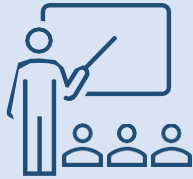


Texas Education Agency

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



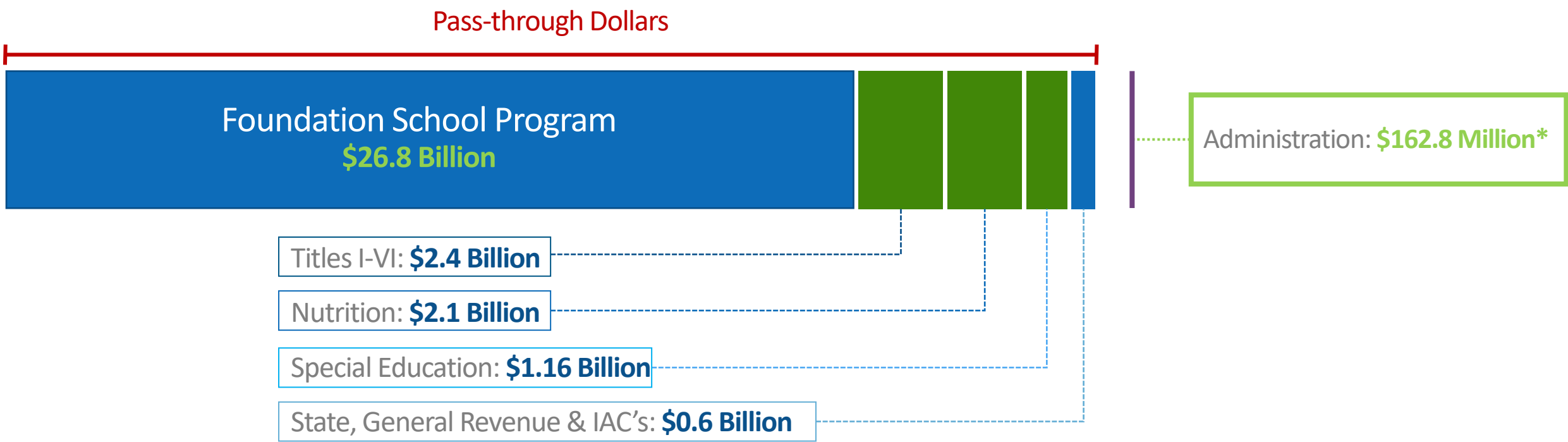
Actionable Goalsetting



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 SB 1

THANK YOU

Method of Finance	FY 2022-2023 (Base)	FY 2024-2025 (SB1)	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 SB 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

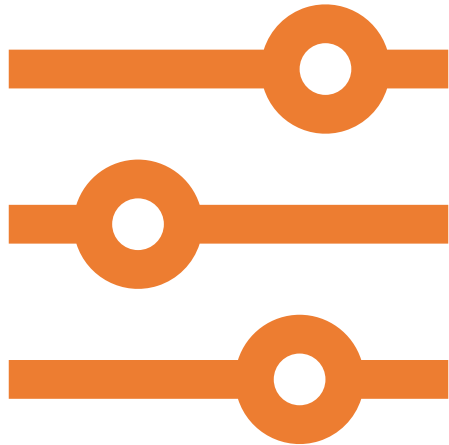
SB 1: Funding for School Systems

- ✓ New riders indicate legislative intent to increase funding for public education
 - Both chambers reference teacher compensation* and TIA
- ✓ Restores Instructional Materials Allotment to traditional levels (~\$1B per biennium)



* Addresses TEA exceptional item

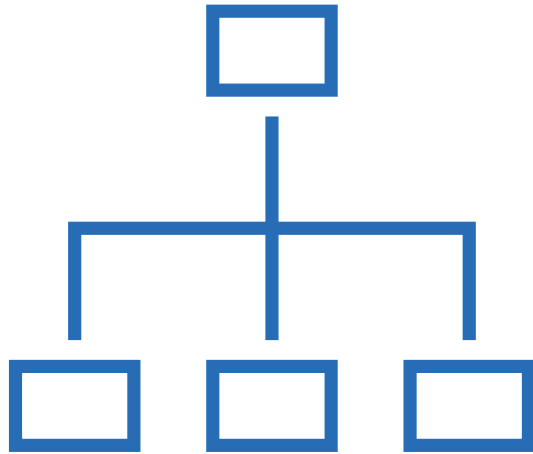
SB 1 Funded items from TEA's LAR



- ✓ 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
- ✓ Indicates intent to provide \$600M for school safety through supplemental appropriations bill*
- ✓ Funds TEA exceptional item for LEA cybersecurity*

