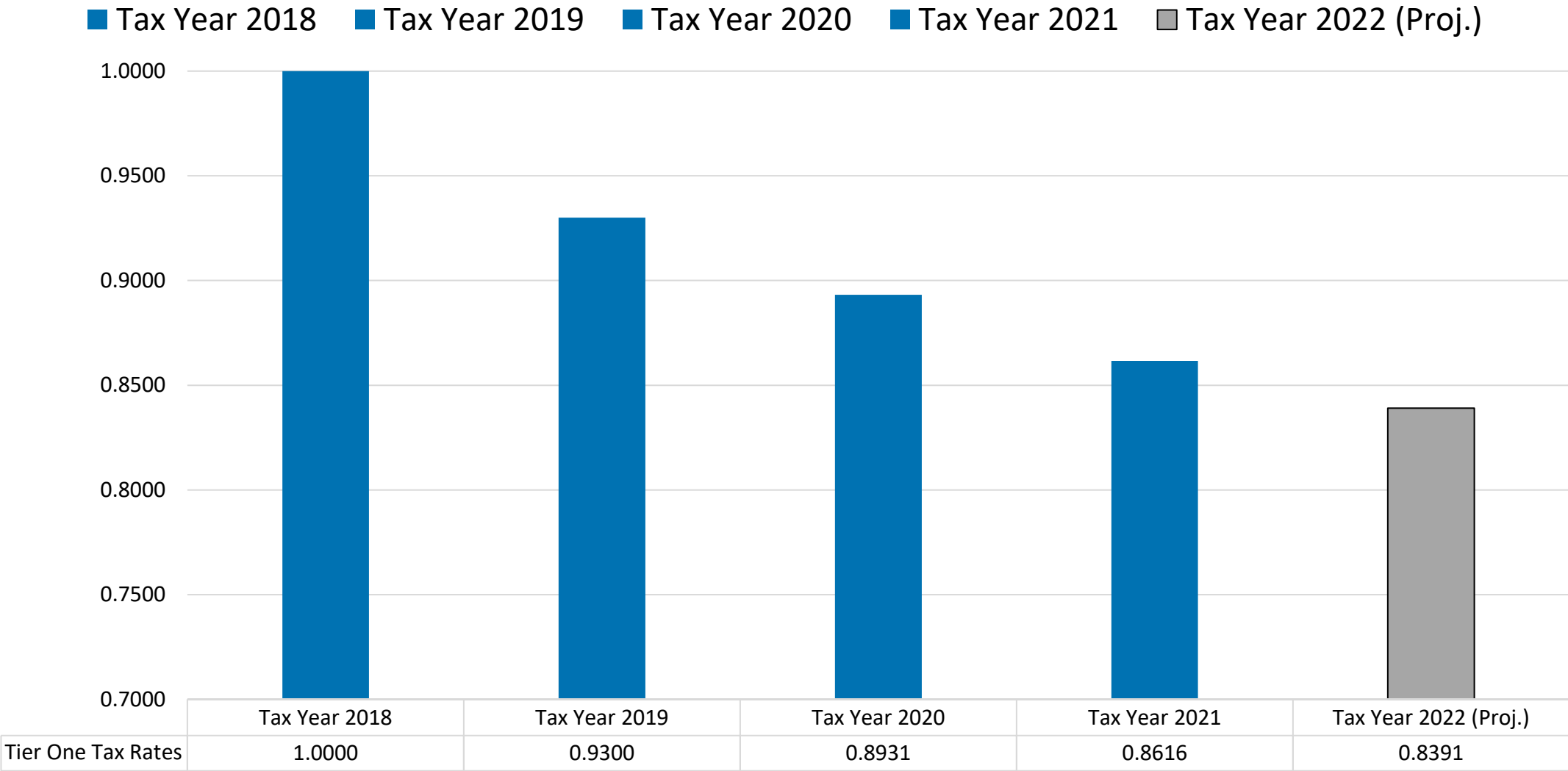
COVID One-Time Relief Funding (federal and state)



