

Greg Bonnen
Chair



Mary González
Vice Chair

**TEXAS HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS**

AGENDA

FEBRUARY 22, 2021
09:00 AM
CAPITOL EXTENSION, E1.030

- I. CALL TO ORDER**
- II. CHAIRMAN’S OPENING REMARKS AND INTRODUCTIONS**
- III. BIENNIAL REVENUE ESTIMATE**
 - The Honorable Glenn Hegar, Comptroller
- IV. ECONOMIC STABILIZATION FUND**
 - The Honorable Glenn Hegar, Comptroller
- V. HOUSE BUDGET RECOMMENDATIONS AND BUDGET OVERVIEW**
 - Jerry McGinty, Director, Legislative Budget Board
- VI. STATE CONTRACTING**
 - Ben Cross, Manager, Contract Oversight Team, Legislative Budget Board
- VII. STATE AND FEDERAL RESPONSE TO COVID-19**
 - Sarah Hicks, Budget Director, Office of the Governor
 - W. Nim Kidd, Chief, Texas Division of Emergency Management, Texas A&M University System
 - Eduardo Rodriguez, Manager, Federal Funds Team, Legislative Budget Board
- VIII. PUBLIC EDUCATION**
 - Mike Morath, Commissioner, Texas Education Agency
 - Aaron Henrickson, Manager, Public Education Team, Legislative Budget Board
- IX. CLOSING REMARKS**
- X. ADJOURN**

BIENNIAL REVENUE ESTIMATE

January 2021

Before each regular legislative session, the Texas Comptroller issues the Biennial Revenue Estimate (BRE) to inform lawmakers of the funds available to spend on state programs through the next two-year budget period. Due to the economic effects of the COVID-19 pandemic, lawmakers can expect a negative beginning balance as they begin writing the 2022-23 state budget.

Revenue Available for General-Purpose Spending

In Billions of Dollars

		2020-21	2022-23	CHANGE
General Revenue-Related (GR-R) Tax Collections	+	\$97.41	\$103.93	\$6.52
Other GR-R Revenue	+	\$15.03	\$15.65	\$0.62
Total GR-R Revenue	=	\$112.44	\$119.58 SUBTOTAL	\$7.14
Beginning Balance	+	\$4.84	-\$0.95	-\$5.79
Total GR-R Revenue & Fund Balances	=	\$117.28	\$118.63 SUBTOTAL	\$1.35
Revenue Reserved for Transfers to the Economic Stabilization and State Highway Funds	—	\$4.32	\$5.83	\$1.51
Amount Needed for Transfer to the Texas Tomorrow Fund*	—	N/A	\$0.27	\$0.27
Total Revenue Available for General-Purpose Spending	=	\$112.96	\$112.53 TOTAL	-\$0.44

* The original, constitutionally guaranteed prepaid tuition program is projected to have a cash shortfall of \$271 million in the 2022-23 biennium. The BRE assumes the shortfall will be paid from general revenue.

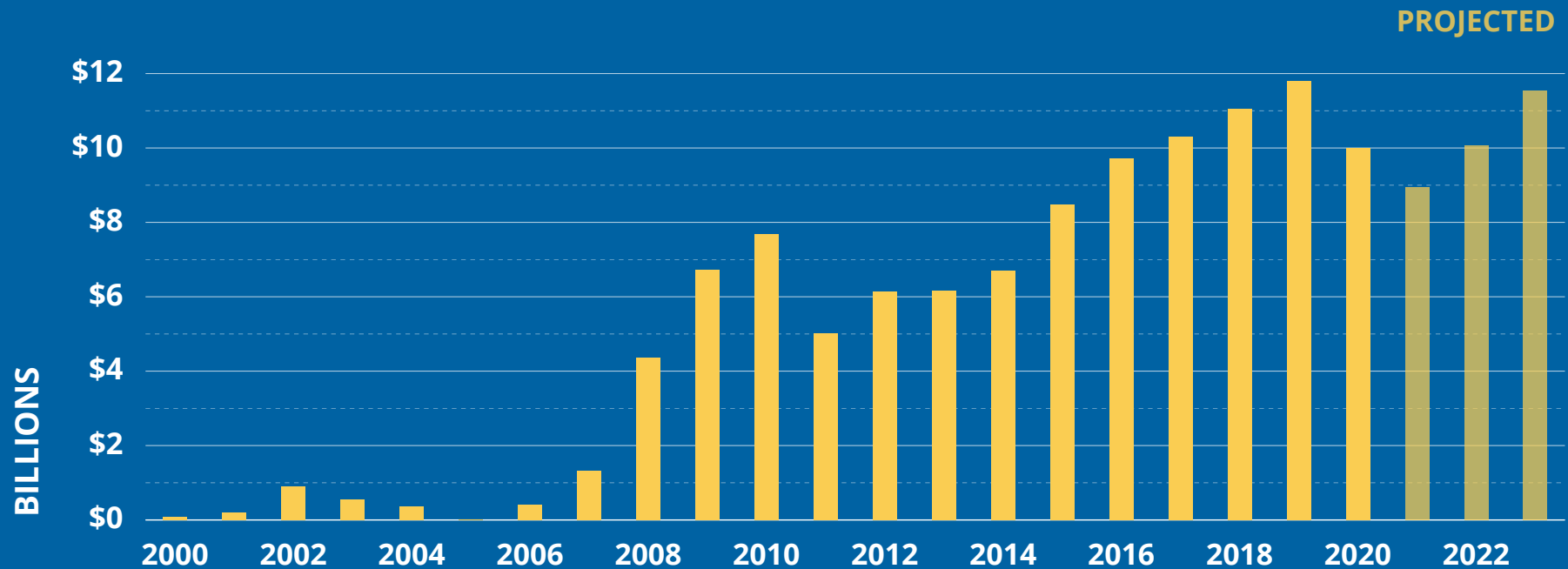
Note: Totals may not sum because of rounding.

Glenn Hegar

Texas Comptroller of Public Accounts

ESF Balance

PROJECTED THROUGH 2023



Early in each fiscal year, the Economic Stabilization Fund, the state’s “Rainy Day Fund,” receives a distribution from the prior fiscal year’s severance tax collections. In fiscal 2021, \$1.13 billion was transferred to the fund. The comptroller projects transfers of \$1.03 billion and \$1.35 billion in fiscal years 2022 and 2023, respectively. After accounting for outstanding appropriations and interest and investment earnings, the Comptroller expects a fiscal 2023 ending balance of \$11.55 billion, absent new appropriations from the fund.



LEGISLATIVE BUDGET BOARD

House Budget Recommendations for the 2022–23 Biennium

**PRESENTED TO HOUSE COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2021

House Recommendations, by Method of Finance

Method of Finance (In Millions)	2020–21	2022–23	Biennial Change	% Change
General Revenue Funds	\$114,947.8	\$119,753.9	\$4,806.1	4.2%
General Revenue–Dedicated Funds	\$6,532.3	\$6,307.9	(\$224.4)	(3.4%)
Federal Funds	\$99,446.0	\$85,533.2	(\$13,912.8)	(14.0%)
Other Funds	\$43,878.3	\$39,882.9	(\$3,995.4)	(9.1%)
ALL FUNDS	\$264,804.4	\$251,477.9	(\$13,326.5)	(5.0%)

General Revenue Funds, by Article

Article	2020–21	2022–23	\$ Change	% Change
1 – General Gov't	\$3,977.4	\$4,110.1	\$132.7	3.3%
2 – Health/Human Services	\$35,914.4	\$36,668.3	\$753.9	2.1%
3 – Public Education	\$44,561.5	\$48,640.2	\$4,078.7	9.2%
3 – Higher Education	\$15,841.3	\$15,890.4	\$49.2	0.3%
4 – Judiciary	\$553.8	\$545.5	(\$8.4)	(1.5%)
5 – Public Safety/Criminal Justice	\$11,869.5	\$11,807.2	(\$62.3)	(0.5%)
6 – Natural Resources	\$933.1	\$916.9	(\$16.2)	(1.7%)
7 – Business/Econ Development	\$520.9	\$477.8	(\$43.1)	(8.3%)
8 – Regulatory	\$367.8	\$287.3	(\$80.5)	(21.9%)
10 – Legislature	\$408.1	\$410.2	\$2.1	0.5%
TOTAL, ALL ARTICLES (In Millions)	\$114,947.8	\$119,753.9	\$4,806.1	4.2%

Major Funding Items

PUBLIC EDUCATION

- Recommended funding for the Foundation School Program fully funds current law and includes projected student enrollment growth and state funding related to property tax compression.
- Recommendations for the Teacher Retirement System (TRS) include an increased state contribution rate, from 7.5% in 2020–21 to 7.75% in FY 2022 and 8.0% in FY 2023.

HEALTH & HUMAN SERVICES

- All Funds decrease of \$3.8 billion primarily related to COVID-related federal fund expenses in 2020–21 (\$1.8 billion), \$0.6 billion in 2020–21 new construction and repair/renovation projects, as well as projected decreases in Medicaid and CHIP client services (\$1.3 billion).

TRANSPORTATION

- All Funds decrease of \$2.5 billion, primarily related to an estimated \$2.4 billion decrease in 2020–21 federal reimbursements for highway planning, right-of-way, construction and maintenance.

HIGHER EDUCATION

- Higher Education formula General Revenue appropriations for the 2022–23 biennium were maintained at the 2020–21 appropriated levels.

ADULT CORRECTIONS

- Recommended funding maintains correctional security operations, with a decrease totaling \$148 million, primarily related to recent facility closures and 2020–21 repair/renovation projects.

Constitutional Limitations

2022–23 Remaining General Revenue Spending Authority (In Billions)	
Pay-as-you-go Limit <i>Texas Constitution, Article III, Section 49a</i>	(\$7.3)
Spending Limit <i>Texas Constitution, Article VIII, Section 22</i>	\$3.2

These amounts compare the House Recommendations with the Comptroller's Biennial Revenue Estimate and do not fully account for revisions that will occur due to supplemental appropriations, 5% agency reductions, and/or the use of federal funds.

Economic Stabilization Fund

- The 2022-23 ending balance of the Economic Stabilization Fund (ESF) is estimated by the Comptroller to be \$11.6 billion, as reflected in the Biennial Revenue Estimate. The ending balance consists of the cash balance plus the total asset value of investments.
- No appropriations from the ESF are included in the LBB Recommendations.

State Debt

- According to the Bond Review Board (BRB), as of August 31, 2020, state and local debt totaled \$314.2 billion, of which local debt comprised \$251.8 billion, or 80.1 percent; the remaining \$62.4 billion is state debt outstanding including revenue conduit issuances.
- The BRB calculates two debt ratios to monitor state debt in relation to the constitutional debt limit:
 - (1) Debt service on outstanding (issued) debt as a percentage of unrestricted General Revenue (UGR) Funds. At the end of fiscal year 2020, the BRB reported that issued debt was 1.23 percent. This reflects a 0.05 percentage point decrease from fiscal year 2019.
 - (2) Debt service on outstanding debt and estimated debt service for authorized but unissued debt as a percentage of UGR Funds. At the end of fiscal year 2020, the issued and authorized but unissued debt was 2.67 percent. This reflects a 0.60 percentage point increase from fiscal year 2019.
- Recommended funding for the 2022–23 biennium fully funds debt service and totals \$4.3 billion in All Funds. This amount is an increase of \$18.9 million from the 2020–21 biennium.

Federal Coronavirus Funding

Estimated federal funding to Texas by federal action, as of 2/12/21.

Does not include direct allocations to local governments.

• CPRSA Act, signed 3/6/20	\$79.6 million
• FFCR Act, signed 3/18/20	\$179.4 million
• CARES Act, signed 3/17/20	\$14.6 billion
• PPHE Act, signed 4/24/20	\$479.2 million
• Presidential Directive – Lost Wage Assistance	\$1.9 billion
• CRRSA Act, signed 12/27/20	\$7.6 billion

Total Identified Funding to date:	\$24.8 billion
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Please refer to separate handout for further detail.

LBB Staff

- Support committee deliberations
- Provide budget and program analysis
- Assist the committee with state fiscal analysis

Publications include:

Appropriations Bills	Strategic Fiscal Reviews
Bill Summaries (Summary of LBE)	Criminal Justice – projections/reports
Legislative Budget Estimates – Strategy	Infographics and Issue Briefs
Legislative Budget Estimates – Program	Interactive Graphics
Fiscal Size-up, 2020–21 Biennium	School Performance Reviews



LEGISLATIVE BUDGET BOARD

Contact the LBB

Legislative Budget Board

www.lbb.state.tx.us

512.463.1200



LEGISLATIVE BUDGET BOARD

Contract Reporting and Oversight

PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE

LEGISLATIVE BUDGET BOARD STAFF

FEBRUARY 2021

Presentation Overview

Contract Reporting and Oversight

1. Contract Oversight Team
2. Contract Reporting Requirements
3. Recent Contracting Summary
4. Contracts Awarded in Response to COVID-19
5. Contract Database Statistics
6. Large Upcoming Procurements
7. Contracting Reports in the General Appropriations Act

Reference Materials

1. Contracting Totals by Agency
2. COVID-19 Related Contracting Totals by Agency
3. Changes to Contracting Provisions Made During the 86th Regular Session
4. Oversight Throughout the Contract Life Cycle

Contract Oversight Team

Four team members, all Certified Texas Contract Managers

Responsibilities include:

- Maintaining the contracts database and ensuring adherence to reporting requirements
- Performing detailed contract reviews, as authorized by Art. IX, Sec. 7.04 of the GAA, for compliance with state procurement rules and best practices. Reviews are based on our risk assessments, budgetary concerns, and legislative interest.
- Assisting on the Quality Assurance Team
- Producing contracting reports as required by the GAA
- Responding to legislative inquiries concerning contracts and procurement

Contract Reporting Requirements

Several provisions require agencies and institutions of higher education to report contracts to the LBB:

Type of Contract	Value Threshold	Reporting Timeframe	Location
Professional or Consulting Services	> \$14,000	10 days after award	2254.006, 2254.0301 Government Code
Construction	> \$14,000	10 days after award	2166.2551 Government Code
Major Information Systems	> \$100,000	10 days after award	2054.008 Government Code
All	> \$50,000	30 days after award	GAA Article IX, Sec 7.04
Non-Competitive/Sole Source	> \$1,000,000	30 days after award	GAA Article IX, Sec 7.12
Emergency	> \$1,000,000	48 hours after payment	GAA Article IX, Sec 7.12
All	> \$10,000,000	30 days after award	GAA Article IX, Sec 7.12

Note: The Government Code requirements are subject to numerous exceptions and exemptions, However, the GAA provisions apply to all entities receiving appropriations, regardless of method of finance or source of funds used for the contract.

Proposed Reporting Requirement Update

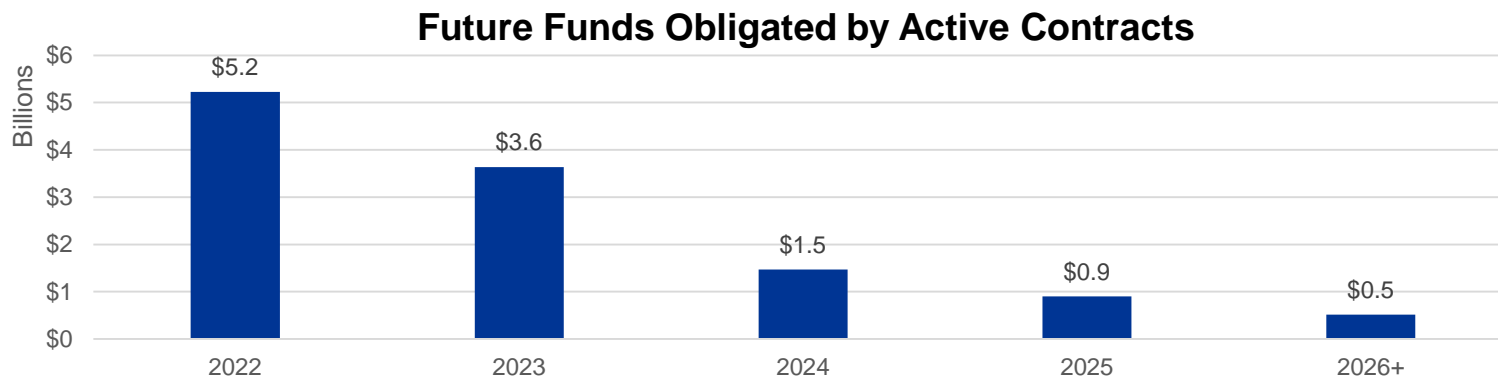
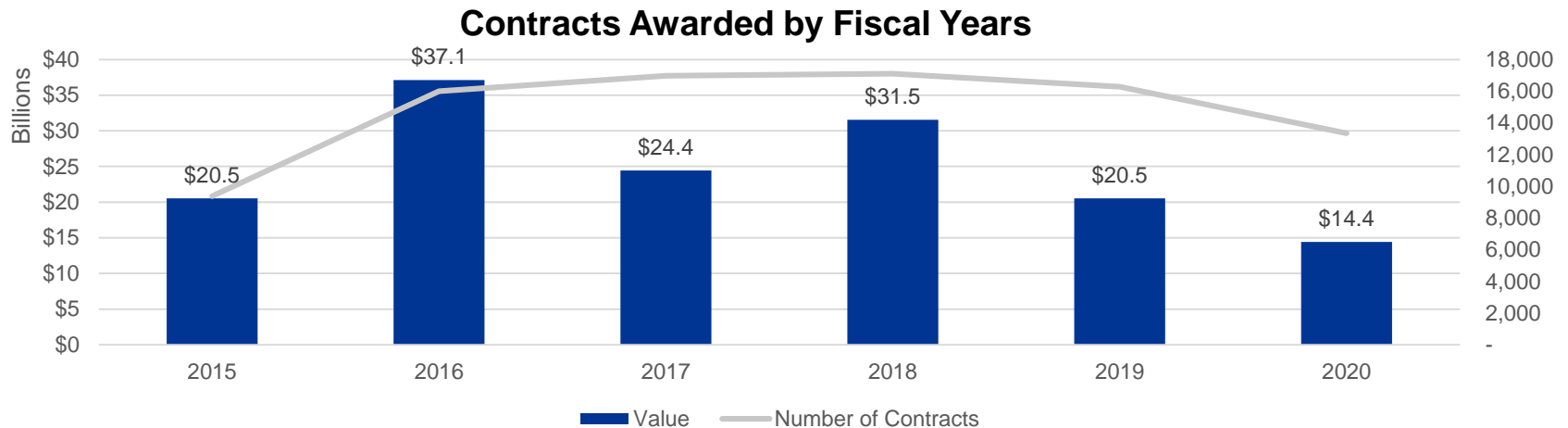
House recommendations include an update to Art. IX, Sec. 7.11 (formerly 7.12), which applies to all contracts over \$10 million and non-competitive/emergency contracts over \$1 million.