* Addresses TEA exceptional item

SB 1 Funded items from TEA's LAR

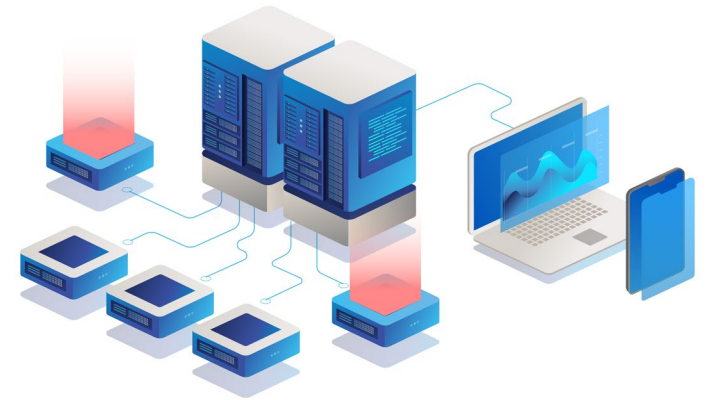


- ✓ Replaces PSF administrative funds (fills budget hole)*
- ✓ Provides funding for employee salary increases*
 - 5% or \$3,000 in FY24
 - Another 5% or \$3,000 in FY25
 - Indicates intent to fund increases beginning June 1 2023

* 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)



Appendix

SB 1 Rider Highlights



- ✓ Rider 8: Restored Instructional Materials and Technology Allotment to FY20-21 level
- ✓ Riders 47, 48, and 64: Streamlined T-STEM, Early College High School, and P-TECH into a single rider
- ✓ Riders 59 and 61: Streamlined reading academies provisions and funding into a single rider
- ✓ Removed obsolete riders and integrated certain programmatic funding not previously described by rider into existing or new riders

Rider Change Requests Not Included in SB 1

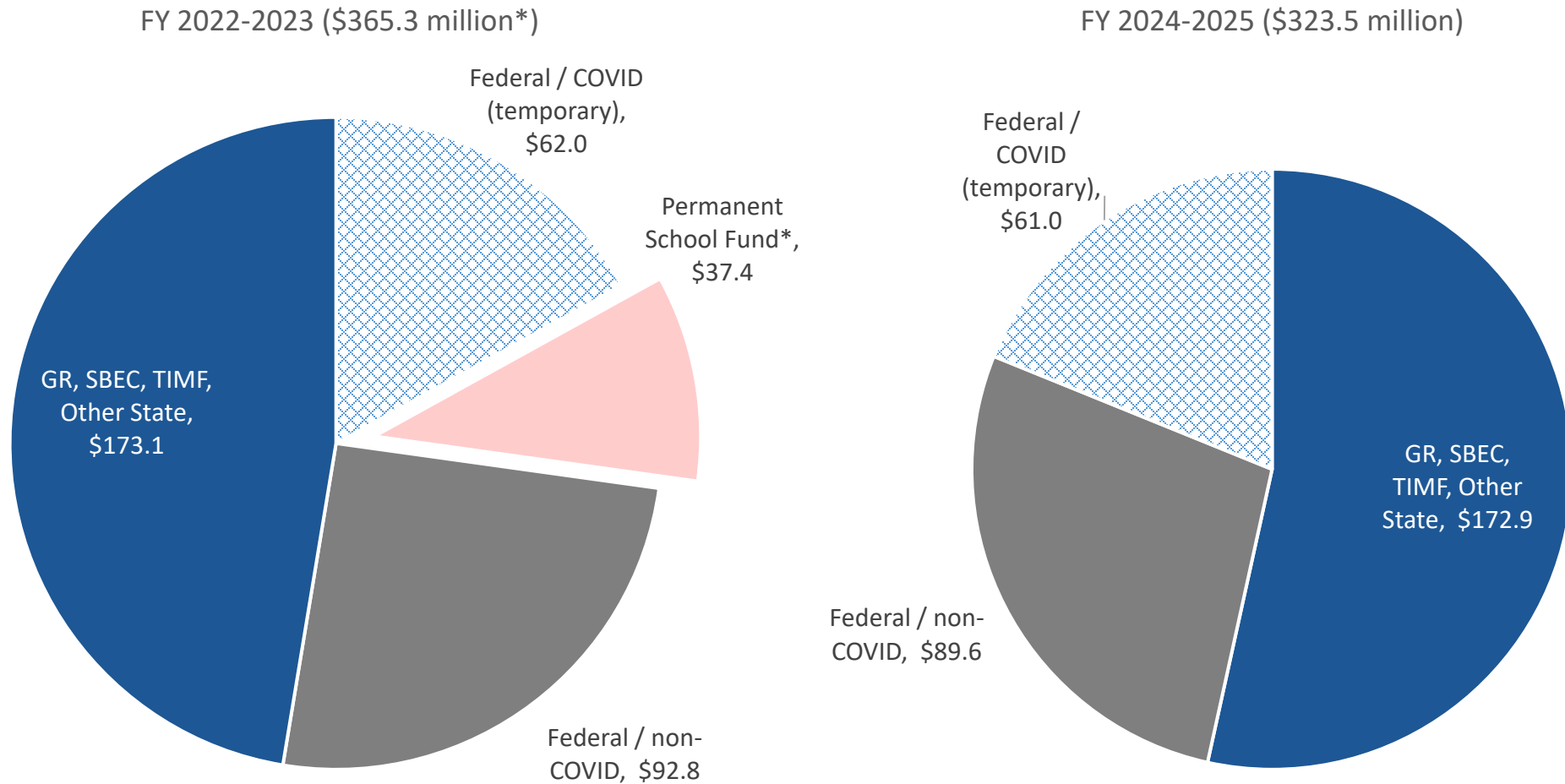
- Rider 25: clarified requirements on use of program funds for DCS purposes if required by DIR
- Riders 52 and 59: Improved agency's ability to develop tools for monitoring and reporting programmatic performance
- Rider 77: Added UB and revenue over the BRE provisions to Teacher Incentive Allotment rider



