

The table below highlights some of the major differences and similarities between the Senate Education Committee’s substitute for HB 1525 (CSHB 1525) and the version of HB 1525 that passed the House (HB 1525, Engrossed).

Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>School Funding</b>		
Career and Technical Allotment	<p>Both bills repeal the flat 1.35 CTE weight in current law and replace it with a tiered system with the following weights:</p> <ul style="list-style-type: none"> <li>• <b>1.1</b> for FTE in CTE course not in an approved program of study</li> <li>• <b>1.28</b> for FTE in Levels 1 &amp; 2 courses</li> <li>• <b>1.47</b> for FTE in Levels 3 &amp; 4 courses</li> </ul> <p>The definition of approved programs of study would be tied to designations used for purposes of the federal Perkins grant. TEA would be required to publish a list of CTE courses that qualify for this allotment.</p> <p>Both bills adjust the basic allotment multiplier used to calculate the CTE allotment for small and mid-sized districts.</p> <p>Both bills also repeal the advanced CTE funding of \$50 for each student enrolled in two or more advanced CTE courses for a total of three or more credits.</p> <p>(Sections 14 &amp; 15 in HB 1525, Engrossed; Sections 14 &amp; 15 in CSHB 1525)</p>	
Fast Growth Allotment	<p>Both bills change the eligibility for the fast growth allotment. Both bills do away with current law’s eligibility based on being in the top quartile in enrollment growth over the prior 3 years. Instead, a district can earn the fast growth allotment beginning in 2021-22 if it sees <b>enrollment growth exceeding 250 students over the preceding 6 years</b>.</p> <p>Both bills change the weight to <b>0.30</b> in 2021-22, <b>0.348</b> in 2022-23 and <b>0.35</b> for subsequent years. This weight would be applied against the enrollment growth over the preceding 6 years that exceeds 250 students.</p> <p>Both bills would exclude students enrolled in the district through the Texas Virtual School Network from this calculation. <i>(continued on next page)</i></p>	

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>School Funding (cont.)</b>		
Fast Growth Allotment (cont.)	<p>Both bills cap the total statewide allotment amount at <b>\$270 million</b> in 2021-22, <b>\$310 million</b> in 2022-23, <b>\$315 million</b> in 2023-24, and <b>\$320 million</b> in subsequent years. Districts would see a prorated allotment if the total amount exceeded the applicable cap in a given year.</p> <p>Both bills would create a sub-allotment for the 2021-22 school year aimed at providing funding to districts that received the allotment in 2019-20, but not 2021-22. The statewide cap on this sub-allotment would be <b>\$40 million</b>, and districts would see a prorated allotment if the total amount exceeded this cap.</p> <p>(Section 17 in HB 1525, Engrossed; Section 17 in CSHB 1525)</p>	
Compensatory Education Allotment	<p>Both bills would fund homeless students under the highest tier (<b>0.275</b>) for purposes of calculating the Compensatory Education Allotment.</p> <p>Both bills would allow compensatory education funds to be spent on instructional coaches to raise student achievement for campuses at which educationally disadvantaged students are enrolled.</p> <p>(Section 13 in HB 1525, Engrossed; Section 13 in CSHB 1525)</p>	
College, Career and Military Readiness Outcomes Bonus	<p>Both bills would expand the CCMR Outcomes Bonus to include students that earn an associate’s degree while attending high school or during a period established by commissioner rule.</p> <p>(Section 16 in HB 1525, Engrossed; Section 16 in CSHB 1525)</p>	
Formula Transition Grant	No similar provision.	<p>CSHB 1525 would cap the formula transition grant at <b>\$400 million</b> beginning with the 2021-22 school year.</p> <p>(Section 24)</p>

