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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: Nevárez

1 Amend C.S.H.B. No. 21 (house committee report) by adding the  
2 following appropriately numbered SECTION to the bill and  
3 renumbering subsequent SECTIONS of the bill accordingly:

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

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

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

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

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

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

1 appropriate quality;  
2 (2) adjustments for costs related to the size and  
3 diseconomies of scale of school districts;  
4 (3) adjustments for costs related to the varying  
5 instructional needs and characteristics of students and the extent  
6 to which the adjustments provide each student with access to  
7 programs and services that are appropriate to the student's  
8 educational needs;  
9 (4) other factors, in addition to economic status,  
10 that correlate to at-risk status and the need for compensatory  
11 education, and the degree to which those factors correspond to  
12 additional educational costs; and  
13 (5) the manner in which the cost adjustments are  
14 applied to and affect the overall school finance system.  
15 (c) The review of the adjustments described in Subsection  
16 (b)(1) must:  
17 (1) address all uncontrollable costs that can  
18 reasonably be quantified;  
19 (2) consider the qualifications, experience, and  
20 turnover rate of personnel and the impact of those factors on  
21 student achievement in considering the adequacy and comparability  
22 of salaries;  
23 (3) properly address the impact of factors that have a  
24 large impact on certain types of school districts, such as extreme  
25 isolation, regardless of general state impact;  
26 (4) include only factors for which a rational economic  
27 argument can be made;  
28 (5) be carefully constructed to make sure that a cost  
29 factor does not significantly affect more than one variable; and  
30 (6) not be artificially adjusted to meet predetermined  
31 outcomes and must not use arbitrary limits.

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

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

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

13       (g) Not later than September 1, 2018, the agency shall  
14 provide to the legislature, the Legislative Budget Board, the  
15 comptroller, and the state auditor a report that:

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

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

21       (h) This section expires January 1, 2019.