Summary of Exceptional Items (original from LAR): Agency Functions

- 1. Permanent School Fund Replacement:** \$5.5M *per year* needed to replace administrative PSF dollars removed from budget following separation under SB1232, 87(R)
- 2. Strategic Compensation:** \$5M *per year* to pair with available federal funds for 3-6% salary increases for all merit-eligible staff and for targeted human capital investments
- 3. IT Deferred Maintenance:** \$5.6M *per year* to address backlog of updates to critical IT systems

Agency Admin by Method of Finance (\$ million)



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

Summary of Exceptional Items (original from LAR): Programs and Supports

- 4. **School Safety:** Request still under formation, to include funding for facilities upgrades, school-based safety personnel, technical assistance, and other supports
- 5. **Educator Staffing:** Proposals to decrease teacher vacancy rates are under development and will be presented to the Legislature for consideration
- 6. **Data Privacy:** \$55.1M needed *for the biennium* for third-party risk assessments, regional technical assistance, and best-in-class cyber-defense tools

Windham School District

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



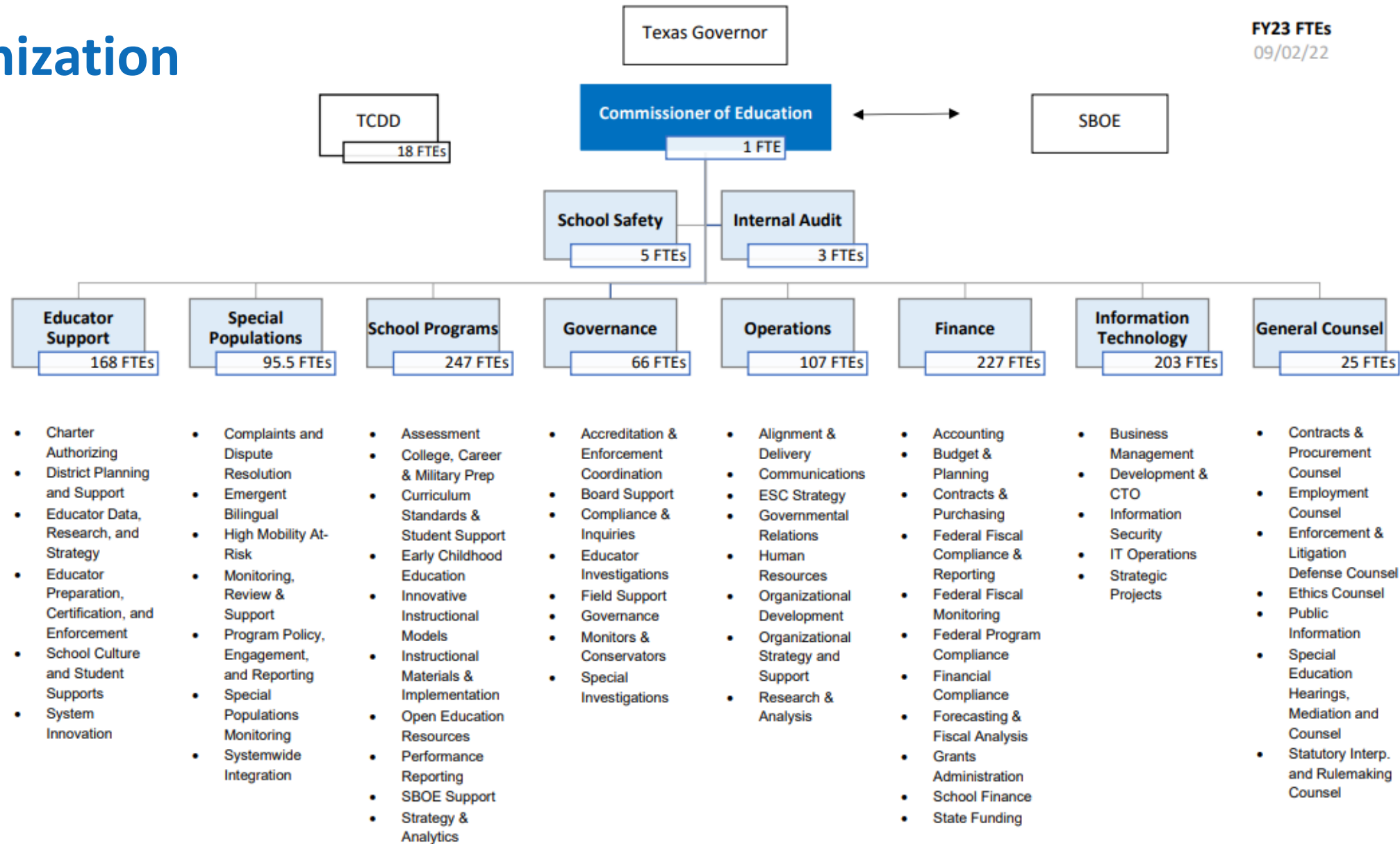
- Windham School District (WSD) was authorized by the Texas Legislature in 1969 to provide academic, life skills, and career and technical education courses to eligible students within the Texas Department of Criminal Justice. WSD is requesting an exceptional item to better achieve the goals of the district.