Contract Type	Current Reporting Deadline	Proposed Reporting Deadline
All contracts over \$10M and non-competitive contracts over \$1M	No later than 30 days after contract award	No later than 5 days after contract award
Emergency contracts over \$1M	Within 48 hours of making a payment*	No later than 5 days after contract award

*Agencies generally have up to 30 days to make a payment

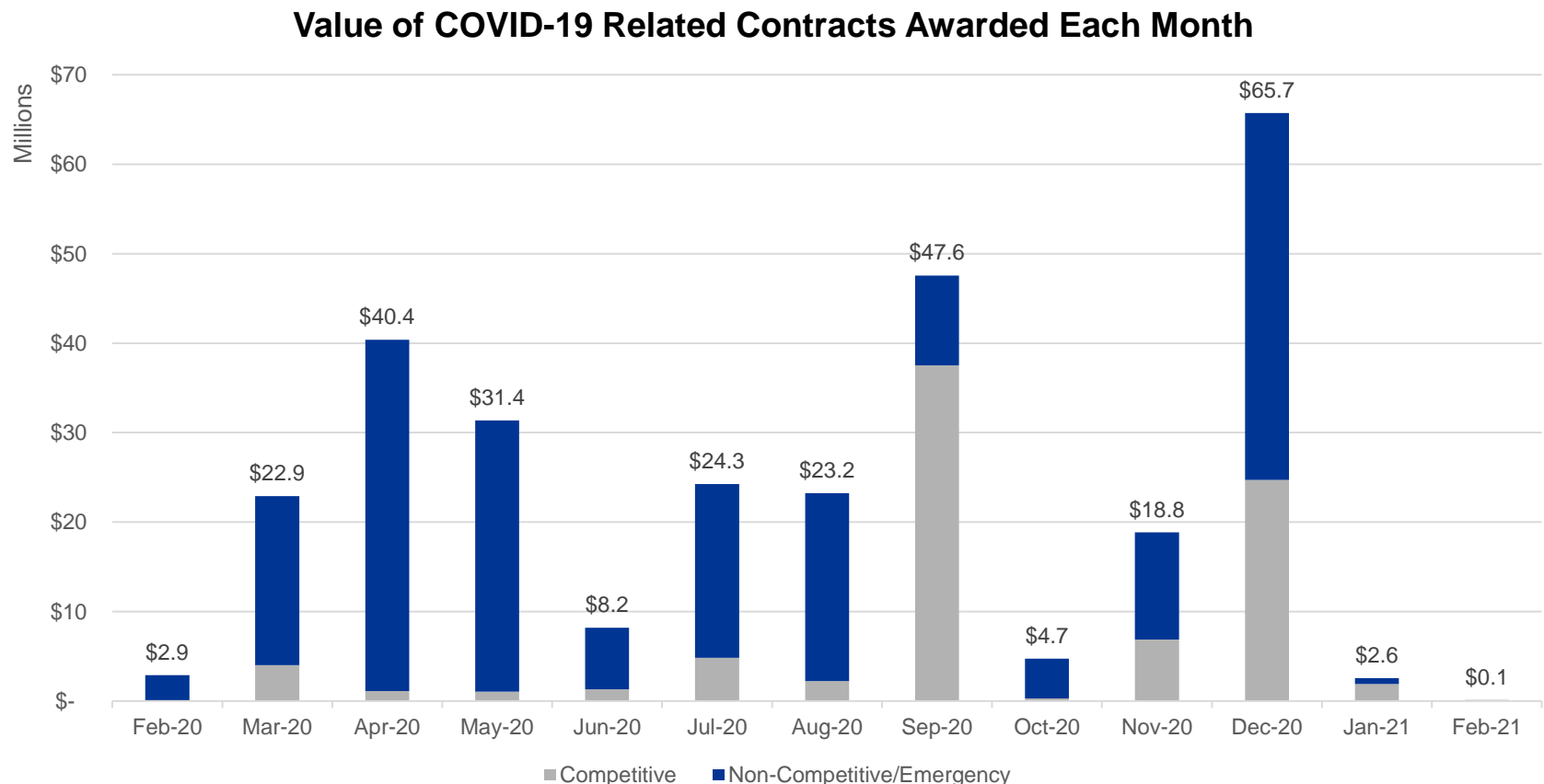
Recent Contracting Summary

Texas agencies and institutions award an average of 15,000 contracts worth \$24.8 billion every fiscal year.



Contracts Awarded in Response to COVID-19

Since February 2020, agencies and institutions have awarded 537 contracts, worth \$293.3 million in response to COVID-19.



Contracts Database

175 agencies and institutions have reported 115,801 contracts, worth \$437.3 billion, since Sept 1, 2015.

23,077 contracts, worth \$220.1 billion are currently active

Contract Category	Total Contract Value (Billions)	Percentage of Total
Managed Care	\$158.3	36.2%
Other Services	\$155.6	35.6%
Construction	\$55.6	12.7%
Professional/Consulting	\$42.3	9.7%
Information Technology	\$15.7	3.6%
Goods	\$9.7	2.2%

Upcoming Medicaid Procurements

There are 40 active managed care contracts valued at \$149.0 billion. All but two are set to expire before the end of the 2022-23 biennium and are due to be re-procured or renewed.

Vendor	Award Date	End Date	Value (Billions)	Vendor	Award Date	End Date	Value (Billions)
Amerigroup Texas Inc	09/01/11	08/31/21	\$20.4	El Paso First Health Inc	09/01/11	08/31/21	\$1.6
United Healthcare Community Plan	09/01/11	08/31/21	\$15.1	Amerigroup Corporation	12/15/13	08/31/21	\$1.5
Bankers Reserve Life Insurance	09/01/11	08/31/21	\$14.3	Aetna Health Inc	09/01/11	08/31/21	\$1.2
Superior Health Plan Inc	09/01/11	08/31/21	\$13.7	Scott And White	09/01/11	08/31/21	\$1.1
Molina Healthcare Of Texas Inc	09/01/11	08/31/21	\$11.1	Superior Health Plan	01/01/10	08/31/21	\$1.0
Texas Childrens Health Plan	09/01/11	08/31/21	\$8.4	Molina Healthcare Inc	03/01/15	12/31/23	\$0.9
Parkland Community Health Plan Inc	09/01/11	08/31/21	\$4.8	Cook Childrens Medical Center	10/01/15	08/31/22	\$0.9
Driscoll Childrens Hospital	09/01/11	08/31/21	\$4.0	Community First Health Plans Inc	10/01/15	08/31/22	\$0.8
Molina Healthcare Inc	06/30/10	08/31/21	\$3.8	Blue Cross And Blue Shield	09/01/11	08/31/21	\$0.8
United Healthcare Insurance Company	12/15/13	08/31/21	\$3.6	Superior Health Plan	03/14/15	12/31/23	\$0.7
Superior Health Plan	12/15/13	08/31/21	\$3.6	Driscoll Children'S Health Plan	10/01/15	08/31/22	\$0.7
Amerigroup Insurance Company	09/01/11	08/31/21	\$2.9	Blue Cross And Blue Shield	10/01/15	08/31/22	\$0.7
Community First Health Plans Inc	09/01/11	08/31/21	\$2.8	Seton Health Plan Inc	09/01/11	08/31/21	\$0.5
Cook Children's Health Care System	09/01/11	08/31/21	\$2.7	Aetna Health Inc	10/01/15	08/31/22	\$0.4
Amerigroup Texas Inc	06/30/10	08/31/21	\$2.6	Molina Healthcare Inc	01/01/10	08/31/21	\$0.2
Texas Childrens Health Plan	10/01/15	08/31/22	\$2.6			Total:	\$149.0
Superior Health Plan	06/30/10	08/31/21	\$2.6				
SHA LLC	09/01/11	08/31/21	\$2.5				
United Healthcare Insurance Company	10/01/15	08/31/22	\$2.4				
Superior Health Plan	10/01/15	08/31/22	\$2.3				
Healthspring Life & Health Ins Co	12/15/13	08/31/21	\$2.1				
Healthspring Life & Health Ins Co	06/01/12	08/31/21	\$2.0				
Healthspring Life & Health Ins Co	09/01/11	08/31/21	\$1.9				
Superior Health Plan	07/01/15	08/31/21	\$1.9				
Amerigroup Insurance Company	10/01/15	08/31/22	\$1.8				

10% Amendment Report

Article IX, Section 7.04 (g) requires agencies and institutions to notify the LBB of certain amendments that increase a contract's value by 10.0 percent or more. The Contract Oversight Team produces a quarterly summary report of these notifications.

Statistics From The First Quarter, Fiscal Year 2021 Report

Article	Amendments	Increase (in millions)
I – General Government	10	\$100.5
II – Health and Human Services	58	\$140.5
III – Education	11	\$594.8
IV – Judiciary	0	\$0.0
V – Public Safety	2	\$1.7
VI – Natural Resources	11	\$102.0
VIII – Business and Econ Development	21	\$53.8
VIII - Regulatory	0	\$0.0
Total	113	\$993.3

Contract Management and Oversight Report

Article IX, Section 17.10 requires state agencies and institutions of higher education to provide an annual report to the Legislative Budget Board and the Office of the Governor that details actions conducted to ensure compliance with state procurement requirements. The Contracts Oversight Team produces an annual summary report.

Key finding from the fiscal year 2020 report:

- Attending external trainings, increasing management involvement, and obtaining certifications for procurement personnel were the most common compliance measures taken.
- Hiring outside consultants was the least used compliance action.
- The responses indicate that most agencies are taking procurement requirements seriously and conducting actions proactively to ensure compliance.

Appendix: Reference Materials

Reference Materials

- FY 2019-20 Contracting Totals by Agency
- COVID-19 Related Contracting Totals by Agency
- Changes to Contracting Provisions Made During the 86th Regular Session
- Oversight Throughout the Contract Life Cycle

Contracting Totals by Agency Fiscal Years 2019-20

Agency	Contracts	Value	Agency	Contracts	Value
Department of Transportation	3,709	\$9,368,630,284	Texas Education Agency	136	\$150,604,548
General Land Office	629	\$5,301,111,403	San Jacinto College	93	\$143,944,870
Health and Human Services Commission	2,489	\$4,973,860,534	TTU Health Sciences Center	257	\$141,893,695
Department of Criminal Justice	2,230	\$1,949,629,386	Del Mar College	112	\$135,295,426
Department of State Health Services	758	\$1,304,674,089	Texas A&M University	400	\$119,697,547
UT System Administration	99	\$1,227,087,542	Texas State University System	48	\$118,915,504
Dept. of Family and Protective Services	1,183	\$733,777,311	Texas Woman's University	303	\$117,969,531
University of Houston	924	\$728,186,083	Department of Agriculture	343	\$105,363,050
Higher Education Coordinating Board	404	\$673,862,561	Department of Motor Vehicles	158	\$104,794,612
Employees Retirement System	142	\$619,744,328	TTU Health Sciences El Paso	192	\$100,421,298
Texas A&M University System	368	\$573,688,736	Houston Community College	346	\$93,393,430
The University of Texas at Austin	586	\$496,336,908	Texas A&M University - Commerce	278	\$84,549,344
Department of Information Resources	35	\$442,684,189	Sam Houston State University	373	\$81,684,985
Texas Tech University	306	\$427,743,762	UT Health Science San Antonio	64	\$79,033,457
Department of Public Safety	696	\$412,591,216	UNT Health Science Fort Worth	376	\$77,178,566
Texas Workforce Commission	1,847	\$360,505,718	Comptroller of Public Accounts	172	\$76,331,963
Facilities Commission	156	\$299,192,105	Texas Southern University	283	\$74,229,561
UT Health Science Center at Houston	127	\$290,450,981	Stephen F. Austin State University	144	\$69,424,530
Commission on Environmental Quality	540	\$257,074,908	Railroad Commission	162	\$67,208,649
Parks and Wildlife Department	487	\$220,190,078	TSTC System Administration	257	\$64,162,240
Collin County Community College	285	\$206,156,991	Public Utility Commission of Texas	12	\$60,236,219
University of North Texas	885	\$203,493,139	Veterans Commission	303	\$58,877,296
Office of the Attorney General	329	\$197,956,689	UNT's System Administration	166	\$56,895,895
Tarrant County College	693	\$179,216,634	UH Downtown	185	\$56,407,014
Teacher Retirement System	213	\$175,205,121	Texas A&M - Corpus Christi	285	\$55,164,524

Contracting Totals by Agency Fiscal Years 2019-20

Agency	Contracts	Value	Agency	Contracts	Value
Military Department	157	\$53,679,319	University of Houston - Victoria	62	\$17,959,091
Texas A&M University - Kingsville	289	\$37,037,313	Texas A&M International University	27	\$15,919,735
Texas A&M Health Science Center	99	\$36,159,106	Texas A&M University - San Antonio	183	\$14,647,663
Soil and Water Conservation Board	103	\$32,799,479	Brazosport College	56	\$14,472,901
Texas A&M Engineering	76	\$32,685,812	Trusted Programs Within the OOG	62	\$14,078,887
Texas A&M AgriLife Research	221	\$31,151,234	UT Rio Grande Valley	62	\$13,829,657
Texas State University	159	\$30,450,600	Midwestern State University	56	\$13,365,919
Prairie View A&M University	86	\$30,334,987	Historical Commission	31	\$12,721,865
UH System Administration	10	\$29,549,407	University of Houston - Clear Lake	202	\$12,667,711
Tyler Junior College	47	\$28,951,679	Preservation Board	51	\$12,330,272
Tarleton State University	140	\$28,543,616	Lone Star College System	30	\$11,582,010
South Texas College	177	\$28,036,754	Texas A&M Transportation Institute	59	\$11,548,812
Midland College	37	\$27,958,418	Texas A&M AgriLife Extension Service	44	\$11,264,083
Secretary of State	25	\$26,847,677	Lamar State College - Port Arthur	20	\$10,972,051
UT at San Antonio	8	\$26,246,266	Texas Lottery Commission	33	\$10,715,249
El Paso Community College	91	\$25,204,654	Alamo Community College	24	\$9,743,521
Angelo State University	83	\$24,126,309	Department of Insurance	25	\$9,508,396
UT Southwestern Medical Center	2	\$22,566,000	Texas A&M Forest Service	55	\$9,010,713
State Office of Risk Management	11	\$21,469,628	Library & Archives Commission	8	\$8,356,376
South Plains College	63	\$21,440,931	Lee College	29	\$8,241,770
University of North Texas at Dallas	82	\$21,204,642	McLennan Community College	16	\$7,340,919
Texas Southmost College	92	\$20,763,836	Austin Community College	63	\$7,252,125
Texas A&M Engineering Station	112	\$20,715,477	Lamar Institute of Technology	34	\$7,001,968
UT Medical Branch at Galveston	31	\$19,995,431	Water Development Board	35	\$6,882,792
Lamar University	101	\$19,252,729	Texas A&M University - Texarkana	40	\$6,576,991

Contracting Totals by Agency Fiscal Years 2019-20

Agency	Contracts	Value	Agency	Contracts	Value
Juvenile Justice Department	3	\$6,180,706	Amarillo College	12	\$744,484
Alcoholic Beverage Commission	21	\$5,654,598	UT Health Science Center at Tyler	7	\$516,003
Lamar State College - Orange	31	\$5,246,016	The University of Texas at Dallas	1	\$484,320
Division of Emergency Management	34	\$5,087,003	Texas Ethics Commission	1	\$467,770
Texas State Board of Dental Examiners	99	\$4,825,000	Western Texas College	3	\$435,170
Texas Board of Nursing	8	\$4,746,015	Office of Public Utility Counsel	5	\$432,247
School for the Deaf	24	\$4,132,724	14th Court of Appeals District, Houston	1	\$254,602
State Emergency Communications	5	\$3,473,778	First Court of Appeals District, Houston	1	\$245,113
Alvin Community College	13	\$3,433,580	Office of the Governor	1	\$229,635
The University of Texas at Arlington	14	\$3,394,585	Sixth Court of Appeals District, Texarkana	2	\$212,398
State Office of Administrative Hearings	16	\$3,212,514	Department of Licensing and Regulation	1	\$200,000
Department of Housing	12	\$2,885,794	Hill College	2	\$198,993
Board of Pharmacy	6	\$1,686,911	Emergency Services Retirement System	1	\$180,000
Panola Junior College	1	\$1,671,000	Texas Medical Board	1	\$125,000
School for the Blind and Visually Impaired	11	\$1,607,880	Texas State Technical College - Harlingen	2	\$78,120
Cisco Junior College	12	\$1,458,992	Grayson County Junior College	1	\$60,000
Animal Health Commission	14	\$1,372,832	Sul Ross State University	1	\$60,000
Racing Commission	22	\$1,369,162	Office of Public Insurance Counsel	1	\$35,000
Texas A&M - Research Services	4	\$1,264,956	Securities Board	1	\$25,000
Real Estate Commission	12	\$1,155,807	Board of Veterinary Medical Examiners	1	\$17,500
Department of Banking	10	\$1,124,920			
The University of Texas at El Paso	8	\$941,177			
Navarro College	6	\$915,965			
Board of Public Accountancy	17	\$886,500			
Texas A&M Veterinary Laboratory	6	\$760,363			

COVID Related Contracts By Agency

Agency	Contracts	Total Value	Agency	Contracts	Total Value
Department of State Health Services	82	\$116,247,023	Del Mar College	10	\$950,036
Texas Education Agency	20	\$59,410,946	UNT Health Science Center at Fort Worth	6	\$842,582
Higher Education Coordinating Board	87	\$23,751,647	Office of the Attorney General	1	\$564,441
Texas Workforce Commission	126	\$20,676,210	Texas A&M University - Commerce	3	\$525,660
Secretary of State	3	\$15,314,800	University of Houston - Downtown	4	\$433,531
General Land Office and Veterans' Land Board	5	\$9,654,966	Texas A&M University - Kingsville	6	\$372,931
Health and Human Services Commission	18	\$8,272,669	The University of Texas at Austin	3	\$313,286
Department of Criminal Justice	53	\$7,296,495	Texas A&M University - San Antonio	4	\$169,160
University of Houston	13	\$5,611,980	University of North Texas at Dallas	2	\$159,298
Texas Woman's University	8	\$4,662,775	Employees Retirement System	2	\$141,637
Tarrant County College	11	\$3,204,730	Department of Motor Vehicles	1	\$141,029
Collin County Community College	2	\$2,870,000	Texas A&M International University	1	\$79,500
El Paso Community College	12	\$2,718,659	Texas Division of Emergency Management	1	\$69,840
Department of Family and Protective Services	8	\$2,356,170	Comptroller of Public Accounts	1	\$60,620
Department of Public Safety	17	\$2,051,872	Military Department	1	\$58,500
University of North Texas	10	\$1,711,157	TTU Health Sciences Center at El Paso	1	\$47,500
TSTC System Administration	9	\$1,428,500	The University of Texas at El Paso	1	\$35,250
Texas Tech University	5	\$1,063,898	Totals:	537	\$293,269,298

Source: LBB staff asked agencies to identify contracts that were awarded directly in response to COVID-19 when reporting to the contracts database.

