

Amend CSHB 21 (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 42, Education Code, is amended by adding Section 42.010 to read as follows:

Sec. 42.010. COMPREHENSIVE REVIEW OF PUBLIC SCHOOL FINANCE WEIGHTS, ALLOTMENTS, AND ADJUSTMENTS. (a) The agency shall conduct a comprehensive review of:

(1) the cost of education adjustment applied to the basic allotment to determine school district entitlements under the public school finance system; and

(2) all other weights, allotments, and adjustments under the public school finance system, including all current weights, allotments, and adjustments provided under this chapter and any additional weights, allotments, and adjustments that the agency determines may be appropriate.

(b) The review must determine the effectiveness of existing weights, allotments, and adjustments in fulfilling the mission of the public education system stated in Section 4.001(a) and furthering the state policy stated in Section 42.001. At a minimum, the review must determine how closely and appropriately each of the following elements reflects and provides financing for costs beyond the control of school districts:

(1) adjustments for costs related to the geographic variation in known resource costs and costs of education, controlling for the impact of unequalized wealth and hold-harmless provisions, and properly reflecting the impact of high concentrations of poverty on the compensation that school districts must pay to attract and retain teachers of comparable or appropriate quality;

(2) adjustments for costs related to the size and diseconomies of scale of school districts;

(3) adjustments for costs related to the varying instructional needs and characteristics of students and the extent to which the adjustments provide each student with access to programs and services that are appropriate to the student's educational needs;

(4) other factors, in addition to economic status, that correlate to at-risk status and the need for compensatory education, and the degree to which those factors correspond to additional educational costs; and

(5) the manner in which the cost adjustments are applied to and affect the overall school finance system.

(c) The review of the adjustments described in Subsection (b)(1) must:

(1) address all uncontrollable costs that can reasonably be quantified;

(2) consider the qualifications, experience, and turnover rate of personnel and the impact of those factors on student achievement in considering the adequacy and comparability of salaries;

(3) properly address the impact of factors that have a large impact on certain types of school districts, such as extreme isolation, regardless of general state impact;

(4) include only factors for which a rational economic argument can be made;

(5) be carefully constructed to make sure that a cost factor does not significantly affect more than one variable; and

(6) not be artificially adjusted to meet predetermined outcomes and must not use arbitrary limits.

(d) In determining whether any additional weights, allotments, and adjustments are appropriate under the public school finance system, the agency shall include consideration of an additional weight for educational services provided to students in prekindergarten on a half-day basis and on a full-day basis.

(e) The agency may contract with one or more consultants if necessary to enable the agency to perform its duties under this section.

(f) The Legislative Budget Board, the comptroller, the state auditor, and any other state agency, official, or personnel shall cooperate with the agency in carrying out its duties under this section.

(g) Not later than September 1, 2018, the agency shall provide to the legislature, the Legislative Budget Board, the

comptroller, and the state auditor a report that:

(1) states the findings of the review conducted under this section; and

(2) includes recommendations for updated weights, allotments, and adjustments and any other statutory changes considered appropriate by the agency.

(h) This section expires January 1, 2019.