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

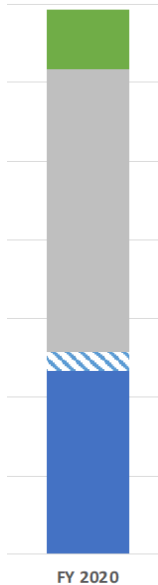
Organization Chart

FY23 FTEs
09/02/22



Federal COVID Relief: More Funding to Support Learning Acceleration

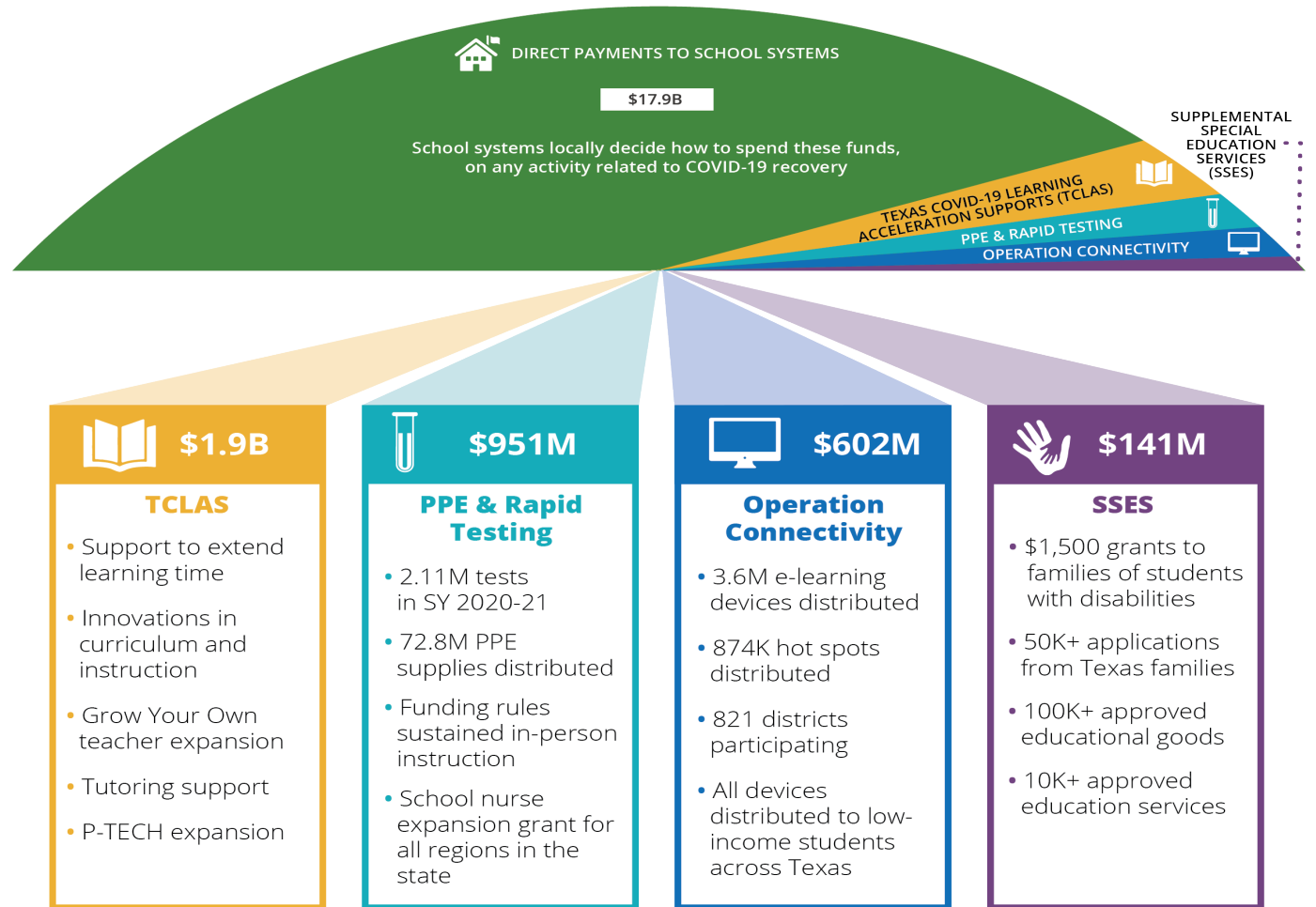
2020 Total Annual School
Funding (all sources)