Highlights of Contracting Oversight Changes

Contract Oversight changes for the 2020-21 biennium:

- Article IX Part 7, Reporting Requirements Changes (2020-21 General Appropriations Act (GAA))
- Article IX Part 9, Information Resources Provisions Changes (2020-21 GAA)
- New Article IX, Sec. 9.12, Assignment of Contract Responsibility (2020-21 GAA)
- New Article IX, Sec. 9.13, Report on Monitoring Assessments by State Auditor (2020-21 GAA)
- New Article IX, Sec. 17.10, Contract Management and Oversight
- Senate Bill 65, Eighty-sixth Legislature, Regular Session

2020–21 GAA, Article IX, Section 7.04(g)(h)(i)

Contract Notification: Amounts Greater than \$50,000

For contracts with an initial award greater than \$1.0 million, agencies and IHE must provide notice for any amendment or renewal that increases the expected contract value by 10 percent or more.

Notification to the governor and legislative leadership is required within 30 days of the discovery or disclosure that the amendment or renewal will increase the expected contract value by 10 percent or more.

The notice must include:

- The amount of the increase;
- The reason for the increase; and
- Any opportunities that were available to reduce the cost or find savings with other vendors.

2020–21 GAA, Article IX, Section 7.12(d)

Notification of Certain Purchases or Contract Awards, Amendments, and Extensions

Requires additional information for non-competitive/sole source and emergency contracts greater than \$1.0 million and all contracts greater than \$10.0 million. The notification includes:

- The solicitation, contract, and if applicable, a finding of fact for major consulting contracts from the Governor's office stating that the consulting services are necessary as required by Government Code, Section 2254.028(a)(3).
- Certification from executive management stating that:
 - The procurement complied with all applicable rules and statutes.
 - The procurement processes include when, why, or how to apply corrective action plans to address continued vendor poor performance.
 - The agency or IHE will provide information on the vendor to the Vendor Performance Tracking System.

7.12(c): An agency or IHE may not expend funds to make a payment on the contract until the notice is provided to the LBB

2020–21 GAA, Article IX, Sections 9.01(c) and 9.02(c)

QAT Notifications

Agencies executing Major Information Resource Projects (MIRP) monitored by QAT are required to:

- Provide QAT with third party independent verification and validation or quality assurance reports required by federal or state rule, policy, or procedure within 10 days of receipt of a request from QAT;
- Notify QAT if the agency solicits bids for a contract to execute a MIRP; and
- Notify QAT within 10 days of awarding a MIRP contract valued over \$10.0 million.

2020–21 GAA, Article IX, Section 9.01

Purchases of Information Resources Technologies

Defines “phases” of the development of a MIRP to include planning, systems analysis and requirements, system design, development, integration and testing, implementation, and operations and maintenance.

Requires agencies to provide to QAT, within 10 days of a request, any verification and validation report, or any required quality assurance report.

Requires agencies to submit draft and final negotiated copies of MIRP contracts valued over \$10.0 million to QAT for review and comments.

QAT may conduct a preliminary review of the draft contract prior to vendor negotiation and based on this review and QAT’s determination that an agency developed a risk mitigation strategy sufficient to protect the state’s interest, may waive further review and the approval requirement of Art. IX, Sec. 9.01.

Prior to amending a contract associated with any phase of the development of a MIRP, agencies must notify the Governor, Lieutenant Governor, Speaker, Senate Finance Committee, House Appropriations Committee, and QAT.

2020–21 GAA, Article IX, Section 9.01 (continued)

Purchases of Information Resources Technologies

Amendments to an MIRP or contract associated with any phase of the project with a total initial project or contract value that exceeds \$5 million must be reported to QAT prior to execution when:

- Amendment or renewal increases the expected contract value by 10 percent or more;
- Expected total value of the project or contract exceeds the total value of the same in the initial project or contract awarded by 10 percent or more; or
- Amendment requires the vendor to provide consultative services, technical expertise, or other assistance in defining project scope or deliverables.

If an agency cancels a contract that, if amended, would be subject to these requirements, the agency is subject to these reporting requirements.

Note: Agencies are required to provide QAT a copy of the final version of the amendment, including all appendices and attachments. QAT may also waive the requirements related to these amendments.

2020–21 GAA, Article IX, Section 9.02

Quality Assurance Reviews of MIRP

Removes requirement that QAT approve a MIRP before the CPA may authorize payment;

Provides for QAT recommendations based on risk of the MIRP;

Removes QAT annual report on the status of MIRP under review;

Adds project management policies and practices to the list of items that QAT may request the SAO to audit or review;

Authorizes the Department of Information Resources (DIR) to issue guidelines for software development, quality assurance, and the review of major information resources projects; and

Removes authority of the LBB to waive certain QAT requirements.

2020–21 GAA, Article IX, Section 9.12

Assignment of Contract Responsibility

Agencies and IHE are prohibited from making payments on a contract that has been assigned from the original vendor to a subsequent vendor, unless:

- Assignment has been approved by the executive director, institution administrator or designee;
- Written notice has been provided to the LBB and QAT; and
- Notice includes a draft copy of the contract signed by the assigning party but not yet signed by the state agency or IHE.

Contract subject to this requirement include/involve:

- Contracts for a MIRP;
- Proposals for the transfer by assignment of the responsibility for fulfillment of any duties, rights, or obligations due to a state agency or IHE under the contract;
- Contracts with a total value that exceeds \$10 million;
- Contracts related to the storing, receiving, processing, transmitting, disposing of, or accessing sensitive personal information in a foreign country; and
- Contracts for services.

2020–21 GAA, Article IX, Section 9.13

Report on Monitoring Assessments by State Auditor

Requires the state auditor, before July 1 of each year, to assign one of the following ratings to each of the 25 largest state agencies as determined by the LBB:

- Additional monitoring warranted;
- No additional monitoring warranted; or
- Reduced monitoring warranted.

Requires the state auditor, on or before September 1 of each year, to submit a report to the CPA that:

- Lists each state agency that was assigned a rating; and
- For a state agency that was assigned a rating, specifies that additional or reduced monitoring, as applicable, is required during one or more of the following periods:
 - Contract solicitation development;
 - Contract formation and award; or
 - Contract management and termination.

2020–21 GAA, Article IX, Section 9.13 (continued)

Report on Monitoring Assessments by State Auditor

Requires the Comptroller, in consultation with CAT, to develop guidelines for the additional or reduced monitoring of a contract subject to CAT review.

Requires the DIR, in consultation with QAT to develop guidelines for the additional or reduced monitoring of a project subject to QAT review.

Requires state agencies, CAT, or QAT to provide any request for information made by the state auditor to comply with the requirements of any statutory provisions relating to monitoring assessments by the state auditor.

2020–21 GAA, Article IX, Section 17.10

Contract Management and Oversight (formerly Contract Cost Containment)

Provides legislative intent for agencies and IHE to establish effective processes and controls to manage contracts.

Encourages agencies to manage contracts consistent with statute, the GAA, the State of Texas Procurement and Contract Management Guide.

Requires agencies to make a good faith effort to identify and execute savings and efficiencies in use of contracted goods and services.

Requires agencies to conduct a cost-benefit analysis to compare canceling or continuing a MIRP.

Allows agencies to request an exemption from the LBB from this provision.

Exempts managed care contracts in the Medicaid and CHIP program from this provision.

Agencies' progress reports on compliance with provision are due to the Legislature and the Governor by:

- September 30, 2020 for fiscal year 2020; and
- August 31, 2021 for the 2020-21 biennium.

Senate Bill 65, 86th Legislature, 2019

State Contracting and Procurement Highlights

Requires the SAO to rate the 25 largest agencies, as determined by the LBB, annually for additional, reduced, or no monitoring.

Requires the CPA, in consultation with CAT, to create CAT guidelines for additional or reduced monitoring of agencies.

Requires DIR, in consultation with QAT, to create QAT guidelines for additional or reduced monitoring of agencies.

Modifies certain vendor performance reporting requirements, by agencies, to require agencies to report on vendor performance at each key milestone identified in the contract and at least yearly.

Modifies QAT monitoring thresholds, from \$1.0 million to \$5.0 million for project review, and certain QAT authority for contract review and approval.

Senate Bill 65, 86th Legislature, 2019 (continued)

State Contracting and Procurement Highlights

Requires agencies to include a contracts checklist in the contract file for each of its contracts;

Requires the CPA to develop and update a model contract file checklist that addresses each stage of the procurement process and make it available to state agencies;

Allows agencies to develop and use their own contracts checklist provided it meets certain standards;

Requires an agency's contract manager or procurement director to review the contents of the contract file, including the checklist to ensure all documents required by state law or applicable agency rules are complete and present, prior to when the agency awards a contract.

Oversight During the Contract Lifecycle

Planning

Solicitation

Contract Award

Monitoring

Comptroller of Public Accounts (CPA)

- Agency Procurement Plan submitted to CPA
- Planning Guidelines from the Procurement and Contract Management Guide

Department of Information Recourses (DIR)

- DIR reviews information technology statements of work (\$50k+)

Agency or Institution

- Agency's published contract management handbook
- Procurement Staff
- Executive Management (major procurements)

Oversight During the Contract Lifecycle

Planning

Solicitation

Contract Award

Monitoring

Contract Advisory Team (CAT)

- Includes member from CPA, DIR, Health and Human Services Commission, Office of the Governor, Texas Facilities Commission, and Department of Public Safety
- Reviews solicitations over \$5 million and provides recommendations

Quality Assurance Team (QAT)

- Comprised of representatives from CPA, DIR, LBB, and SAO (advisory role).
- Reviews business case for Major Information Resource Projects (MIRP) with a value of \$10 million and over.

Oversight During the Contract Lifecycle

Planning

Solicitation

Contract Award

Monitoring

Office of the Attorney General (OAG)

- Assists in contract negotiations for health care contracts over \$250 million

There is limited additional outside State-level oversight of the vendor selection, contract negotiation, and award.

Oversight During the Contract Lifecycle

Planning

Solicitation

Contract Award

Monitoring

LBB Contract Oversight Team

- Contract reviews
- Contracts Database

CPA

- Post payment audits
- Vendor Performance Tracking System

State Auditor's Office (SAO)

- Audits

QAT

- Monitors projects schedule, budget, and scope.



LEGISLATIVE BUDGET BOARD

Contact the LBB

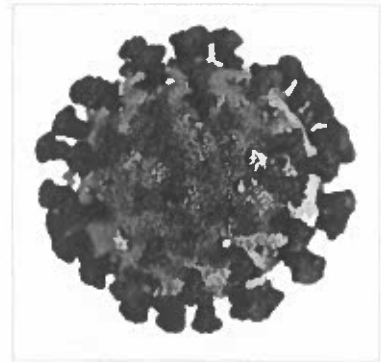
Legislative Budget Board

www.lbb.state.tx.us

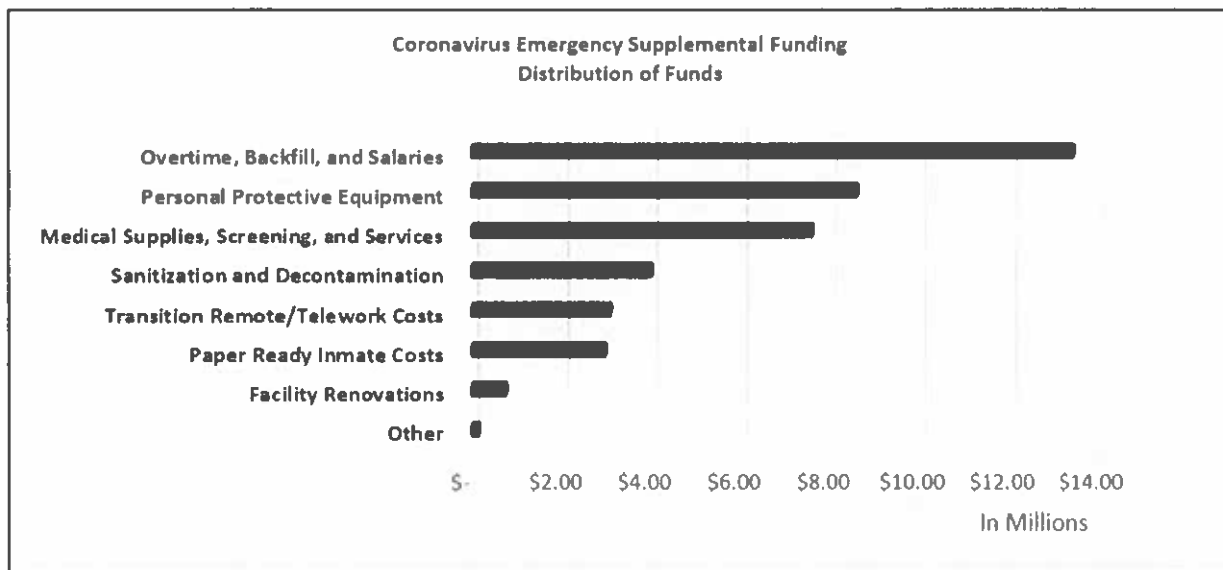
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COVID-19 Criminal Justice Response

On March 30, 2020 PSO received notification from the U.S. Department of Justice's Bureau of Justice Assistance that the state was eligible to apply for and receive more than \$40 million under the Coronavirus Emergency Supplemental Funding Program. Within days, PSO submitted the federal application package and received the funding on April 7, 2020.



On April 15, 2020 PSO released a Request for Applications soliciting projects to assist local units of governments across the state with preventing, preparing for, and responding to the coronavirus. Allowable costs included overtime, equipment (including law enforcement and medical personal protective equipment), hiring, supplies (such as gloves, masks, sanitizer), addressing the medical needs of inmates in local jails and detention centers and assisting county jails with the costs of housing inmates ready for transfer (paper ready inmates) to the state prison system following the Texas Department of Criminal Justice's (TDCJ) decision to halt intake of new inmates due to ongoing outbreaks in local jails and TDCJ facilities.



\$40 MILLION Invested

249 Texas Cities and Counties Assisted

144,000 Overtime Hours by First Responders

Coronavirus Emergency Supplemental Funds Program

Grantee	Project Title	Current Award
Abernathy, City of	PPR (Prevent, Prepare & Respond) Project	\$69,192.00
Alice, City of	Responding to COVID-19	\$18,962.20
Alton, City of	COVID Relief Grant	\$87,304.64
Anthony, Town of	COVID-19 Emergency	\$50,000.00
Aransas Pass, City of	Covid19-Negative Airflow System	\$10,850.00
Armstrong County	CESF	\$25,000.00
Austin, City of	Coronavirus Emergency Response	\$1,243,557.54
Azle, City of	COVID19 Response	\$51,200.00
Bailey County	Coronavirus Supplemental Funding	\$49,500.00
Balcones Heights, City of	PPE Initiative	\$24,750.00
Bastrop, City of	Coronavirus Emergency Supplemental Funding	\$16,128.00
Beaumont, City of	COVID19	\$57,130.00
Bell County	CESF	\$450,000.00
Bellmead, City of	COVID-19 Recovery Grant	\$10,000.00
Belton, City of	CESF Project	\$10,000.00
Benavides, City of	COVID19 PPR (Prepare, Prevent, Response) Project	\$10,000.00
Bertram, City of	CESF Project	\$10,010.00
Bexar County	COVID-19 Response and Mitigation Project	\$939,514.00
Big Spring, City of	COVID-19 Preparation	\$30,000.00
Blanco, City of	Pandemic Response & Recovery Project	\$14,686.98
Boerne, City of	Coronavirus Emergency Supplemental Funding Program	\$16,356.05
Bonham, City of	Coronavirus Emergency Supplemental Funding	\$18,345.87
Bosque County	Coronavirus Project	\$47,960.00
Brazoria County	Covid-19 Response Mitigation	\$593,193.10
Brazos County	Coronavirus Emergency Supplemental Fund	\$346,733.85
Bridge City, City of	CESF	\$41,114.45
Brownsville, City of	Coronavirus Response Efforts	\$313,933.23
Bulverde, City of	Social Distancing Terminal Project	\$76,377.04
Burleson County	COVID-19 Response	\$30,294.69
Burnet County	Coronavirus Emergency Project	\$243,111.88
Burnet, City of	COVID-19	\$155,414.53
Calhoun County	Covid-19	\$64,000.10
Cameron County	Coronavirus Emergency Supplemental Funding (CESF) Program	\$634,423.06
Carson County	COVID Prepare, Respond & Recover	\$25,000.00
Castro County	CESF	\$36,752.55
Cedar Hill, City of	Cedar Hill Social Distancing	\$10,000.00
Center, City of	COVID-19 Response Assistance	\$32,150.00
Childress, City of	Coronavirus Grant	\$13,074.70
Cleburne, City of	COVID19	\$57,711.00
Cochran County	COVID-19	\$30,000.00
Cooke County	Coronavirus	\$122,699.29
Copperas Cove, City of	COVID - 19 Pandemic	\$85,325.00
Corpus Christi, City of	COVID Response	\$102,248.61
Corrigan, City of	COVID-19 Relief	\$55,146.66
Coryell County	COVID 19 Mitigation Project	\$22,306.27
Cottle County	Coronavirus Emergency Supplemental Funding (CESF)	\$34,574.15
Crandall, City of	Coronavirus Emergency Supplemental Funding	\$77,699.56
Crosbyton, City of	COVID-19	\$10,000.00
Crowley, City of	Coronavirus Emergency Supplemental Funding Program	\$20,574.98
Crystal City, City of	COVID-19	\$64,945.70
Daingerfield, City of	Coronavirus Emergency Supplemental Program	\$9,715.77
Dallam County	Covid-19 Preparedness	\$25,000.00