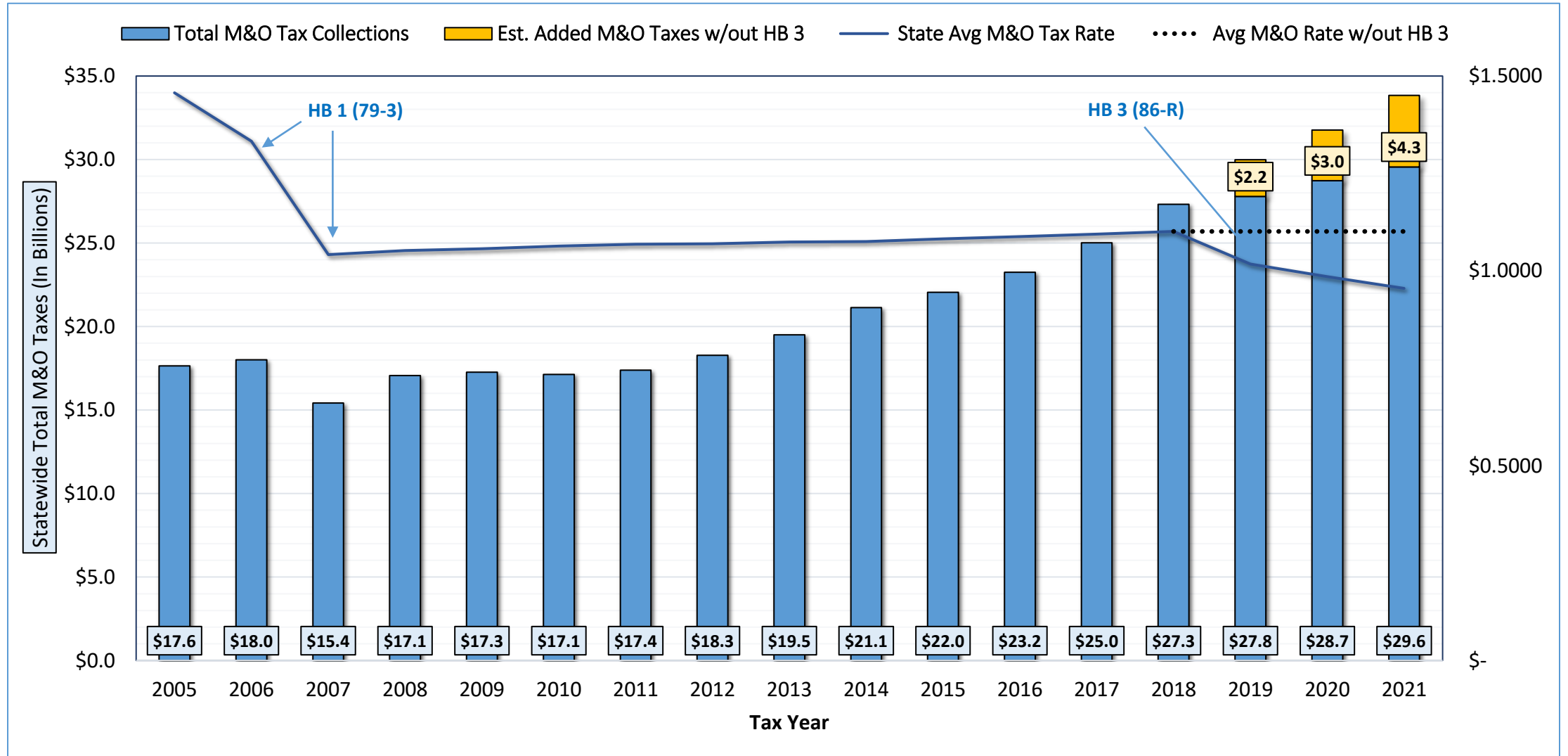
~\$21.4 Billion

Numbers as of 12/31/21

HB 3 – Tier One Tax Rates and State Average Tax Compression

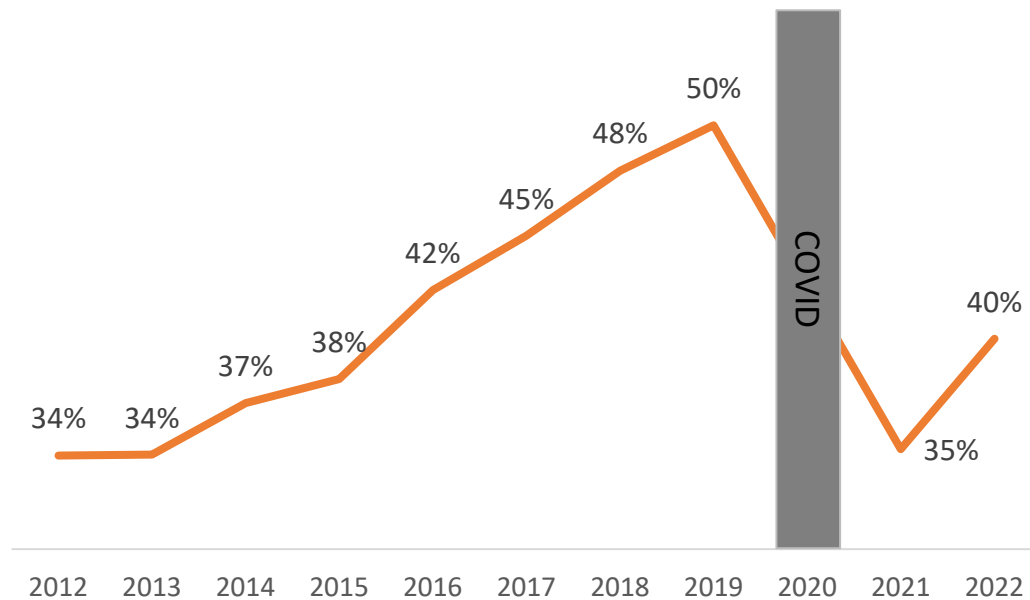


Tax Rates and Tax Collection History

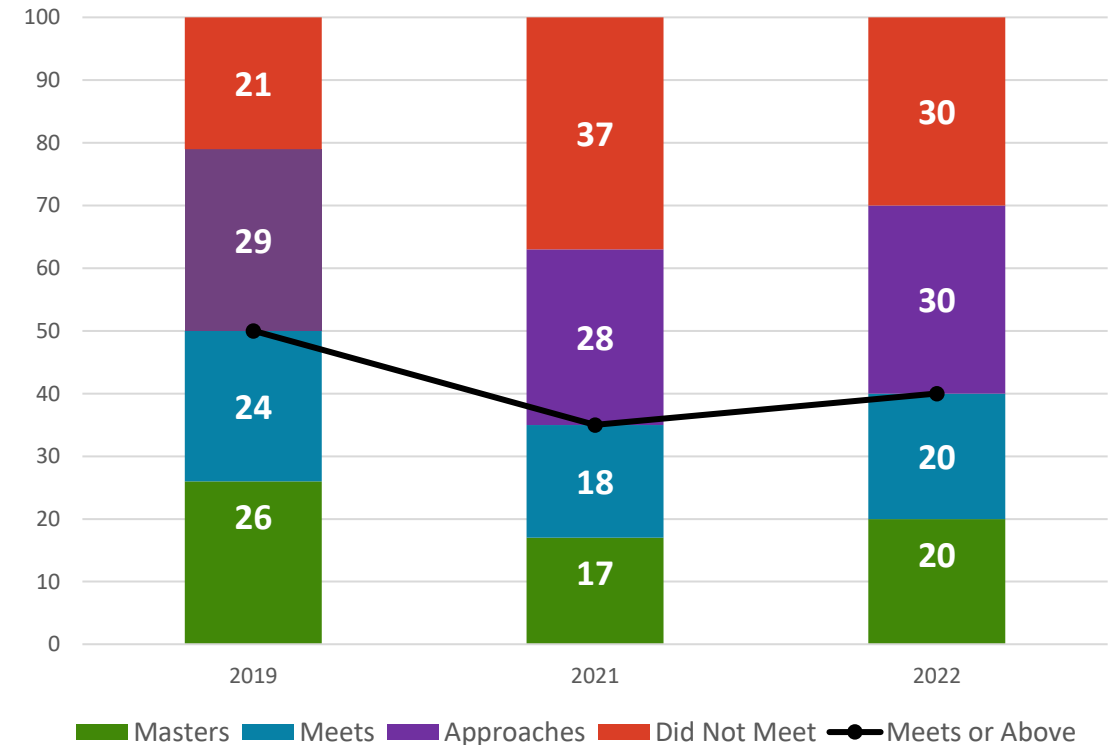


In Math, Texas students have improved since last year, but are still recovering from the significant impacts of COVID

Percent of Students that Met Grade Level or Above in Math (Grades 3-8 and Algebra I)