\$69.3 Billion



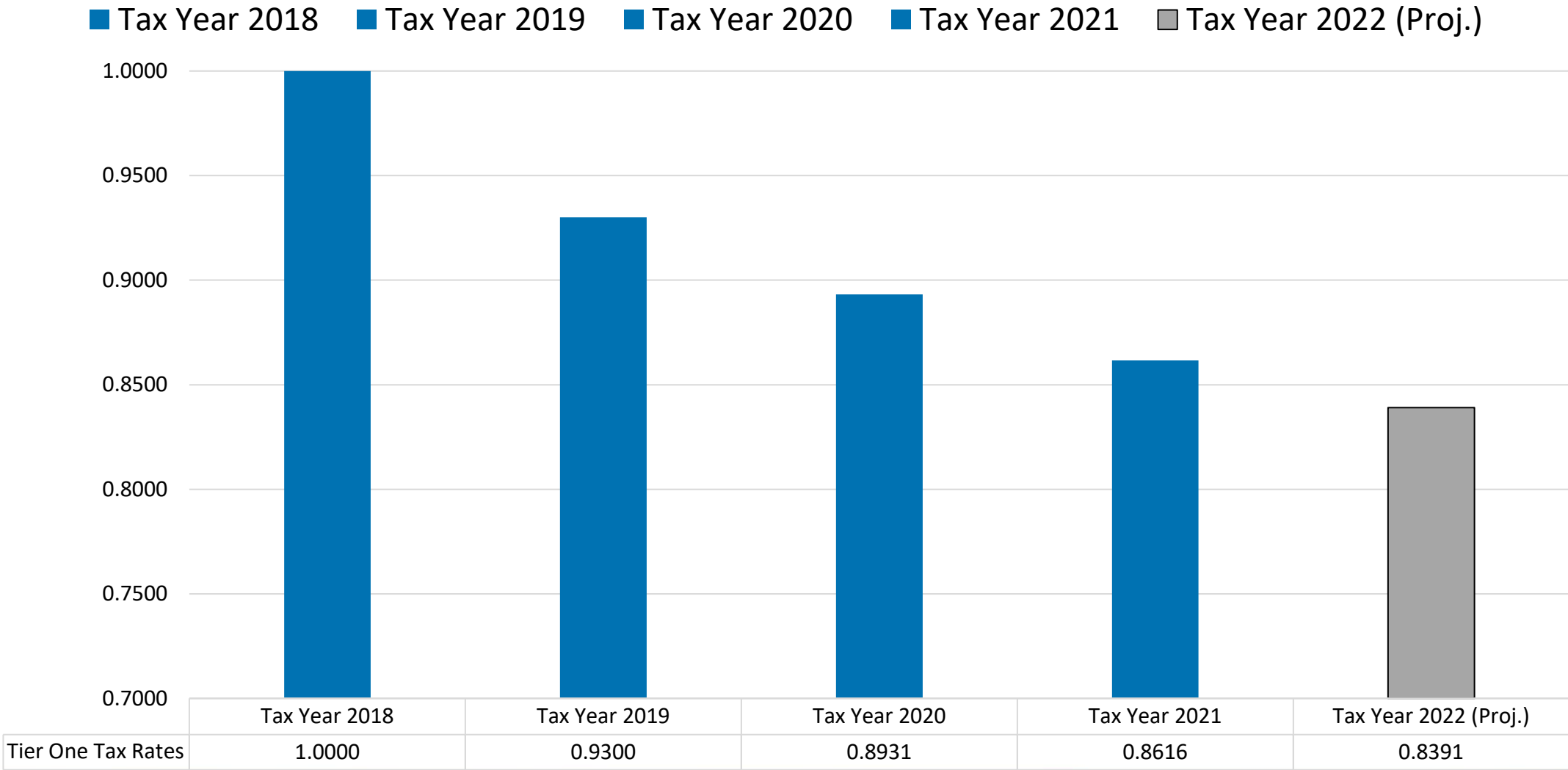
COVID One-Time Relief Funding (federal and state)