Coronavirus Emergency Supplemental Funds Program

Grantee	Project Title	Current Award
Dallas County	Coronavirus Emergency Response Initiative	\$3,541,223.83
Dallas, City of	CESF	\$1,000,000.00
Deaf Smith County	COVID	\$45,716.21
DeKalb, City of	COVID19	\$35,098.40
Delta County	COVID-19	\$25,825.00
Denison, City of	Coronavirus Emergency Supplemental Funding (CESF) Program	\$15,000.00
Dickens County	COVID - 19 Emergency	\$40,000.00
Dimmit County	Coronavirus Emergency Supplemental Funding	\$69,019.00
Donley County	COVID-19 Response	\$25,000.00
Donna, City of	COVID19 Grant	\$82,454.94
Eagle Pass, City of	COVID-19 Emergency Supplemental Funding	\$50,000.00
Ector County	Coronavirus Supplemental	\$535,092.90
Edcouch, City of	COVID-19 Project	\$19,980.56
Edinburg, City of	Live Safe, Work Safe Project	\$49,517.08
El Paso County	CESF Program	\$961,436.86
El Paso, City of	COVID Emergency Funding	\$689,320.06
Eules, City of	Coronavirus Emergency Supplemental Funding Program	\$115,750.23
Fairview, Town of	Coronavirus Emergency Supplemental Funding	\$22,870.00
Falfurrias, City of	PPR (Prepare, Prevent, and Response) Project	\$69,855.00
Falls County	Coronavirus Project	\$36,260.00
Fannin County	Coronavirus Emergency Supplemental Funding Program	\$52,972.00
Farmers Branch, City of	COVID CESF Project	\$43,900.17
Fate, City of	Coronavirus Emergency Supplemental Funding Program	\$9,967.09
Fayette County	CESF	\$53,398.00
Flatonia, City of	COVID 19	\$12,233.46
Flower Mound, Town of	Coronavirus Preparation and Response	\$21,100.00
Floyd County	Coronavirus Emergency Supplemental Fund	\$29,970.00
Forney, City of	COVID-19 Project	\$369,747.47
Franklin County	COVID-19 Emergency	\$20,651.70
Freestone County	Pandemic Response	\$131,398.19
Frisco, City of	Police Prevention Essentials	\$69,707.50
Gainesville, City of	Coronavirus Emergency Supplemental Funding	\$26,580.02
Galena Park, City of	COVID-19 Project	\$23,330.00
Galveston County	COVID 19 Response	\$865,383.67
Gatesville, City of	Coronavirus Emergency Supplemental Funding Project	\$39,649.60
Goliad County	Coronavirus Disease (COVID-19) Mitigation and Recovery	\$44,769.77
Gonzales County	Coronavirus Emergency Supplemental Funding	\$27,000.00
Grapevine, City of	Coronavirus Relief	\$23,000.00
Gray County	Emergency Supplemental Funding Project	\$70,459.46
Grayson County	CESF	\$57,969.00
Greenville, City of	CESF Grant	\$88,042.61
Gregg County	COVID-19 Medical Reimbursement	\$163,895.96
Grey Forest, City of	COVID-19 Preparation	\$10,521.22
Grimes County	COVID-19 Response	\$10,819.60
Hallettsville, City of	Coronavirus Emergency Supplemental Funding (CESF) Program	\$43,403.56
Hardeman County	COVID-19 Relief	\$67,076.30
Hardin County	Combat CoVID-19	\$100,000.00
Harker Heights, City of	Coronavirus Supplemental Funding	\$20,964.00
Harlingen, City of	CESF	\$29,305.90
Harris County	COVID-19 Relief	\$3,861,091.26
Harrison County	COVID-19 Support	\$262,295.00
Hartley County	COVID-19 Relief	\$25,000.00

Coronavirus Emergency Supplemental Funds Program

Grantee	Project Title	Current Award
Hays County	Prevention and Preparedness for COVID-19	\$293,426.00
Hearne, City of	Coronavirus Emergency Supplemental Funding Program	\$42,656.00
Helotes, City of	Covid Emergency Supplemental Funding	\$38,333.32
Hereford, City of	COVID Recovery Grant Project	\$36,214.01
Hidalgo, City of	COVID-19 Response and Prevention	\$69,906.26
Hill County	Coronavirus Project	\$36,260.00
Hudson, City of	PPR (Prepare, Prevent, Respond) Project	\$31,942.00
Hurst, City of	COVID 19 Assistance	\$13,318.23
Hutchinson County	COVID-19 Response	\$55,492.13
Hutto, City of	Covid-19	\$15,596.00
Idalou, City of	COVID-19 Response	\$13,817.55
Indian Lake, Town of	Coronavirus Emergency	\$10,000.00
Jacinto City, City of	Coronavirus Emergency Supplemental Funding Project	\$32,670.04
Jackson County	COVID-19 Response, Recovery, and Mitigation	\$44,591.36
Jacksonville, City of	COVID 19	\$47,052.09
Jasper County	Disaster Assistance Grant	\$51,603.77
Jefferson County	Coronavirus Emergency Supplemental Funding Program	\$146,091.34
Jim Hogg County	COVID19 Emergency Fund	\$41,308.63
Jim Wells County	PPR (Prepare Prevent & Respond) to COVID 19	\$39,095.46
Johnson County	Emergency Response to CoronaVirus	\$125,201.00
Jones County	Coronavirus Emergency Supplemental Funding Program	\$98,250.00
Kaufman County	Coronavirus Emergency Supplemental Funding	\$1,058,000.00
Kemp, City of	Coronavirus Emergency Supplemental Funding	\$17,965.37
Kendall County	COVID-19 Mitigation	\$10,058.02
Kenedy County	Emergency Response	\$10,000.00
Kerr County	COVID-19	\$30,000.00
Kerrville, City of	Coronavirus Project	\$194,287.90
Killeen, City of	Coronavirus Response	\$174,000.00
Kingsville, City of	Coronavirus Emergency Supplemental Funding	\$29,816.22
Kinney County	COVID-19	\$25,000.00
Kleberg County	Coronavirus Prevent and Prepare Project	\$36,143.26
La Feria, City of	COVID 19	\$14,488.77
La Joya, City of	Operation COVID-19	\$22,907.79
La Vernia, City of	COVID-19 Emergency Response	\$21,662.00
Lakeway, City of	COVID19 CESF	\$45,132.71
Lamar County	Coronavirus Emergency Supplemental Fund	\$35,650.00
Lamb County	Prevention, Response, and Preparedness	\$49,500.00
Lancaster, City of	CESF	\$339,412.00
Laredo, City of	Coronavirus Supplemental	\$154,277.91
Lavon, City of	First Responder Hazard Pay and PPE	\$20,000.00
Leon County	COVID-19 Protection	\$17,078.10
Levelland, City of	Coronavirus Emergency Supplemental Funding	\$114,781.29
Lynn County	Coronavirus Emergency Supplemental Funding	\$102,645.78
Manor, City of	Coronavirus Response	\$40,404.12
Marshall, City of	Coronavirus Emergency Supplemental Funding (CESF) Program	\$50,116.73
Mason County	Covid-19 Emergency Medical Services	\$105,900.00
Mathis, City of	COVID19 PPR (Prepare, Prevent, and Respond) Project	\$61,241.60
Maverick County	CESF Grant Program	\$63,327.12
McAllen, City of	Coronavirus Emergency Supplemental Funding Program	\$93,024.00
McLennan County	Coronavirus Grant	\$121,290.24
Medina County	COVID-19	\$251,000.00
Mercedes, City of	COVID19 Response Project	\$75,704.00

Coronavirus Emergency Supplemental Funds Program

Grantee	Project Title	Current Award
Mexia, City of	Coronavirus	\$40,000.00
Midland County	Covid-19	\$10,433.30
Midland, City of	Coronavirus Equipment	\$72,005.00
Milam County	COVID-19 Response	\$231,266.90
Mills County	Social Distance Capability Upgrade	\$44,569.78
Mineola, City of	PPR (Prepare Prevent & Respond) Project	\$98,442.00
Mission, City of	COVID-19 Emergency Responder Project	\$134,990.00
Moore County	Coronavirus Assistance	\$62,185.38
Motley County	Covid-19 Supplemental Funding Program	\$10,073.89
Mount Pleasant, City of	COVID-19	\$76,452.50
Mount Vernon, City of	Covid-19 Safety	\$12,576.35
Muleshoe, City of	Covid-19	\$15,000.00
Nacogdoches County	Coronavirus Prevention	\$149,258.90
Navasota, City of	COVID-19 Response	\$31,455.52
Nixon, City of	PPR (Prepare, Prevent & Respond) Project	\$110,793.76
Nolanville, City of	COVID-19 Project	\$64,956.00
Nueces County	COVID-19 Response	\$637,564.78
Oldham County	Coronavirus Project	\$25,000.00
Olton, City of	Coronavirus Emergency Supplemental Funding	\$11,000.00
Palestine, City of	COVID 19	\$10,008.20
Palm Valley, City of	COVID-19 Grant	\$10,000.00
Palmview, City of	Palmview COVID Grant	\$28,414.75
Pantego, Town of	Coronavirus Emergency Supplemental Funding (CESF) Program	\$31,513.98
Pecos, City of	COVID-19	\$23,170.22
Penitas, City Of	COVID Project	\$24,439.83
Petersburg, City of	COVID-19 Emergency Supplemental Funding	\$10,000.00
Petersburg, City of	PPR (Prevent, Prepare, & Respond) Project	\$45,252.00
Pflugerville, City of	COVID 19 PLAN	\$22,168.93
Pharr, City of	Help Open Peoples Eyes (HOPE) COVID-19 Response Project	\$149,995.00
Plainview, City of	Covid 19 Mitigation	\$99,927.89
Pleasanton, City of	Decontamination Equipment	\$15,483.00
Point, City of	COVID19 Response	\$10,698.71
Polk County	CESF	\$72,108.00
Port Lavaca, City of	Covid-19 Response Effort	\$13,313.93
Poteet, City of	COVID 19 Prevention and Community Safety	\$48,040.42
Potter County	Coronavirus Emergency Supplemental Funding Program	\$350,000.00
Premont, City of	Emergency Supplemental Program	\$10,000.00
Rains County	CESF Support	\$130,481.00
Ralls, Town of	Covid-19	\$10,000.00
Randall County	COVID Response	\$287,201.07
Ransom Canyon, Town of	COVID 19 Assistance	\$10,000.00
Raymondville, City of	Coronavirus Emergency Funding	\$18,643.38
Red River County	Public Health Supplemental Project	\$45,133.06
Richardson, City of	CESF	\$82,062.00
Rio Grande City, City of	COVID-19 Project	\$90,600.00
Rockport, City of	COVID 19 Grant	\$63,145.19
Roman Forest, City of	Coronavirus Prevention, Preparation and Response Initiative	\$10,000.00
Rowlett, City of	COVID-19 CESF	\$191,964.66
Sabine County	Coronavirus Emergency	\$49,277.00
San Antonio, City of	Coronavirus Emergency Supplemental Funding (CESF) Program	\$2,688,293.00
San Juan, City of	COVID19 Response Grant	\$72,950.00
San Saba County	COVID-19	\$111,000.00

Coronavirus Emergency Supplemental Funds Program

Grantee	Project Title	Current Award
Schulenburg, City of	COVID Relief	\$10,756.94
Seagoville, City of	Clean Environment	\$12,546.50
Seminole, City of	COVID19 Response	\$58,423.14
Smith County	Coronavirus Emergency Supplemental Funding	\$246,084.00
Smithville, City of	COVID-19 Departmental Assistance	\$16,002.00
Socorro, City of	COVID-19 Response	\$38,072.49
Somerset, City of	COVID 19 Response	\$407,917.00
South Padre Island, Town of	Corona Virus Emergency Supplemental Funding	\$10,000.00
Southlake, City of	COVID-19 Response and Mitigation	\$315,172.00
Southside Place, City of	Coronavirus Program	\$15,000.00
Spring Valley Village, City of	COVID19 Preparation and Response	\$179,178.44
Starr County	Coronavirus Emergency Supplemental Funding Program	\$10,242.38
Stephenville, City of	Coronavirus Emergency Supplemental Funding Program	\$111,240.00
Sterling County	PPR (Prepare, Prevent & Respond) to COVID 19	\$34,784.76
Sullivan City, City of	COVID19	\$22,262.24
Tarrant County	Coronavirus Emergency Supplemental Funding	\$4,166,506.00
Travis County	Coronavirus Emergency Supplemental Funding	\$897,614.00
Upshur County	CESF	\$32,962.54
Uvalde, City of	COVID-19 Assistance	\$42,107.99
Val Verde County	Coronavirus Emergency Supplemental Funding (CESF)	\$145,225.25
Victoria County	COVID-19 Emergency	\$87,500.00
Victoria, City of	Coronavirus Emergency Supplemental Funding Program	\$100,000.00
Vidor, City of	COVID-19	\$133,448.63
Waco, City of	Coronavirus Project	\$203,481.45
Wallis, City of	Coronavirus-19 Recovery and Preparedness	\$21,515.32
Washington County	Coronavirus Emergency Supplemental Fund	\$55,000.00
Weatherford, City of	Coronavirus Expense Relief	\$56,430.06
Webb County	Coronavirus Emergency Response	\$232,971.00
Weslaco, City of	Coronavirus Supplemental Funding	\$204,367.73
West Orange, City of	COVID-19 Response	\$95,326.38
White Oak, City of	COVID-19 Assistance and Supplies	\$11,369.34
Whitesboro, City of	Covid-19	\$29,659.17
Wichita Falls, City of	COVID 19 CESF	\$75,213.87
Willacy County	Coronavirus Emergency Supplemental Funding Program	\$36,397.19
Wilson County	COVID-19 Emergency Supplemental Funding	\$168,939.89
Winnsboro, City of	CESF	\$25,607.01
Woodway, City of	Coronavirus Project	\$10,000.00
Yoakum County	Covid-19	\$46,940.21
Yoakum, City of	COVID-19 Emergency Relief Equipment/Preparation	\$10,666.81
Zavala County	Coronavirus Emergency Supplemental	\$41,000.00
Zavalla, City of	COVID 19	\$46,200.00

\$40,504,071.16

CESF Allocation to OOG \$	41,975,871.00
Awarded	\$40,504,071.16
Balance *	\$1,471,799.84

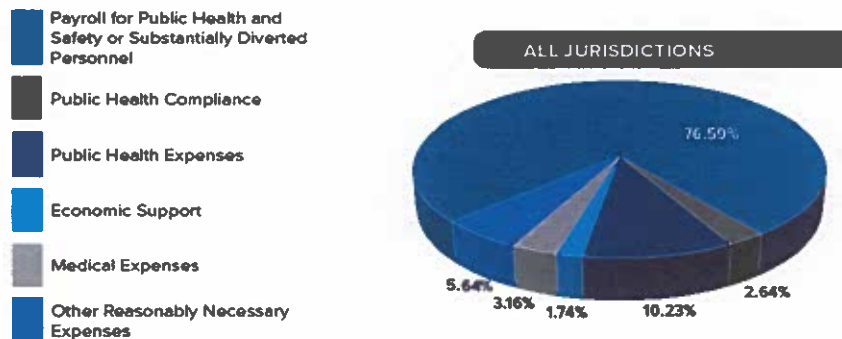
*PSO opening an RFA in Feb to solicit more local applications through Regional COGs

Coronavirus Relief Fund (CRF) – CARES Act (as of 02.10.21)

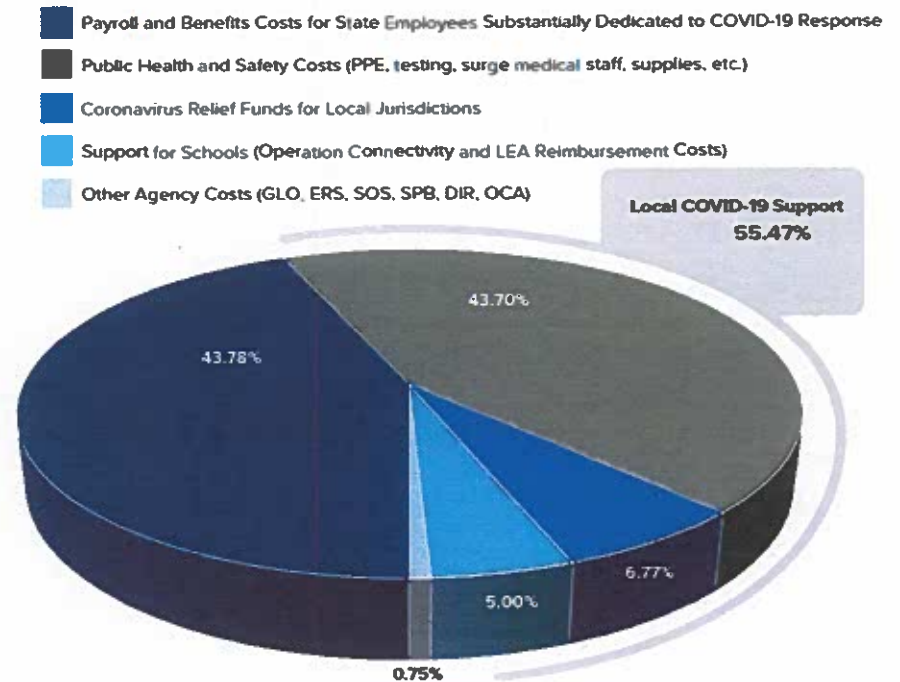
Texas received over \$11.24 billion of the \$150 billion CRF authorized by the CARES Act. Of that total, the United States Department of the Treasury distributed slightly more than \$3.20 billion directly to cities and counties in Texas with a population greater than 500,000; the remaining portion was distributed to the state. According to the CARES Act, the CRF could be used only for costs that:

- were necessary expenditures incurred due to the public health emergency;
- were not accounted for in the budget most recently approved as of the date of enactment; and
- were incurred between March 1, 2020 and December 30, 2020 (this requirement was amended to reflect an end date of December 31, 2021 by CRRSAA).