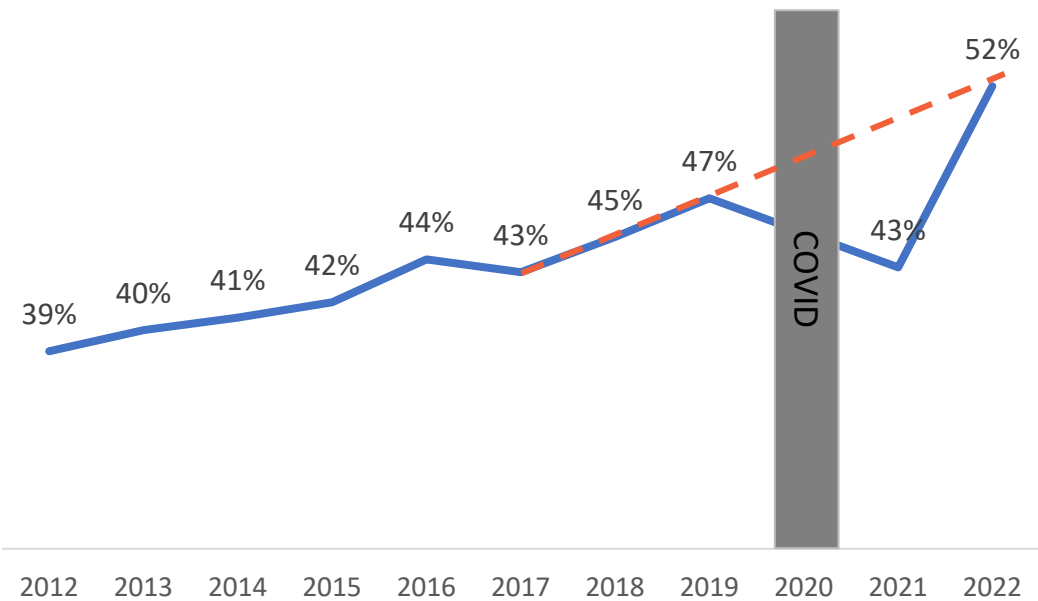


Percent of Students by Performance Level in Math (Grades 3-8 and Algebra I)



In RLA, which was impacted less by COVID, Texas students appear to have recovered

Percent of Students that Met Grade Level or Above in Reading Language Arts (Grades 3-8, English I & II)



Percent of Students by Performance Level in Reading Language Arts (Grades 3-8, English I & II)