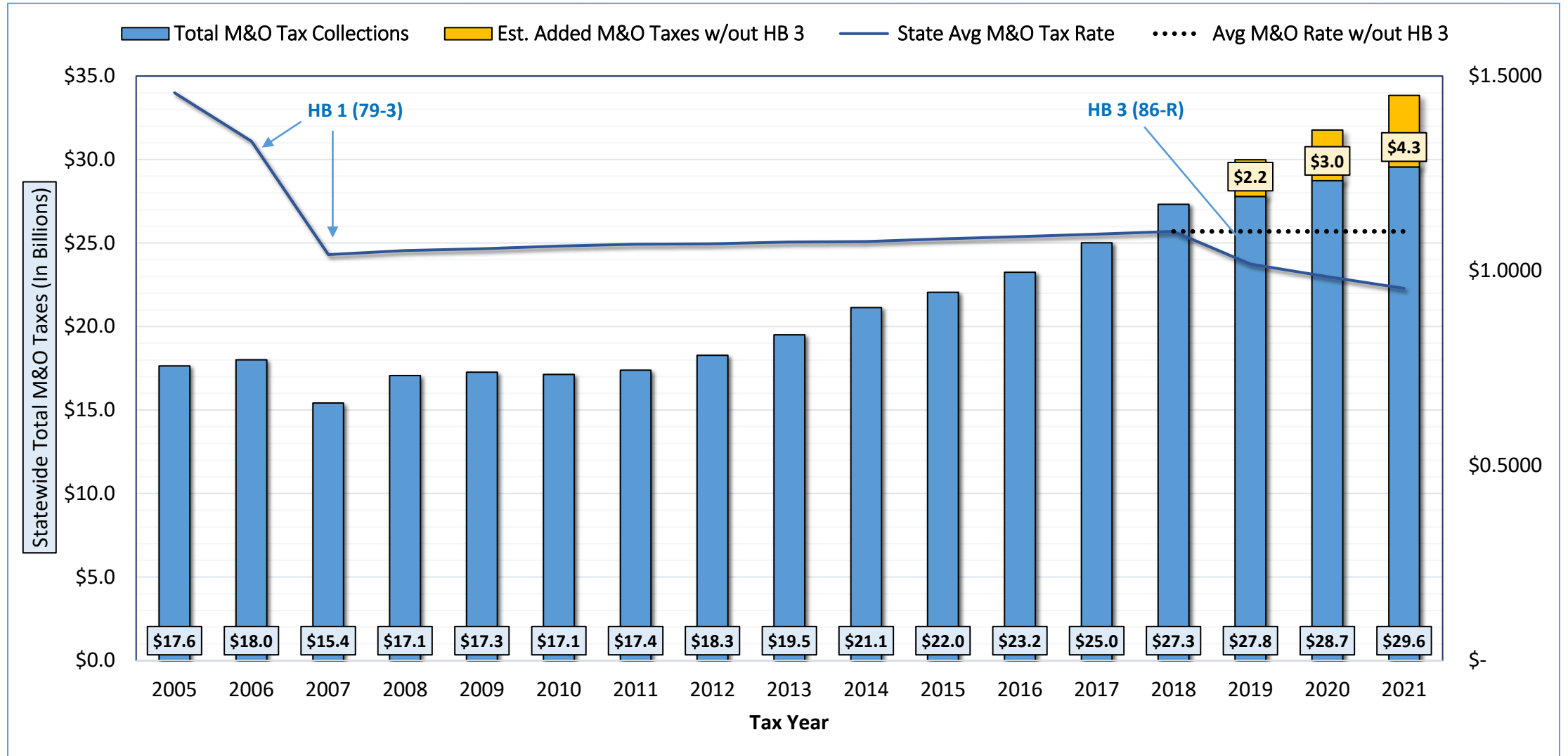
~\$21.4 Billion

Numbers as of 12/31/21

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

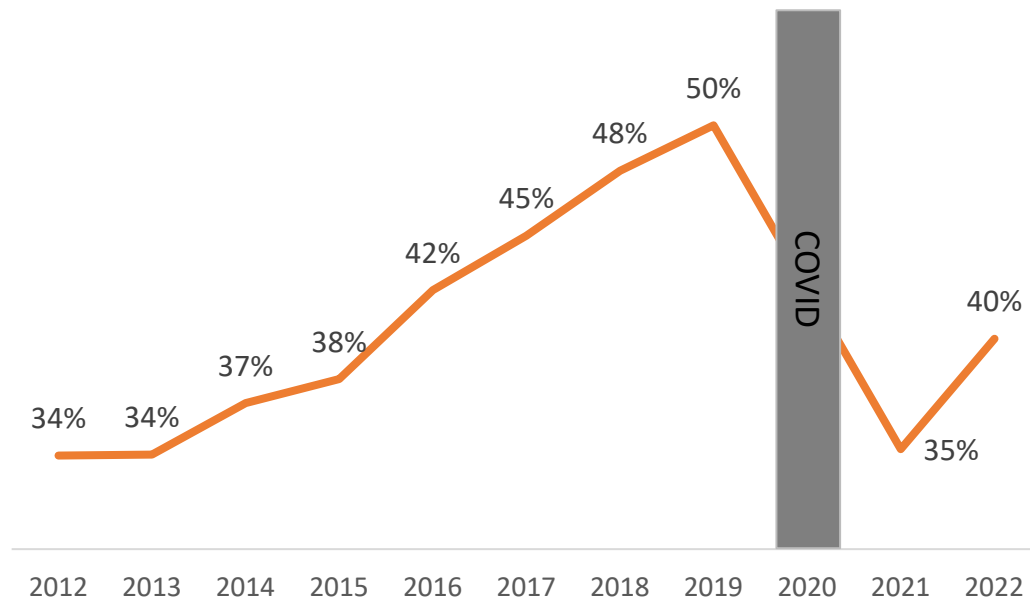


Tax Rates and Tax Collection History