State leaders made \$584.5 million available to cities and counties for their COVID-19 response. While this was not required by the CARES Act, nor by Treasury Department guidance, state leaders decided to ensure that local officials had the resources needed for their pandemic response. To date, local governments have claimed nearly \$545 million in reimbursements. Of that total, the following shows how those funds were utilized.



State leaders have further supported local entities by providing significant public health investments statewide in response to the impacts of the pandemic - expending over half of the state's CRF allocation on public health and safety costs incurred to bolster local COVID-19 response efforts.



The state, through DSHS, is providing surge medical staffing to expand healthcare capacity statewide. DSHS has provided thousands of additional contracted medical personnel who have contributed a combined 14.5 million staff hours as of the end of 2020. The state utilized hundreds of millions of dollars from its own CRF allocation to establish a statewide testing. The state used CRF funds to engage in mass procurement of PPE that TDEM distributed throughout the state to public and private entities. In coordination with DSHS, TDEM has also deployed alternate care sites (ACS) across the state. ACSs are temporary or converted spaces that can provide acute, non-acute, or hospital care to individuals outside of traditional healthcare locations.

CRF Used to Help Students and Schools

Through its CRF allocation, the state has committed approximately \$400 million to Texas schools to assist students, families, and teachers. Early in the pandemic, the state launched a reimbursement program for local education agencies' (LEA) COVID-19 costs and the initial transition to remote learning during the spring 2020 semester. In collaboration with the Texas Education Agency (TEA), the state also launched Operation Connectivity, harnessing its significant buying power to purchase millions of learning devices for students. Including hotspots, personal laptops, and other eLearning devices, this investment enabled students to learn effectively and stay connected to their teachers and classmates from home. In addition to securing the devices - which were in high-demand nationwide - the state was able to achieve savings of 20% to 40% on these purchases.

This bulk procurement enabled LEAs to get at-home learning devices into the hands of Texas students and teachers quickly and at a minimized cost.

Helping Students Stay Connected

- Over 3.66 million e-Learning devices purchased
- Over 874,000 hotspots provided for students
- More than 800 LEAs utilized the bulk purchase program

Coronavirus Relief Fund (CRF) Use at State Agencies

Along with the more visible efforts of DSHS and TDEM, state agencies and institutions of higher education have made significant adjustments to their operations as part of the state's overall response to the pandemic. Every state agency and institution of higher education has played a role in responding to the pandemic by adjusting operations and making resources available to ensure the safety of staff and students. All of these actions amassed considerable costs, and such duties were not contemplated when the budget was previously adopted by lawmakers. In accordance with the

requirements of the CARES Act, and subsequent guidance from the Department of the Treasury, the state is utilizing approximately \$3.5 billion of the CRF to support these efforts, primarily for salary and benefits costs for public health and public safety related employees at state agencies and institutions of higher education that have been substantially dedicated to COVID-19 response efforts.

According to Treasury Department guidance, CRF can be used to cover the payroll and benefits costs of public health and public safety employees substantially dedicated to COVID-19 response. As a matter of administrative convenience, the entire payroll cost of an employee whose time has been substantially dedicated to COVID-19 may be included. Further, a state may presume that those employees meet that substantially dedicated test unless other specified. Because of the unforeseen financial needs and risks created by COVID-19, if a cost is used for a substantially different purpose than what was originally budgeted for, then CRF can be used, even if it was previously included in the budget.

Other State Agency Uses:

- CRF funded a statewide effort to respond to the essential civil legal needs of low-income Texans through the Texas Access to Justice Foundation.
- Funding to the Texas General Land Office and Veterans Land Board to address COVID-19 related costs at the Texas State Veterans Homes (TSVH)
- Funding to support agencies in their transition to a work-from-home posture through the Department of Information Resources (DIR) which developed the CARES Act Laptop Purchasing Initiative.
- Funding to support census outreach at the Secretary of State to make certain that Texans were aware of this critical effort and their opportunity to participate.

Coronavirus Relief Fund Allocations

State CRF Funding Summary	Texas Total	\$11,243,461,411
	Direct to Local Governments	\$3,205,147,120
	State of Texas Total	\$8,038,314,291

Current Uses of CRF

Subject	Agency/Use	CRF Allocated
Local Assistance	TDEM - Funding for City and Council COVID-19 Response (May 2020)	\$583,082,555
Health and Safety Expenses	Texas Division of Emergency Management - PPE, Food Banks, and Testing (May 2020)	\$250,000,000
	TDEM - PPE, Food Banks, and Testing (September 2020)	\$250,000,000
	Department of State Health Services - Surge Medical Staffing and Supplies Costs (July 2020)	\$300,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (August 2020)	\$250,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (September 2020)	\$200,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (October 2020)	\$448,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (November 2020)	\$250,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (December 2020)	\$144,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (December 2020)	\$125,000,000
	DSHS - Surge Medical Staffing and Supplies Costs (January 2021)	\$292,500,000
	DSHS - Surge Medical Staffing and Supplies Costs (January 2021)	\$445,300,000
	DSHS - Surge Medical Staffing and Supplies Costs (February 2021)	\$274,700,000
	Texas Military Department - Health Response Staffing (October 2020 and December 2020)	\$2,375,941
	VLB/GLO - Veterans Home Costs (December 2020 and January 2021)	\$26,125,460
Education	TEA - Operation Connectivity Bulk Purchase Program (July 2020)	\$200,000,000
	TDEM - SY19-20 Local Education Agency Reimbursement (October 2020)	\$200,000,000
Public Health and Public Safety Salaries for Employees Substantially Dedicated to COVID-19 Response	Department of State Health Services (March 1 - October 31)	\$100,167,327
	Texas Department of Criminal Justice (March 1 - October 31)	\$1,557,743,800
	Texas Juvenile Justice Department (March 1 - October 31)	\$64,652,069
	Department of Public Safety (March 1 - October 31)	\$620,084,870
	Texas Military Department (March 1 - October 31)	\$6,207,725
	Texas Parks and Wildlife Department (March 1 - October 31)	\$20,947,697
	Department of Family and Protective Services (March 1 - October 31)	\$296,049,543
	Texas Alcoholic Beverage Commission (March 1 - October 31)	\$33,955,087
	UT MD Anderson (March 1 - October 31)	\$69,170,945
	UT Medical Branch Galveston (March 1 - October 31)	\$41,630,008
	UT Health Science Center Tyler (March 1 - October 31)	\$9,651,458
	Encumbered Funding for Verified Costs (November 1 - December 30)	\$679,739,471
State Agency Uses	Office of Court Administration - Essential Legal Service Assistance (October 2020)	\$4,218,000
	State Preservation Board - Leave Costs (December 2020)	\$2,121,972
	Department of Information Resources - IT Bulk Purchase Program (January 2021)	\$7,246,130
	Secretary of State - Census Outreach Assistance (September 2020)	\$15,000,000
Subtotal - Approved to Date		\$7,769,670,058

Future Uses of CRF

Subject	Agency/Use	Total Cost
Health and Safety Expenses	TDEM - PPE and Testing	\$103,000,000
	DSHS - Surge Medical Staffing and Supplies Costs	\$1,270,500,000

Total Approved Costs	\$7,769,670,058
Future Uses of CRF	\$1,373,500,000
Final CRF Balance	-\$1,104,855,767

Summary

Health and Safety Expenses	DSHS - Surge Medical Staffing and Supplies Costs (Current)	\$2,729,500,000
	DSHS - Surge Medical Staffing and Supplies Costs (Estimated Future)	\$1,270,500,000
	TDEM - PPE, Food Banks, and Testing (Current)	\$500,000,000
	TDEM - PPE, Food Banks, and Testing (Estimated Future)	\$103,000,000
	Public Health Public Safety Payroll and Benefits	\$3,500,000,000

Governor's Emergency Education Relief Fund (as of 02.09.21)

Of the nearly \$3 billion allocated by Congress in the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, Texas received over \$307.02 million for the state's GEER fund. The recently approved Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) allocated an additional \$134.33 million in a second round of GEER funding. CRRSAA also included \$153.17 million for the Emergency Assistance to Non-Public Schools (EANS) grants.

Both Acts allowed the governors of each state to allocate GEER funding at their discretion for emergency support grants to both higher education and public education institutions deemed to have been significantly impacted by the pandemic. These funds were intended to support the ability of institutions to continue providing educational services to their students and to support ongoing operations. State leaders ensured this funding was used for strategic purposes to limit learning loss due to the pandemic and provide support for students to continue their progress towards a credential or degree.

GEER Assistance to Public Education

A portion of GEER funding supported the Texas Home Learning Initiative at TEA to provide instructional content and courses for multiple grade levels. It also provided for a remote dyslexia instructional platform to help address the unique needs of these students in transitioning to home learning. Funding was also provided to the Texas School for the Deaf, the Texas School for the Blind and Visually Impaired, and the Windham School District to ensure their critical activities were maintained.

THL Use Across Texas

- 415 school districts participating
- 320 LEAs using institutional materials
- 2 million + students reached

GEER funds were also used to create the Supplementary Special Education Services (SSES) program. The student-centered SSES connects eligible students with severe cognitive disabilities to additional support, such as high-quality personalized programs, for the critical services they require. These additional services were intended to help those most affected by the pandemic and their transition to virtual education.

GEER Assistance to Higher Education

The state invested \$175 million of GEER funding in the state's higher education system for student financial aid, improvements in online learning, and enhanced data infrastructure capabilities. This investment included:

- \$57 million to ensure existing state financial aid programs were not negatively impacted;
- \$46.5 million in emergency student support so students whose families have been severely financially impacted by COVID-19 can stay enrolled in higher education;
- \$46.5 million in targeted financial aid for upskilling and reskilling displaced workers for jobs in high-demand fields;
- \$10 million to improve the quality of online learning by strengthening distance education offerings and bolstering institutions' capabilities to use data to support student success; and
- \$15 million for strategic education and workforce data infrastructure to provide timely, actionable intelligence to students, institutions, employers, and policymakers.

- GEER supported over 17,000 students receiving current need based financial aid
- Over 40,000 students from 93 institutions received Emergency Education Grants
- Almost 12,000 students will receive Reskill and Upskill Grants

GEER Funding for Strategic Education Priorities

Current Uses

Agency	Current Agency Uses	Funding
TEA	Texas Home Learning 3.0	\$30,000,000
	Supplementary Special Education Services (SSES)	\$30,000,000
	Windham	\$1,500,000
TSD	School for the Deaf	\$800,000
TSD	School for the Blind and Visually Impaired	\$1,000,000

Funding Source	Amount
GEER I	\$307,026,008
GEER II	\$134,331,000

THECB	Re-Enrollment Support	\$46,500,000
	Emergency Student Support	\$46,500,000
	Student Financial Aid 5% Reductions	\$57,000,000
	Strategic Data Infrastructure	\$15,000,000
	Online Learning Support	\$10,000,000

Total Current Uses	\$238,300,000
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Possible Future Uses

Agency	Proposed Agency Uses
TSD	Funding to Continue Services in the Next Biennium
TSBVI	Funding to Continue Services in the Next Biennium
THECB	Reskilling and Upskilling and Job Training Financial Aid
	Reskilling and Upskilling and Job Training Program Expansion
	Funding for Industry-Led Apprenticeships
	Supporting Student Progress Towards Degree or Credential
	Engaging Adult Learners to Meet Workforce Demands
	Data Information Security and Accessibility

Funding Source	Amount
GEER I	\$307,026,008
GEER II	\$134,331,000



LEGISLATIVE BUDGET BOARD

Coronavirus Federal Funding Appropriations to Texas

**PRESENTED TO HOUSE COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2021

Major Funding Timeline

March 6, 2020

- HR 6704, the ***Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSA)*** was signed into law. The act provided an estimated \$8.3 billion in emergency funding for federal agencies to respond to COVID-19. The funds were intended for screening and testing needs, to acquire medical supplies, and boost telehealth capacity in response to the pandemic.

March 13, 2020

- President Trump issued Proclamation 9994 under the National Emergencies Act and the federal Stafford Act. The declaration “proclaimed that the COVID-19 outbreak in the United States constitutes a national emergency, beginning March 1, 2020.”
 - NEA Proclamation provides the Secretary of HHS to exercise broad authority to temporarily waive or modify certain requirements of the Medicare, Medicaid, and State Children’s Health Insurance programs.
 - The Stafford Act Emergency Declaration provides for broad federal assistance for COVID-19 response efforts for all U.S. states, territories, and the District of Columbia. The assistance was provided in the form of the Federal Emergency Management Agency’s (FEMA) Public Assistance emergency protective measures.

March 18, 2020

- HR 6201, the ***Families First Coronavirus Response Act (FFCR)*** was signed into law. The act provided more than \$3.5 billion in COVID-19 funding for response efforts including testing, food assistance, and unemployment insurance.
- Effective January 1, 2020 (retroactive) through the end of the public health emergency, the act increases the base Federal Medical Assistance Percentage (FMAP) by 6.2 percentage points and requires coverage of COVID-19 testing by CHIP, Medicaid, Medicare and private insurers with no cost sharing. It also provided \$1 billion under the Public Health and Social Services Emergency Fund to reimburse providers who test the uninsured for COVID-19 on or after February 4, 2020 at Medicare rates and allows for flexibilities and emergency allotments under the Supplemental Nutrition Assistance Program (SNAP), as well as the Pandemic Electronic Benefit Transfer (PEBT) program.

Major Funding Timeline (cont.)

March 27, 2020

- HR 748, the ***Coronavirus Aid, Relief, and Economic Security Act (CARES)*** was signed into law. The act provided loan guarantees for impacted businesses, direct cash payments for individuals, and additional testing and vaccine resources. The Act provides \$2 trillion in stimulus measures which include \$150 billion for the Coronavirus Relief Fund; \$34.0 billion in transportation funds; \$13.9 billion for the Higher Education Emergency Relief Fund (HEERF); \$13.4 billion in Elementary and Secondary School Emergency Relief Fund (ESSERF); and \$9.5 billion in Federal Emergency Management Agency (FEMA) Public Assistance Funds.

April 24, 2020

- HR 266, the ***Paycheck Protection Program and Healthcare Enhancement Act (PPPHE)*** was signed into law. The act provided \$484 billion in COVID-19 response funding for small business loans, health care providers, and COVID-19 testing.

August 8, 2020

- The President, through Presidential Directive, directed approximately \$20.8 billion for the ***Lost Wage Assistance*** program.

December 27, 2020

- HR 133, the ***Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)*** was signed into law. The act contains a total of \$900.0 billion in COVID-19 relief funds across all states, localities, and tribal entities.

To Be Determined (FY 2021)

- Congress is currently considering a sixth stimulus package that could provide an estimated \$1.9 trillion in emergency spending, including direct payments to individuals and unemployment assistance. There are numerous pieces of text that still need to be combined into one final bill for consideration and passage by both the U.S. House and Senate.

Major Funding Programs

Texas' Coronavirus federal funding appropriations as of 2/8/21 total an estimated \$24.8 billion

Coronavirus Aid, Relief, and Economic Security Act (CARES)

- *Coronavirus Relief Fund (CRF)*: \$150 billion nationally, \$8.038 billion to Texas
- *Public Assistance Grants (PA)*: \$9.5 billion nationally, \$2.3 billion to Texas
- *Governor's Emergency Education Relief Fund (GEERF)*: \$3.0 billion nationally, \$307.0 million to Texas
- *Elementary and Secondary School Emergency Relief Fund (ESSERF)*: \$13.4 billion nationally, \$1.3 billion to Texas
- *Higher Education Emergency Relief Fund (HEERF)*: \$13.9 billion nationally, \$879.2 million to Texas

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)

- *Governor's Emergency Education Relief Fund (GEERF)*: \$4.1 billion nationally, \$287.5 million to Texas
- *Center for Disease Control Grants (CDC)*: \$22.1 billion nationally, \$1.8 billion to Texas
- *Elementary and Secondary School Emergency Relief Fund (ESSERF)*: \$54.8 billion nationally, \$5.5 billion to Texas

Presidential Directive

- *Lost Wage Assistance*: \$20.9 billion nationally, \$1.9 billion to Texas

Major Funding Programs (cont.)

Coronavirus Relief Fund (CRF)

Payments from the CRF are intended to only be used to cover expenses that are for : 1) necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19); 2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and 3) were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021 (original expiration was December 31, 2020). CRF expenditures cover a broad range of expenses.

Under the CARES Act, Texas received \$11.2 billion in CRF. \$3.2 billion was allocated **directly** to local units of government with populations that exceed 500,000. The Office of the Governor received \$8.038 billion in CRF. See Appendix A for additional details.

Public Assistance Grants (PA)

Authorized through the federal Stafford Act, PA funds are made available when a national emergency is declared. Funds are typically used to reimburse for expenditures incurred preparing for, responding to, or recovering from a federally declared disaster/emergency. Funds are awarded through a reimbursement application process and typically require a 25% state match, however, the President recently directed FEMA to retroactively increase the federal participation rate to 100%. Funds can be used for a wide variety of purposes that save lives and protect public health, safety and property. Texas has used funds for medical surge staffing, emergency protective measures, food distribution, testing and patient care and support.

Elementary and Secondary School Emergency Relief Fund (ESSERF and ESSERF II)

The CARES Act appropriated funding for ESSERF grants that are awarded to state educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. The CRRS Act provides an additional \$54.3 billion for the ESSER Fund, known as ESSERF II. ESSER II Fund awards to SEAs are in the same proportion as each State received funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, in fiscal year 2020.

Major Funding Programs (cont.)

Higher Education Emergency Relief Fund (HEERF and HEERF II)

The first allocation of HEERF funding under the CARES Act was to support students and institutions of higher education to ensure that learning continues for students during the COVID-19 pandemic. The HEERF was apportioned for 8 separate purposes including: Student Portion, Institutional Portion, Historically Black Colleges and Universities, Tribally Controlled Colleges and Universities, Minority Serving Institutions, Strengthening Institutions Program, Fund for the Improvement of Postsecondary Education, and Institutional Resilience and Expanded Postsecondary Opportunity. The second allocation of HEERF II funding under the CRRSSA Act created three distinct programs to support education amid the pandemic: Student Aid Portion for Public and Nonprofit Institutions, Institutional Portion for Public and Nonprofit Institutions, and Proprietary Institutions Grant Funds for Students.