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>School Funding (cont.)</b>		
Charter Special Education Funding	Both bills codify the unintended consequence fix related to charter school special education funding. This section expires September 2025.  (Section 1 in HB 1525, Engrossed; Section 1 in CSHB 1525)	
State Aid Used to Offset Recapture	Both bills allow recapture districts to use all state aid, except the Available School Fund, to offset recapture owed for both Tier One and Tier Two, Level Two (i.e. copper pennies).  (Section 22 in HB 1525, Engrossed; Section 22 in CSHB 1525)	
Recapture Rollover	Both bills allow the commissioner to rollover any recapture owed to the following year, if the district had not received Chapter 49 notification in the current school year.  (Section 27 in HB 1525, Engrossed; Section 28 in CSHB 1525)	
Consolidation Incentive Aid for Recapture Districts	Both bills allow consolidated districts to receive incentive aid under Texas Education Code, Chapter 13.  (Section 28 in HB 1525, Engrossed; Section 29 in CSHB 1525)	
Teacher Incentive Allotment for Recapture Districts	HB 1525, Engrossed would allow the commissioner to adjust a district's funding to ensure that the district receives its full teacher incentive allotment as state aid.  This would only apply to districts who receive an adjustment to their recapture under TEC §48.257(b).  (Section 24)	No similar provision.

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>School Funding (cont.)</b>		
TIA Designation of Non-Certified Teachers	<p>Both bills remove the requirement that only certified teachers may receive a designation under a district’s local optional teacher designation system.</p> <p>(Section 3 in HB 1525, Engrossed; Section 3 in CSHB 1525)</p>	
TIA TSBVI/TSD	<p>Both versions add language to allow the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf to be eligible for the Teacher Incentive Allotment</p> <p>(Section 18 in HB 1525, Engrossed; Section 18 in CSHB 1525)</p>	
TIA TRS fix	<p>Both versions amend the language for compensation counted for purposes of calculating TRS retirement benefits to include the Teacher Incentive Allotment funds received by individual teachers.</p> <p>(Section 29 in HB 1525, Engrossed; Section 30 in CSHB 1525)</p>	

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>School Funding (cont.)</b>		
Tuition Allotment Repeal	No similar provision.	<p>The Senate version repeals the authority to charge tuition for out-of-district students (TEC §25.038), and repeals the language related to the tuition allotment (TEC §48.154) and the commissioner’s authority to regulate the amount of tuition charged by a receiving district (TEC §25.039(b)). Section 4 of this version of the bill makes a conforming change to remove a reference to tuition for out-of-district students.</p> <p>(Section 4 and 31, CSHB 1525)</p>
College Preparation Assessments	<p>Both versions add language to allow for the agency to reimburse districts for college prep assessments taken after graduation if conditions prevented students from taking the exams before graduation.</p> <p>(Section 8 in HB 1525, Engrossed; Section 9 in CSHB 1525)</p>	
Instructional Materials Allotment	<p>Both versions expand the use of IMA to include costs associated with distance learning, including “Wi-Fi, Internet access hotspots, wireless network service, broadband service, and other services and technological equipment necessary to facilitate Internet access.”</p> <p>CSHB 1525 (the Senate version) allows these changes to take effect immediately if the bill receives the requisite two-thirds vote in both the House and the Senate.</p> <p>(Section 6 and Section 33 in HB 1525, Engrossed; Section 7 in CSHB 1525)</p>	

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>Federal Stimulus Funding</b>		
Maintenance of Effort Adjustment	No similar provision.	<p>CSHB 1525 would allow the commissioner to adjust districts funding to ensure compliance with maintenance of effort (MOE) and maintenance of equity (MOQ) requirements under ESSER II and ESSER III.</p> <p>The commissioner would be required to notify the LBB and the governor of any proposed adjustment. (Section 25)</p>
Spending Limitations to Extend Interventions Preventing Generational Educational Decline	No similar provision.	<p>Beginning with the 2021-22 school year, CSHB 1525 would require that districts and charters save a percentage of their ESSER III funds for use in future years.</p> <p>The current language says that this percent will be set by appropriation. However, in comments during a Senate Education committee on May 11<sup>th</sup>, Sen. Taylor said that this could be set at <b>40 percent</b>.</p> <p>Districts could choose to reserve those funds in one lump sum or on a schedule established by the district not to exceed three years.</p> <p>The bill would allow districts to access those reserved funds beginning in the 2024-25 school year. Districts may receive a waiver from the commissioner to access those funds earlier if the district meets certain requirements.</p> <p>The bill also allows the commissioner to reduce or waive any of the state spending requirements to assist districts with compliance. (Section 25)</p>