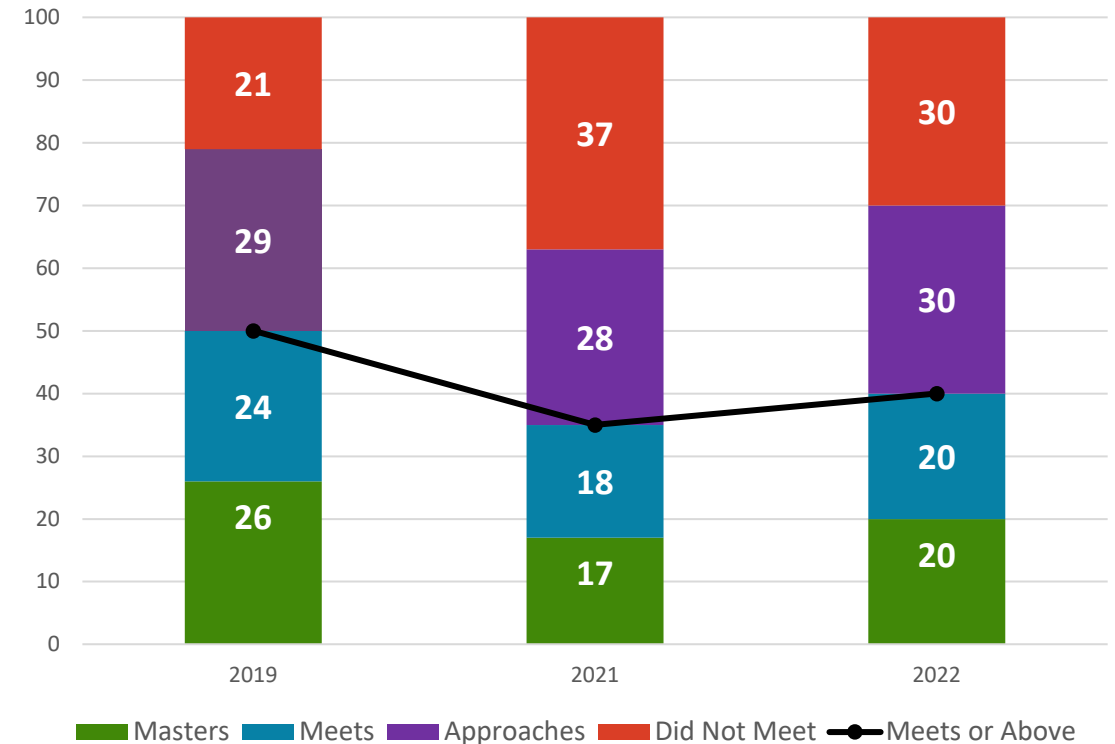


In Math, Texas students have improved since last year, but are still recovering from the significant impacts of COVID

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