Governor's Emergency Education Relief Fund (GEERF and GEERF II)

The first allocation of funds (GEERF) were awarded to States (governor's offices) based on a formula stipulated in the CARES Act legislation. The funds are intended to provide assistance to students and families through school districts, institutions of higher education, and other education-related organizations. The second allocation (GEERF II) is intended to help mitigate the impact of COVID-19 on all students and families, including those who choose private schools.

Center for Disease Control Grants (CDC)

CDC grants appropriated through various federal Coronavirus acts are intended to help public health departments across the country continue to battle COVID-19 and expand their capacity for testing, contact tracing, and containment. The funding is expected to support reporting and analyzing surveillance data, tracing the spread of the virus, and developing scientific guidelines appropriate for local communities.

Lost Wage Assistance

To ease the economic burden for those struggling with lost wages due to the coronavirus pandemic, President Trump authorized FEMA to expend a portion of the Disaster Relief Fund for lost wage payments. FEMA provided grants to participating states, territories, and the District of Columbia to administer delivery of lost wages assistance. This authorization is in addition to the \$8.8 billion FEMA has already obligated to date in the fight against COVID-19.

Appendix A:

Estimated Federal Funding for Coronavirus Pandemic Response & Coronavirus Relief Fund Allocations



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Estimated Federal Funding for Coronavirus Pandemic Response
(Updated 2/8/21)

Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (CPRSA)

HR 6074 was signed into law on **March 6, 2020**. It provided \$8.3 Billion in emergency funding for federal agencies to respond to COVID-19. These funds are used for screening and testing needs, to acquire medical supplies and boost telehealth capacity in response to the pandemic, to provide primary care, and to report testing results.

Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
DSHS	CDC Grants	CPRSA Act	\$ 871,815	\$ 58,765
Texas Tech Health Science Center	Community Health Centers	CPRSA Act	\$ 100,000	\$ 66
DSHS	Hospital Preparedness (awards to date)-state	CPRSA Act/CARES Act	\$ 340,000	\$ 20,807
Total CPRS Funding			\$ 1,311,815	\$ 79,638

Families First Coronavirus Response Act (FFCR)

HR 6201 was signed into law on **March 18, 2020** and provided more than \$3.5 billion in COVID-19 response efforts, including testing, food assistance, and unemployment insurance. The bill also provided an increased Medicaid match rate.

Effective January 1, 2020 through the end of the public health emergency, the bill increases the base Federal Medical Assistance Percentage (FMAP) by 6.2 percentage points and requires coverage of COVID-19 testing by CHIP, Medicaid, Medicare and private insurers with no cost sharing. It also provides \$1 billion under the Public Health and Social Services Emergency Fund to reimburse providers who test the uninsured for COVID-19 on or after February 4, 2020 at Medicare rates and allows for flexibilities and emergency allotments under the Supplemental Nutrition Assistance Program (SNAP), as well as the Pandemic Electronic Benefit Transfer (PEBT) program.

Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
TWC	Unemployment Insurance Base	FFCR Act	\$ 500,000	\$ 44,144
TWC	Unemployment Insurance Supplemental	FFCR Act	\$ 500,000	\$ 44,144
HHSC	Supplemental Nutrition Program for Women, Infants, and Children (WIC)	FFCR Act	\$ 500,000	\$ 39,003
HHSC	Congregate and Home-Delivered Meals	FFCR Act	\$ 240,000	\$ 16,206
TDA	Assistance Program	FFCR Act	\$ 400,000	\$ 35,927
Total FFCR Act Funding			\$ 2,140,000	\$ 179,424

Coronavirus Aid, Relief, and Economic Security Act (CARES)

HR 748 was signed into law on **March 27, 2020** and provided loan guarantees for impacted businesses, direct cash payments for individuals, and additional testing and vaccine resources. The Act totals \$2 trillion in stimulus measures which includes \$150 billion for the Coronavirus Relief Fund which provides funding to state and local government, including \$10.7 billion for Texas; \$34.0 billion in transportation funds, including \$1.2 billion for Texas; \$13.9 billion for the Higher Education Emergency Relief Fund (HEERF) with \$879.2 million for Texas; \$13.4 billion in Elementary and Secondary School Emergency Relief Fund (ESSERF), with \$1.3 billion for Texas; and \$9.5 billion in Federal Emergency Management Agency (FEMA) Public Assistance Funds with \$2.3 billion for Texas.

Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
Comm on the Arts	National Endowment for the Arts	CARES Act	\$ 30,000	\$ 669
OOG	Justice Assistance Grants - State	CARES Act	\$ 563,072	\$ 41,976
OOG	Governor's Emergency Education Relief (GEER) Fund	CARES Act	\$ 2,983,980	\$ 307,026
OOG	Coronavirus Relief Fund	CARES Act	\$ 150,000,000	\$ 8,038,314
SOS	Election Security	CARES Act	\$ 400,000	\$ 24,547
TSLAC	Institute of Museum and Library Services	CARES Act	\$ 30,000	\$ 2,620
DSHS	CDC Grants	CARES Act	\$ 1,140,633	\$ 74,150
DSHS	State Capacity Building	CARES Act	\$ 1,340	\$ 103
DFPS	Child Welfare Services	CARES Act	\$ 45,000	\$ 4,691

<div> <div>Estimated Federal Funding for Coronavirus Pandemic Response</div> <div>(Updated 2/8/21)</div> </div>				
Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
HHSC	Family Caregivers	CARES Act	\$ 100,000	\$ 6,432
HHSC	Protection of Vulnerable Older Americans	CARES Act	\$ 20,000	\$ 1,350
HHSC	Family Violence Prevention	CARES Act	\$ 45,000	\$ 3,014
HHSC	Supportive Services	CARES Act	\$ 200,000	\$ 13,505
HHSC	Congregate and Home-Delivered Meals	CARES Act	\$ 480,000	\$ 32,412
HHSC	State Survey and Certification (awards to date)	CARES Act	\$ 18,759	\$ 988
DSHS	Housing Opportunities for Persons with AIDS	CARES Act	\$ 53,700	\$ 4,222
HHSC	Aging and Disability Resource Centers (awards to date)	CARES Act	\$ 50,000	\$ 3,005
DSHS	Ryan White HIV/AIDS, Part B	CARES Act	\$ 24,600	\$ 1,500
UT Southwestern Medical Center	Ryan White HIV/AIDS, Part D	CARES Act	\$ 5,000	\$ 79
IHEs-state (see note)	Economic Adjustment Assistance (awards to date) - State	CARES Act	\$ 809,418	\$ 900
TDEM	Emergency Performance Management Grant	CARES Act	\$ 100,000	\$ 5,993
TDEM, DSHS, DPS, Texas National Guard (TMD) and other agencies	Public Assistance (PA) Grants (obligations to date)	CARES Act	\$ 7,707,589	\$ 2,304,086
TEA	Rethink K-12 Education Models (REM)	CARES Act	\$ 180,662	\$ 19,979
Texas Tech Health Science Center	Community Health Centers	CARES Act	\$ 1,315,638	\$ 774
UT Health Science Center Houston	Emergency Response for Suicide Prevention	CARES Act	\$ 39,795	\$ 799
IHE's	Geriatrics Workforce Enhancement Program	CARES Act	\$ 4,350	\$ 181
IHE's	Area Health Education Centers Program	CARES Act	\$ 4,200	\$ 382
IHE's	Centers of Excellence Program	CARES Act	\$ 2,700	\$ 300
IHE's	Registered Nurses in Primary Care Training Program (state supported)	CARES Act	\$ 3,300	\$ 157
TEA	Elementary and Secondary School Emergency Relief Fund (ESSERF)	CARES Act	\$ 13,352,265	\$ 1,285,886
IHEs	Higher Education Fund - General (state supported)	CARES Act	\$ 12,507,255	\$ 786,556
IHEs	FIPSE/Unmet Needs Higher Education Funds (state supported)	CARES Act	\$ 321,687	\$ 295

<div> <div>Estimated Federal Funding for Coronavirus Pandemic Response</div> <div>(Updated 2/8/21)</div> </div>				
Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
IHEs	Telehealth Resource Centers	CARES Act	\$ 11,600	\$ 829
IHEs	Higher Education Fund - HBCUs/MSIs (state supported)	CARES Act	\$ 1,046,438	\$ 92,423
TDA	Child Nutrition Program	CARES Act	\$ 8,800,000	\$ 534,731
TDA	Emergency Food Assistance Program Commodities	CARES Act	\$ 450,000	\$ 40,431
TDA	Small Rural Hospital Improvement Program	CARES Act	\$ 150,000	\$ 11,130
TDCHA	Community Services Block Grant	CARES Act	\$ 984,970	\$ 48,102
TDHCA	Low Income Home Energy Assistance Program	CARES Act	\$ 900,000	\$ 94,024
TWC	Dislocated Worker Grants	CARES Act	\$ 367,626	\$ 39,685
TWC	Child Care and Development Block Grant	CARES Act	\$ 3,500,000	\$ 371,663
TDHCA	Community Development Block Grant - State (Round 1)	CARES Act	\$ 592,599	\$ 40,001
TDHCA	Community Development Block Grant - State (Round 2)	CARES Act	\$ 1,000,000	\$ 63,546
TDHCA	Community Development Block Grant - State (Round 3)	CARES Act	\$ 524,814	\$ 38,299
TDHCA	Emergency Solutions Grants - State	CARES Act	\$ 1,652,258	\$ 97,793
TDHCA	Supportive Housing for Persons with Disabilities (Sec. 811) (State Portion)	CARES Act	\$ 76,901	\$ 105
TWC	Short-Term Compensation	CARES Act	\$ 99,750	\$ 8,807
TxDOT	Grant-in-Aid for Airports	CARES Act	\$ 9,139,689	\$ 11,800
TxDOT	Non-urbanized Area Formula - State	CARES Act	\$ 2,198,708	\$ 143,201
Total CARES Act Funding			\$ 224,035,296	\$ 14,603,461
Paycheck Protection Program and Healthcare Enhancement Act (PPPHE)				
HR 266 was signed into law on April 24, 2020 . The bill provided \$484 billion in COVID-19 response in support for small business loans, health care providers, and COVID-19 testing.				
Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
DSHS	CDC Testing Funds	PPPHE Act	\$ 11,086,680	\$ 479,005
Texas Tech Health Science Center	Community Health Centers-Expanding Capacity for Coronavirus Testing-State	PPPHE Act	\$ 582,472	\$ 264
Total PPHE Act Funding			\$ 11,669,152	\$ 479,269

Estimated Federal Funding for Coronavirus Pandemic Response (Updated 2/8/21)				
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)				
HR 133 was signed into law on December 27, 2020 and contains a total of \$900.0 billion in COVID-19 relief funds across all states, localities, and tribal entities.				
Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
OOG	Governor's Emergency Education Relief (GEER) Fund - Flexible	CRRSA Act	\$ 1,323,530	\$ 134,331
OOG	Governor's Emergency Education Relief (GEER) Fund - Private Schools	CRRSA Act	\$ 2,750,000	\$ 153,168
DSHS	CDC Grants	CRRSA Act	\$ 22,112,304	\$ 1,762,461
TEA	Elementary and Secondary School Emergency Relief Fund (ESSERF)	CRRSA Act	\$ 54,830,942	\$ 5,529,552
TxDOT	Enhanced Mobility of Seniors and Persons with Disabilities	CRRSA Act	\$ 20,035	\$ 1,361
TWC	Extension Implementation Grants	CRRSA Act	\$ 34,450	\$ 650
Total CRRSA Act Funding			\$ 81,071,261	\$ 7,581,523
Presidential Directive (August 8, 2020)				
Agency	Federal Program	Federal Authority	U.S. TOTAL* (in thousands)	Texas Allocation (in thousands)
TWC	Lost Wage Assistance	Presidential Directive	\$ 20,855,350	\$ 1,912,000
Total Presidential Directive Funding			\$ 20,855,350	\$ 1,912,000
* US Totals represent all funding allocated nationally, including amounts to locals.				
Total COVID-19 Texas Funding (est.)			\$ 341,082,874	\$ 24,835,315

Estimated Federal Funding for Coronavirus Pandemic Response

(Updated 2/8/21)

Coronavirus Relief Fund: Allocation		
Under the CARES Act, Texas received \$11.243 billion in Coronavirus Relief Fund (CRF) funds. \$3.205 billion was allocated directly to local units of government with populations that exceed 500,000. The Office of the Governor received \$8.038 billion. Allocations to-date are below, by receiving agency.		
Receiving Agency/Purpose of Funds		
<u>Texas Division of Emergency Management (TDEM)</u>		
Allocation of funds to local units of government not receiving a direct allocation from the U.S. Treasury	\$	584,532,630
<u>TDEM</u>		
State response and recovery (ex: PPE, medical supplies, testing, food banks)	\$	500,000,000
<u>Texas Department of State Health Services</u>		
*Medical staffing	\$	2,728,800,000
<u>Texas Education Agency (TEA) + TDEM</u>		
TDEM-administered LEA 19-20 reimbursement	\$	200,000,000
TEA Operation Connectivity bulk purchase program	\$	200,000,000
<u>Reimbursable Salaries and Benefits</u>		
Texas Department of Criminal Justice	\$	1,557,743,799
University of Texas Medical Branch	\$	41,630,008
Department of State Health Services	\$	100,167,327
Health and Human Science Commission (HHSC)	\$	282,320,427
Texas Department of Family and Protective Services	\$	296,049,542
University of Texas MD Anderson Cancer Center	\$	69,170,945
University of Texas Health Science Center Tyler	\$	9,651,457
Texas Military Department (TMD)	\$	6,207,725
Texas Department of Public Safety	\$	620,084,870
Texas Juvenile Justice Department	\$	64,652,068
Texas Alcoholic Beverage Commission	\$	33,955,087
Texas Parks and Wildlife Department	\$	20,947,697
** other reimbursable agency salaries & benefits	\$	397,419,048
<u>Texas Secretary of State</u>		
Census outreach	\$	15,000,000
<u>Texas State Preservation Board</u>		
Emergency leave staff costs	\$	2,121,972
<u>Office of Court Administration</u>		
Legal service assistance	\$	4,218,000
<u>Texas Military Department</u>		
State active duty expenses	\$	2,375,941
<u>General Land Office /</u>		
<u>Veterans Land Board</u>		
Testing, IT Costs	\$	8,818,389
Veterans' homes and resident care	\$	17,307,071
<u>Various Agencies</u>		
Dept. of Info Resources: facilitation/assistance of state agencies' remote work	\$	6,912,030
**Employees Retirement System: survivor benefits	\$	20,000,000
**Emergency leave due to closures/FFCRA	\$	11,240,000
**Laptop purchasing program reimbursement	\$	334,101
Total CRF allocated/passed-through to-date		
	\$	7,801,660,134
CRF original funding		
	\$	8,038,314,291
CRF remaining (estimated), as of February 5, 2021		
	\$	236,654,157
*This amount may not reflect final allocations of CRF to DSHS as DSHS will partially return CRF to the Office of the Governor as FEMA Public Assistance funds are received by the agency.		
**Estimate of obligated funds		

HB 3 and COVID-19 Budget Impact

HOUSE APPROPRIATIONS COMMITTEE

87TH LEGISLATIVE SESSION

FEBRUARY 22, 2021

House Bill 1 - Introduced



THANK YOU! – It's clear that the number one priority of the legislature is public education.

House Bill 1:



Fully funds the FSP
for the 2022-23



Fully funds the historic HB 3
initiatives and changes



Includes continued funding
and support for key
legislative initiatives.



Includes rider changes for
better transparency.



HB 3 Highlights

HB 3: Transformative Change for Texas Education



Supports Teachers and Rewards Teacher Excellence

- Teacher Incentive funding
- Increased Minimum Salary Schedule
- Teacher Mentor Allotment program
- Do Not Hire registry



Increases Funding and Equity

- Compensatory Education increased to 0.225 - 0.275 based on density of neighborhood poverty
- Current year values equalizing Tier One
- Equal treatment of ASF funding



Focuses on Learning and Improving Student Outcomes

- Full day Pre-K, K-3 reading support
- Dual Language
- Increased SPED mainstream funding
- Dyslexia funding
- CCMR Outcomes Bonus
- CTE, P-TECH, New Tech
- Extended elementary school year
- Blended Learning



Reduces and Reforms Property Taxes and Recapture

- Tax rates dropped an average of 8 cents in year one
- Tax rates continue to decline as property values grow more than 2.5%
- Additional board local discretion
- Recapture cut from \$3.82B to \$2.43B* in year one

Certain HB 3 Implementation Highlights



Reading Academies

The Reading Academies launched this summer with **over 33,000** completing or in progress so far.



Additional Days School Year

More than **55,000** and **290,000** students are projected to get on average **21.5 additional instructional days** during 2020-21 and 2021-22.



College Exam Reimbursements

Prior to the COVID-19 disruption, **2x more** students had taken the ACT and **3x more** students had taken the SAT than the same period the year before.



Teacher Incentive Allotment

82 participating school systems and **500+** letters of interest received by districts.



Average Teacher Compensation

Teacher compensation increased by **\$5,215** for experienced teachers (5+ yrs) and **\$3,839** for novice teachers.



Full Day Pre-K

Full day pre-k enrollment for 4-year-olds increased by over **31,000** students.