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>Property Taxes</b>		
Swap-and-drops	<p>Both versions of the bill would prohibit districts from <u>levying</u> an M&amp;O tax with the intent to create a surplus to be used to pay debt service. Both versions authorize TEA to develop a process to identify districts not in compliance with the prohibition, order the district to comply, and assist districts in developing a corrective action plan. Both versions direct the commissioner to withhold state aid under Chapter 48 equal to what the district gained in state and local funds by adopting a tax rate in violation of the prohibition if a district fails to comply. These provisions would largely undo tax rate swaps.</p> <p>The Senate version contains a provision in Section 32 of the bill that potentially delays implementation of the prohibition. It applies the new prohibition to tax rates adopted after the effective date of the bill, which is set as September 1, 2021. Since many school districts adopt tax rates in August, the new prohibition would apparently not apply to those rates.</p> <p>(Section 10 in HB 1525, Engrossed; Sections 11 and 32 in CSHB 1525)</p>	
Tax Compression for Frozen Properties	<p>The House version would apply future tax rate reductions to the frozen tax amount of eligible disabled and over-65 taxpayers, contingent on adoption of a related constitutional amendment.</p> <p>(Section 30 in HB 1525, Engrossed)</p>	<p>No similar provision.</p>
Recovery of Funds From Excessive Taxation	<p>Both versions of the bill direct the commissioner to reduce state aid or increase recapture to offset the revenue generated by a district's tax effort that is not in compliance with the limitations and process in TEC §45.003. This includes the ceiling on tax rates of \$0.17 above the Tier 1 compressed rate.</p> <p>(Section 23 in HB 1525, Engrossed; Section 23 in CSHB 1525)</p>	

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>Property Taxes (cont.)</b>		
District Property Value Definition	<p>Both versions of the bill change the language related to district-level tax compression to replace the Comptroller’s study values with appropriately adjusted local taxable values. This largely conforms to the agency’s practice, as the Comptroller study values are not available at the time tax compression determinations are made.</p> <p>(Section 20 in HB 1525, Engrossed; Section 20 in CSHB 1525)</p>	
<b>Other</b>		
Reading Academies	<p>Gives districts and charter schools until <b>SY 2023-24</b> to ensure eligible teachers have completed reading academies</p> <p>(Section 4)</p>	<p>Gives districts and charter schools until <b>SY 2022-23</b> to ensure eligible teachers have completed reading academies</p> <p>(Section 5)</p>
Pre-K Exemptions	<p>A district may not be granted a waiver for failing to provide prekindergarten for three year-olds and eligible four year-olds unless the district has solicited, and considered at a public meeting, proposals for partnerships with public or private entities in accordance with guidance provided by the agency regarding soliciting partnerships and considered submitted proposals at a public meeting.</p> <p>(Section 5 in HB 1525, Engrossed; Section 6 CSHB 1525)</p>	
ESC Staff Supplement	<p>This section maintains the staff salary provisions that were in law before HB 3. \$500 per full-time ESC employee and \$250 per part-time ESC employee.</p> <p>(Section 26 in HB 1525, Engrossed; Section 27 CSHB 1525)</p>	

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Statutory Change	HB 1525, Engrossed (House Version)	CSHB 1525 (Senate Version)
<b>Other (cont.)</b>		
Compensation Increase	<p>HB 1525, Engrossed states that district employees who received a salary increase under the 30 percent requirement in HB 3 during the 2019-20 school year are entitled to a salary that is equal to or greater than their 2019-20 salary in subsequent years, if they are employed by the same district.</p> <p>This provision would not apply to districts that declare financial exigency, implement a furlough program, or otherwise reduce salaries in accordance with TEC §21.4022 or §21.4032.</p> <p>(Section 12)</p>	No similar provision.