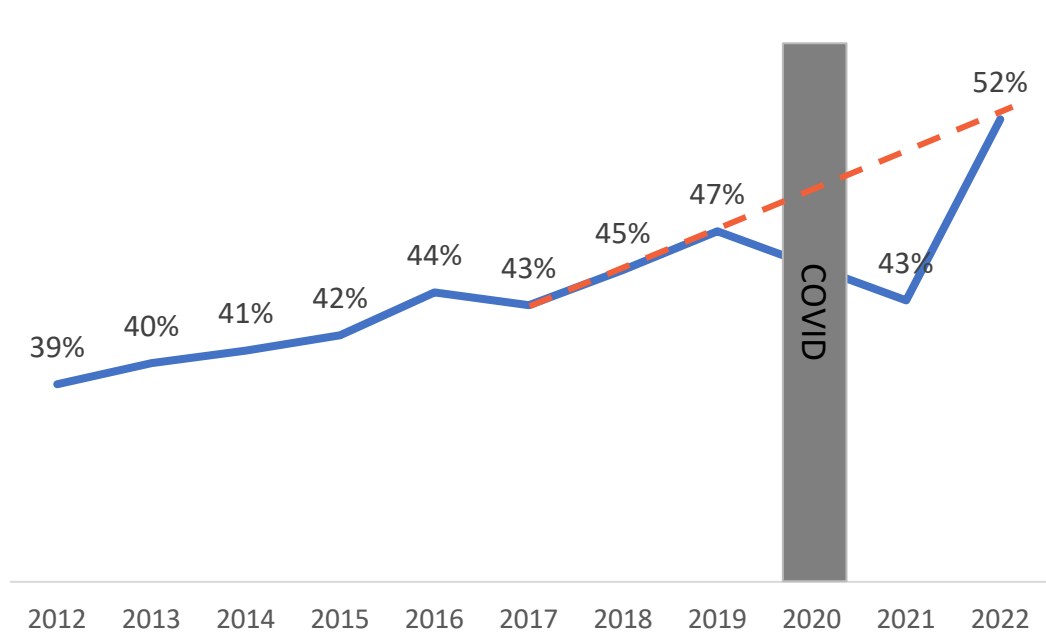


Percent of Students by Performance Level in Math (Grades 3-8 and Algebra I)



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)