Tax Rate Reductions

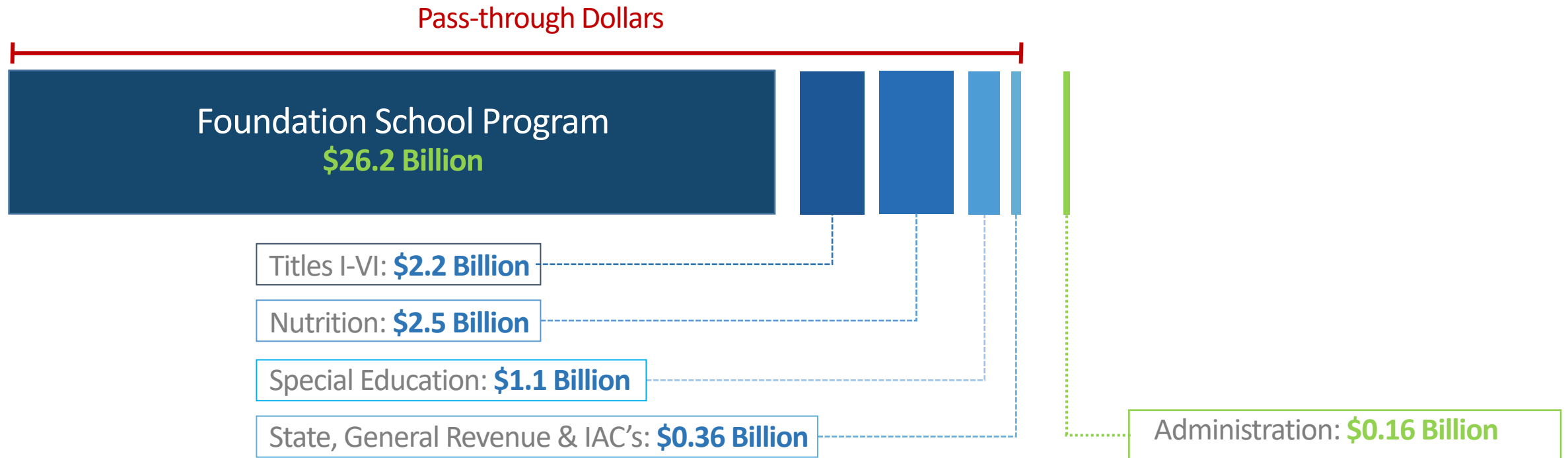
Rates were **reduced 8.3 cents** from 2018 to 2019, with **3.6** more projected for 2020.



FSP (HB 3) Cost Drivers

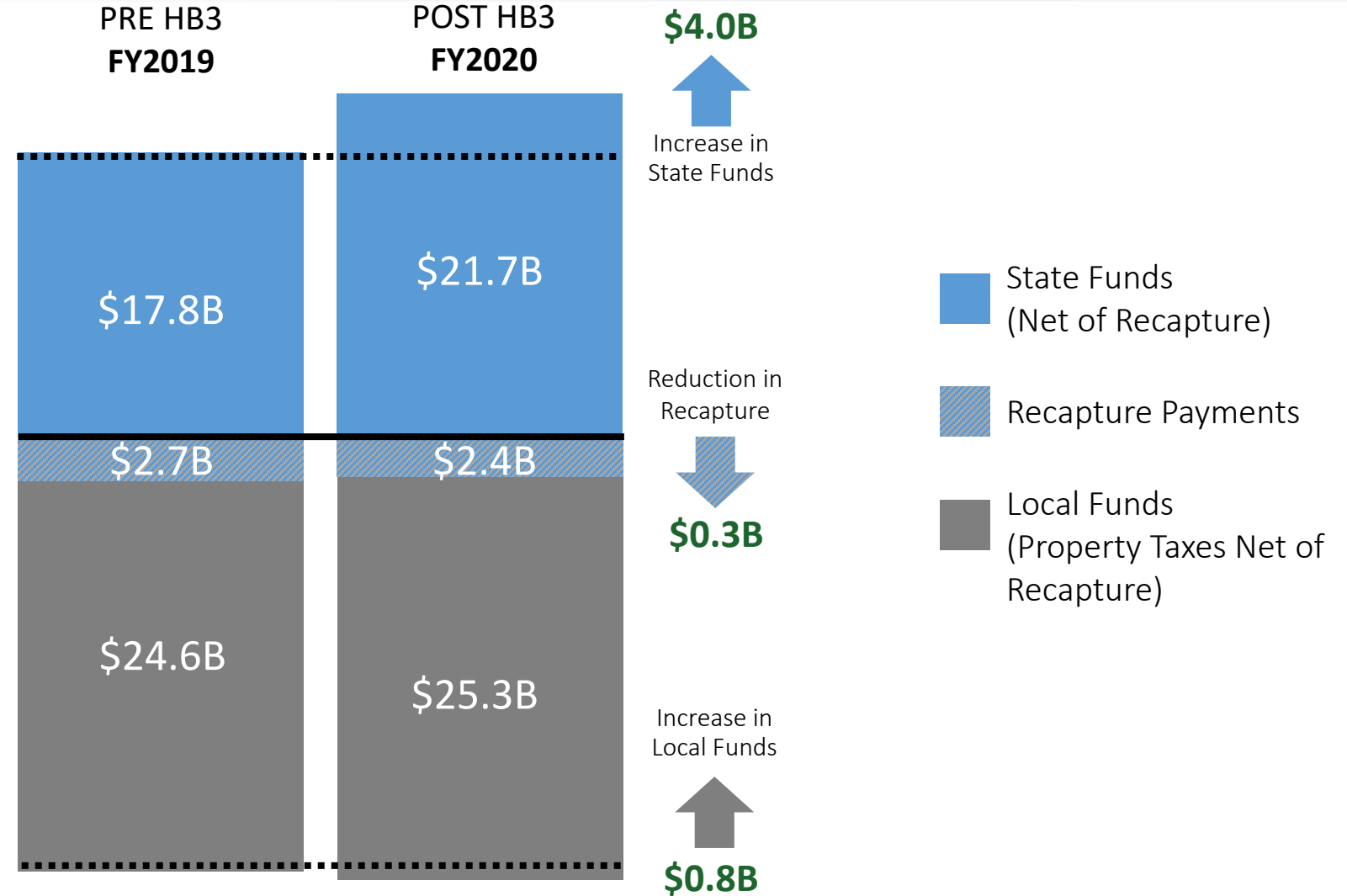
Public Education Budget FY 2021

The Texas Education Agency is responsible for the wise fiduciary stewardship of **\$32.5B** in state and federal funding and agency administrative costs totaling **\$164.6M**



HB 3 infused \$4.4 billion of net new revenue (year over year) into district budgets

\$4.4B increase
in total funding for public education operations in fiscal year 2020 over fiscal year 2019, resulting in a *year over year*⁺ gain of **\$872 per ADA**.



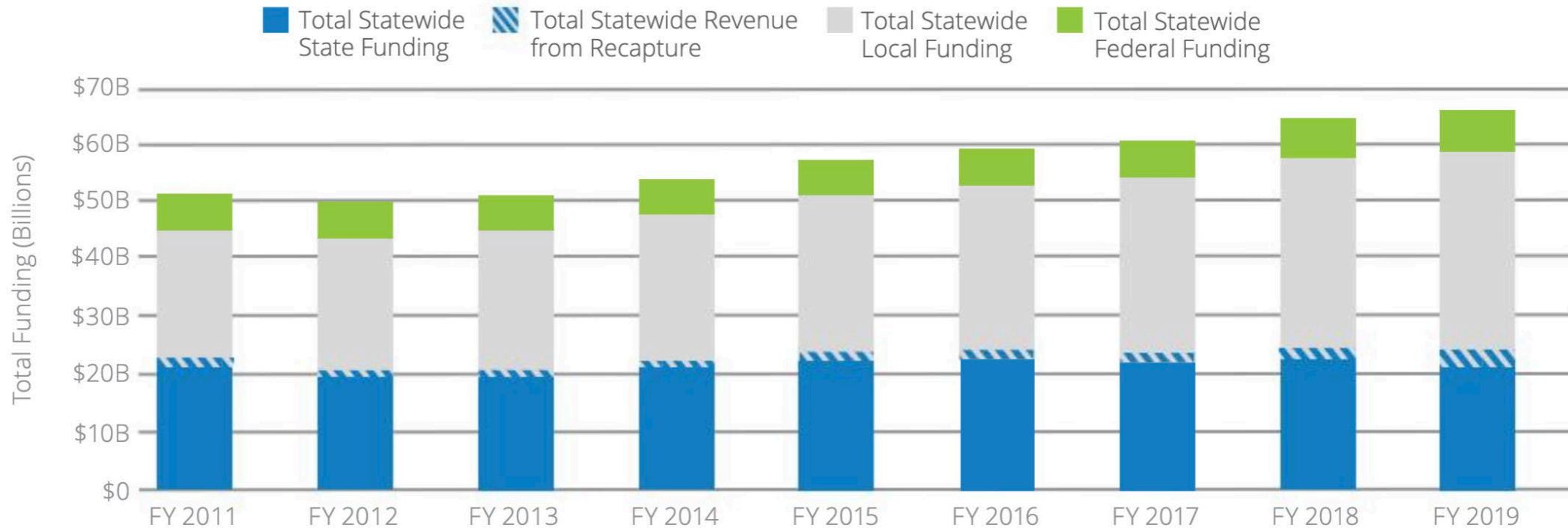
+ \$530 per ADA vs Prior Law

The numbers on this slide are inclusive of the ADA hold harmless adjustments provided due to Covid-19.

This builds upon ten years of significant funding increases in Pub Ed before HB 3

In 3 years, from FY2017 to FY2020, annual spending increased by \$10B+

TOTAL ANNUAL FUNDING



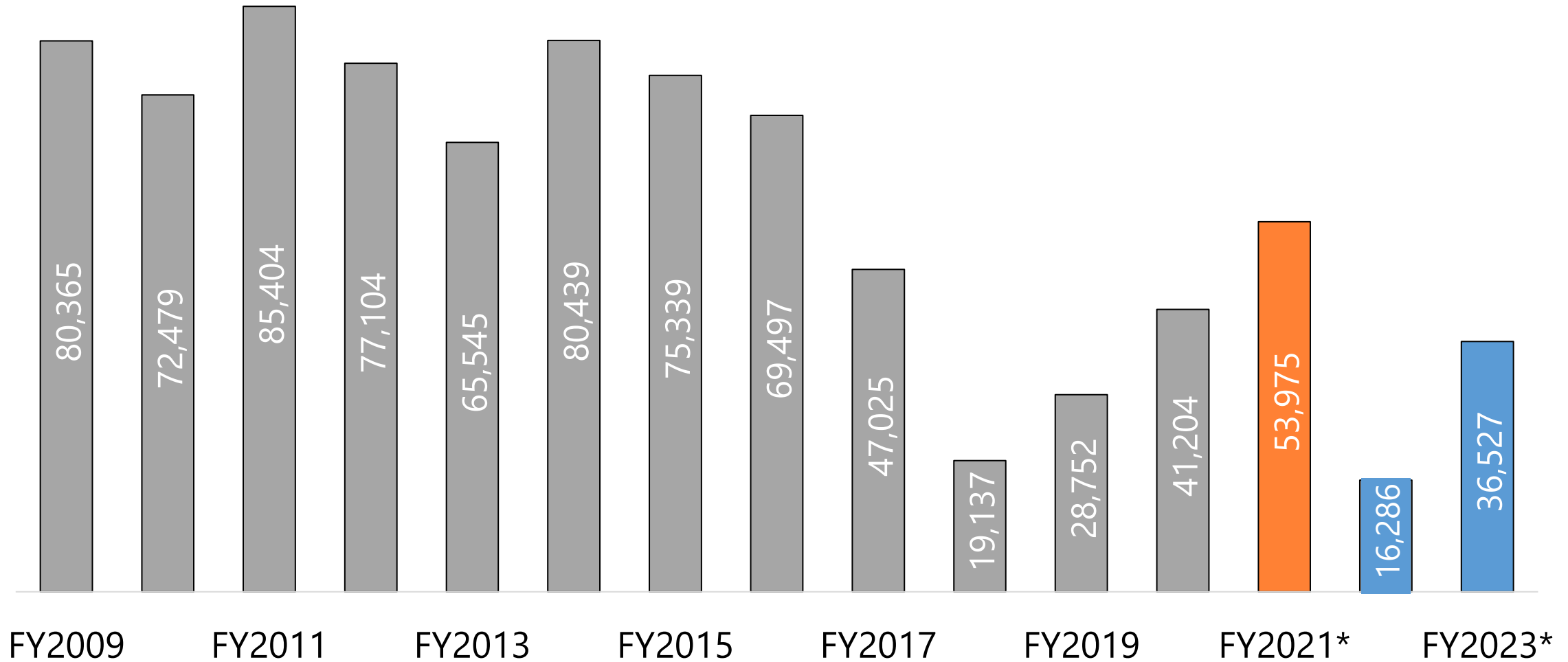
Total funding has increased from \$51.58B in FY 2011 to \$66.23B in FY 2019, an increase of 28%.

Total per pupil spending, pre HB 3, was **\$12,227** in FY 2019

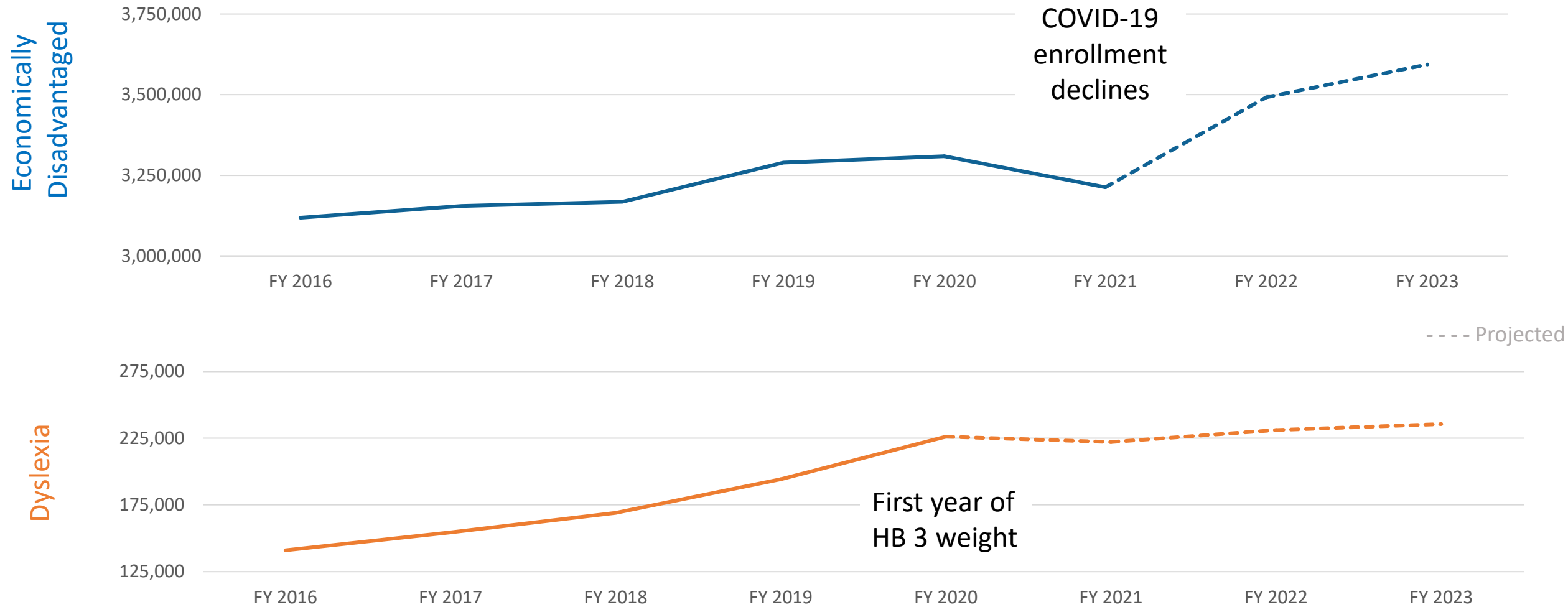
Foundation School Program - Cost Drivers

- The Foundation School Program (FSP) is the legal entitlement to funding for school systems in Texas.
- HB 3 created several new allotments, all of which are embedded into the FSP as part of the overall legal entitlement. Funding the FSP funds all aspects of HB 3.
- HB 1 has fully funded the FSP.
- With HB 3, overall FSP costs to the state are a function of:
 - + Total public school enrollment / attendance
 - + The types of students/student services provided, given different weights for different student types/services (ex: comp ed, CTE, special ed, bilingual, dyslexia, early ed, etc.)
 - + Incentive responses (ex: CCMR outcomes bonuses, college prep exams, TIA, ADSY, etc.)
 - + Special cost reimbursements (ex: transportation, NIFA, etc.)
 - Property value growth up to 2.5%
 - + Old law transition (formula transition grant)
 - + Basic allotment increases

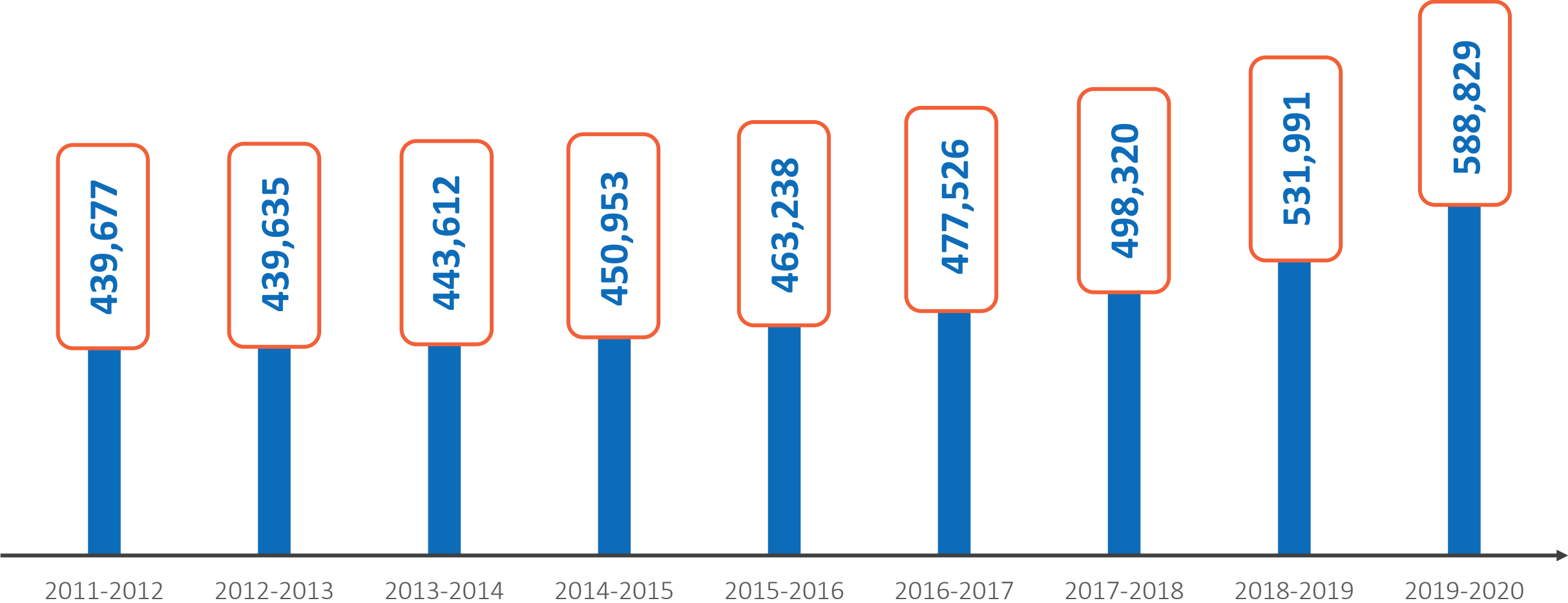
Annual growth in enrollment (ADA) has dramatically slowed



Certain Student Type/Service Trends



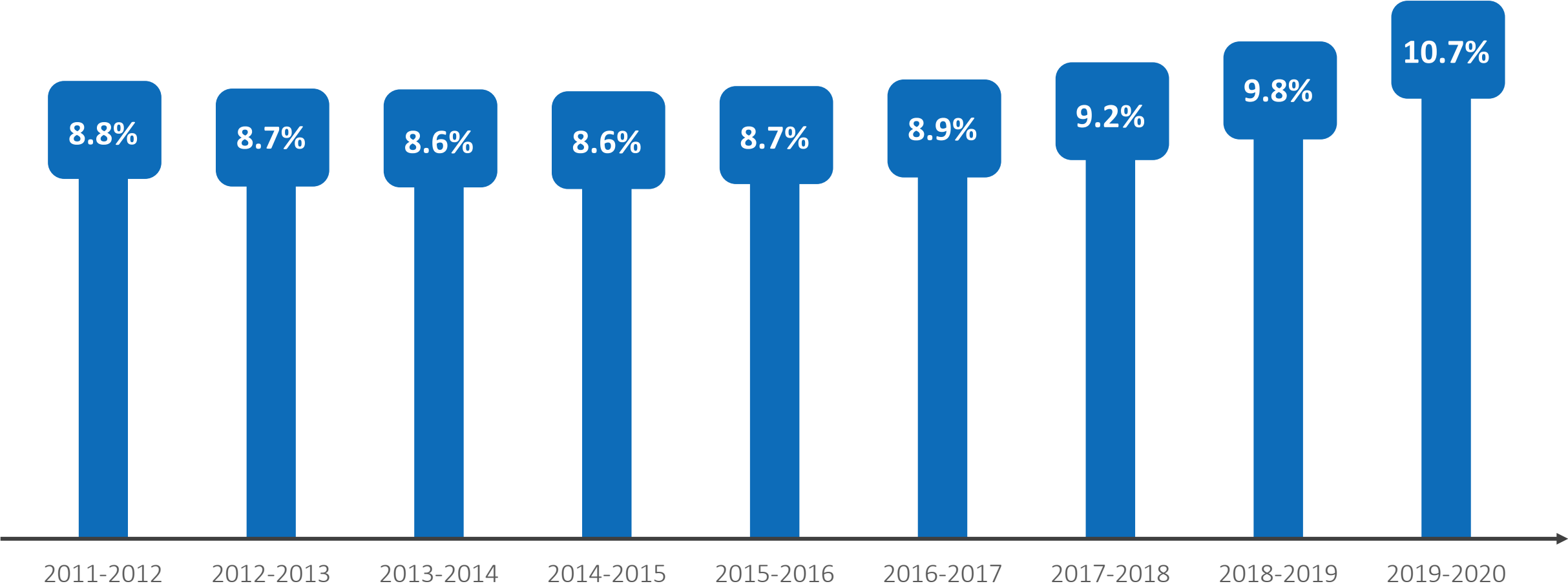
Special Education Identification has Significantly Increased



SOURCE: U.S. Department of Education, National Center for Education Statistics. (2016). Digest of Education Statistics, 2015 (NCES 2016-014), [Chapter 2](#). and <http://nces.ed.gov/fastfacts/display.asp?id=64>



Special Education Identification has Significantly Increased



SOURCE: U.S. Department of Education, National Center for Education Statistics. (2016). Digest of Education Statistics, 2015 (NCES 2016-014), [Chapter 2](#). and <http://nces.ed.gov/fastfacts/display.asp?id=64> (* represents not yet published)



- **CCMR Outcomes**

- Based on CCMR performance, CCMR Outcomes Bonus was approx \$225M in year 1, in line with projections

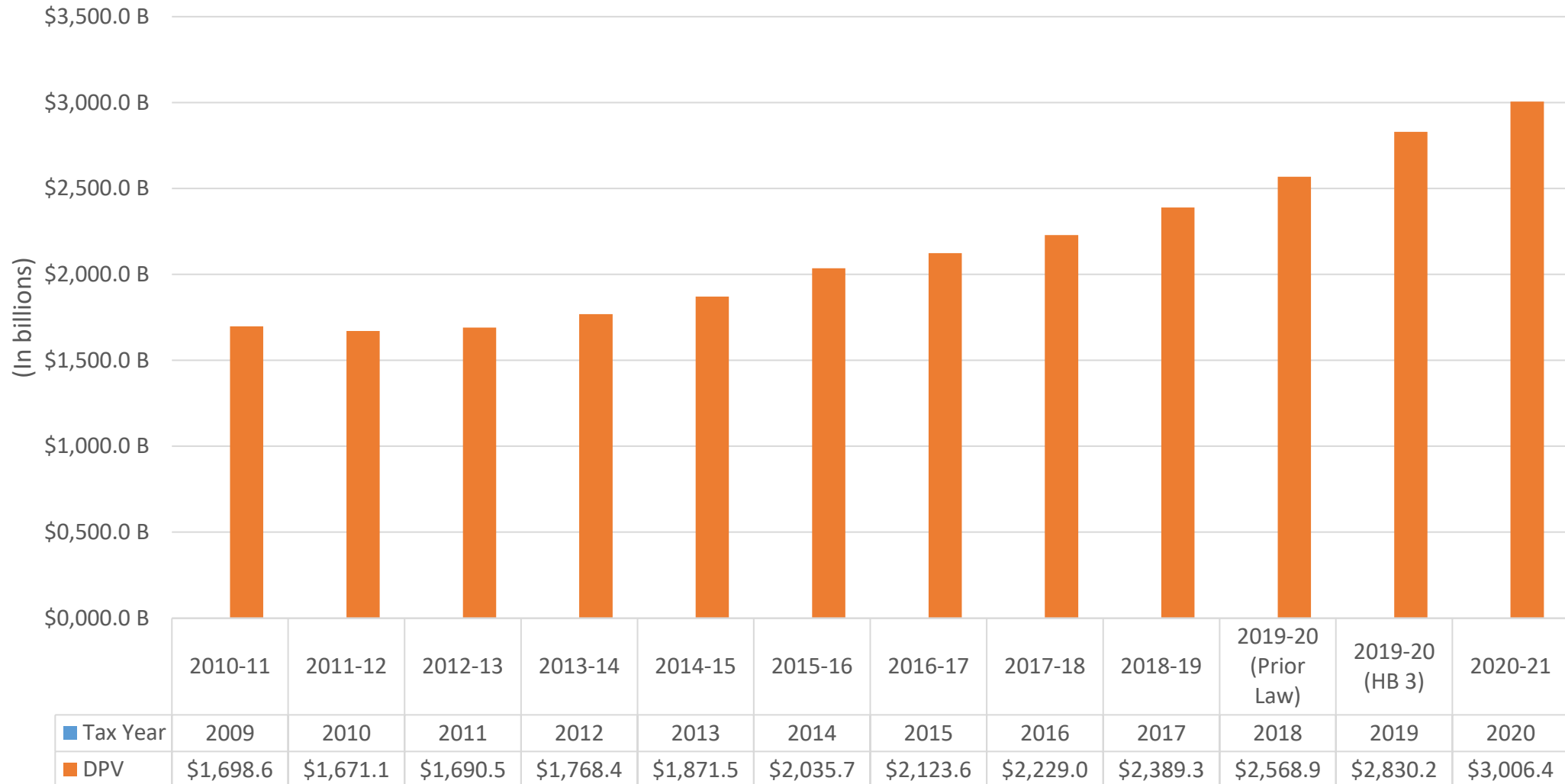
- **TIA**

- TIA was \$40M in its first year of implementation, down from \$73M modeled in HB 3 projections

- **Additional Days School Year (ADSY)**

- Surveys from September 2020 indicate 55,600 students will participate in ADSY in 2020-21
- And at least 290,000 students in 2021-22 will participate, at an average of 21.5 additional days
- These estimates are less than what was modeled in HB 3 projections

Significant growth in property values drove up local share pre-HB 3; results in ongoing rate compression post-HB 3



- **Formula Transition Grant Estimates**

- During the 86th Legislative Session, the formula transition grant (FTG) was estimated at a cost of **\$110 million** for the biennium.
- Current projections have the FTG potentially costing over **\$1.3 billion** for the 2020-2021 biennium. Note: this only applies to this specific component, which may not necessarily impact the entire cost.
- The major reasons for the large discrepancy are the property value growth assumptions from the 86th Legislative Session being vastly different than what ended up actually happening.
 - "5.76% and 4%" vs. "10.2% and 6.2%"
- Under prior law, large value growth contributed to one-time "lag money" in the system. Lag money for the last two years is now frozen as part of old law revenue numbers in the FTG.



Significant Funding Changes in Implementation For Year 1 vs Projections When Bill Was Adopted

Annual Funding Item for 2019-2020 School Year	Estimate from 86 th Session	Implementation Estimate (1 st year only)	Reason for Difference
Average per ADA increase over prior law	\$635	\$530	2019 property values (DPV) grew by 10%, which would have allowed large “lag” amounts under prior law
<i>Decrease</i> in Recapture	\$1.6B	\$1.4B	DPV increase more than CPA estimate of 5.76%
Mainstream Weight <i>Increase</i>	\$46M	\$52M (+ \$6M)	Special education enrollment higher than projected
Dyslexia Allotment	\$125M	\$139M (+\$14M)	Dyslexia students receiving services exceeded trend
New Instructional Facility Allot.	\$100M	\$62M (- \$38M)	Fewer LEAs built new facilities than in FY2019
Dual Language Allotment	\$218M	\$202M (- \$16M)	Dual language students lower than projected
Early Education Allotment	\$835M	\$796M (- \$39M)	Growth rate in K3 enrollment lower than projected
Fast Growth Allotment	\$266M	\$302M (+ \$36M)	“3-year” growth updated from SY16-18 to SY17-19
Teacher Incentive Allotment	\$73M	\$40M (-\$33M)	Adoption by school districts delayed due to Covid-19
Transportation Allotment	\$460M	\$284M (- \$176)	Covid-19 school closures in March 2020
Formula Transition Grant	\$40M	\$430M (+ \$390M)	See explanation above for “average per ADA increase”

COVID Impact on Public Education

Addressing COVID: Our Two Major Collective Challenges

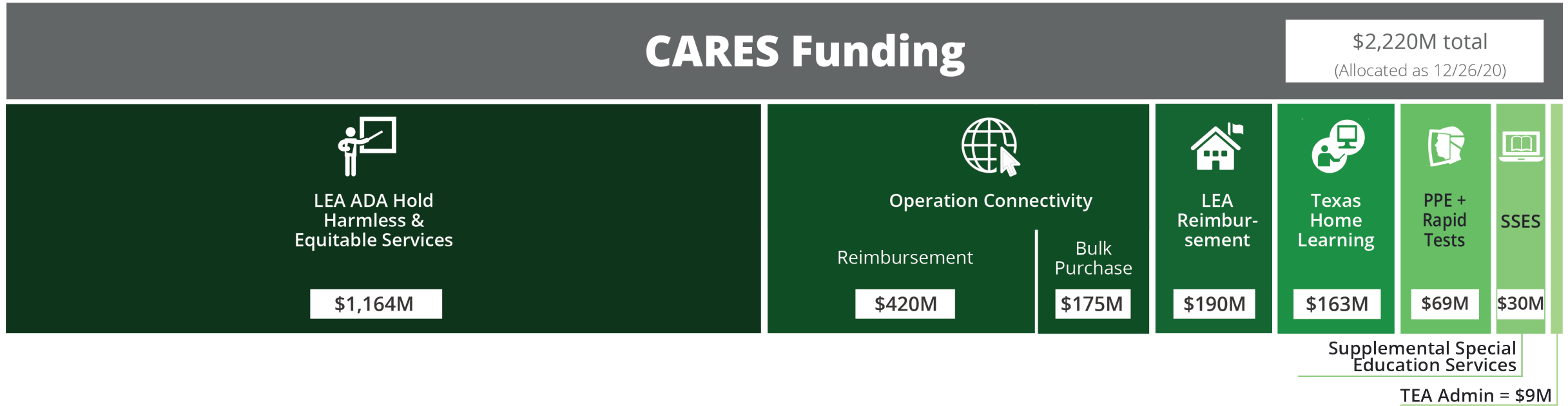


Keep school safe in the time of COVID-19 by making operational adjustments.



Re-engineer the school experience so students reach high academic outcomes, with the same or better proficiency in 2021 as they did pre-COVID-19.

TEA Support Thanks to Extensive Appropriations for Public Education



TEA Support During COVID Crisis: Initial Responses

Public Health Campaign



Meal Finder



General Guidance

350+ pieces of guidance on
TEA's COVID page.



Public Health Operational Guidebooks and Planning Exercises



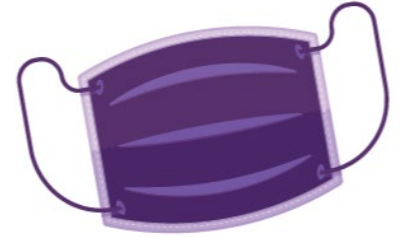
TEA Support During COVID Crisis: Support for On-Campus Instruction

Public Health Guidance



PPE Supports for all school systems

70M – Masks¹
37K – Thermometers
590K gallons – Hand Sanitizer
724K – Face Shields

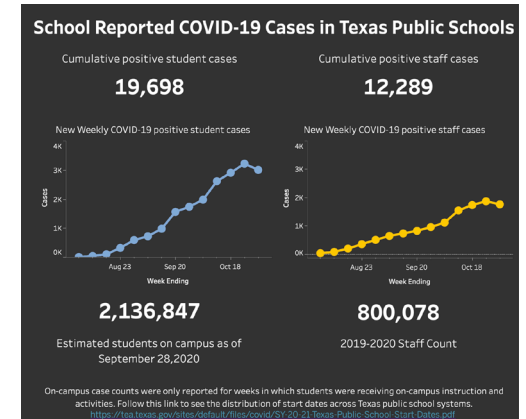


K-12 COVID-19 Testing Project



TEA/TDEM/DSHS
Deploy rapid COVID-19 testing resources

Joint TEA/DSHS Case tracking

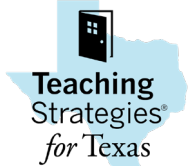


TEA Support During COVID Crisis: Support for Remote Instruction



TexasHomeLearning

Curricular Resources



Free Learning Management System



Implementation Supports

- Resilient Schools Support Program
- Strong Start Resources
- Remote Instruction Training for Teachers & Principals
- Curricular Resource Trainings
- COVID Recovery Instructional Material Support Initiative



Operation Connectivity



Over 4.5 M devices already purchased¹

Remote Instruction Framework

Synchronous Instruction



Asynchronous Instruction



Flexible school funding



On-Campus



Remote



Hybrid



TEA Support During COVID Crisis: Tools to Support Educational Progress

Optional Beginning of Year (BOY) Assessment

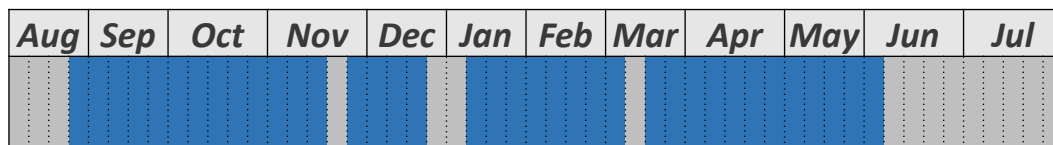


Supplemental Special Education Services (SSES)

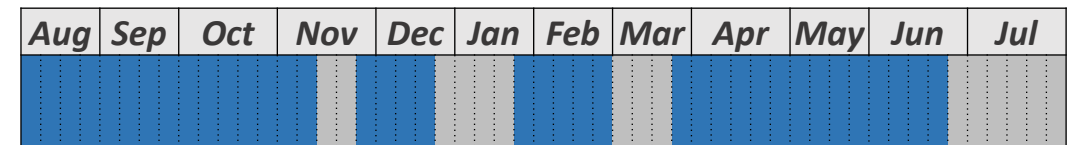


Intersessional Calendar Support

Traditional Calendar



Intersessional Calendar





Delivery of Operation Connectivity Bulk Purchases



5,000 Laptops loading up for delivery to Aldine ISD



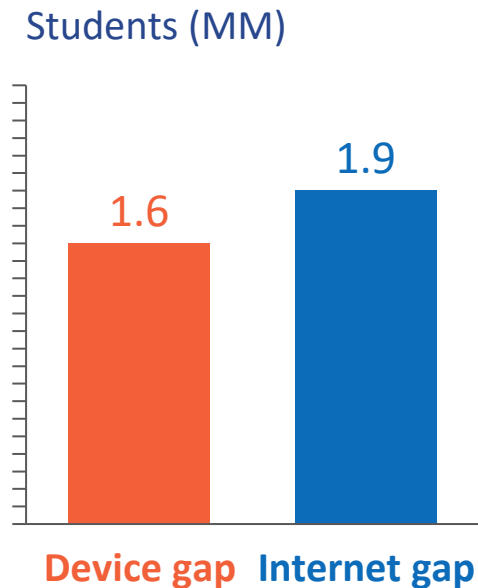
1 of 30 Hotspots Deployed by Etoile Academy, a Charter School with 144 Students who are 95% Eco Dis



1 of 10,000 Op Con Hotspots Deployed by Houston ISD

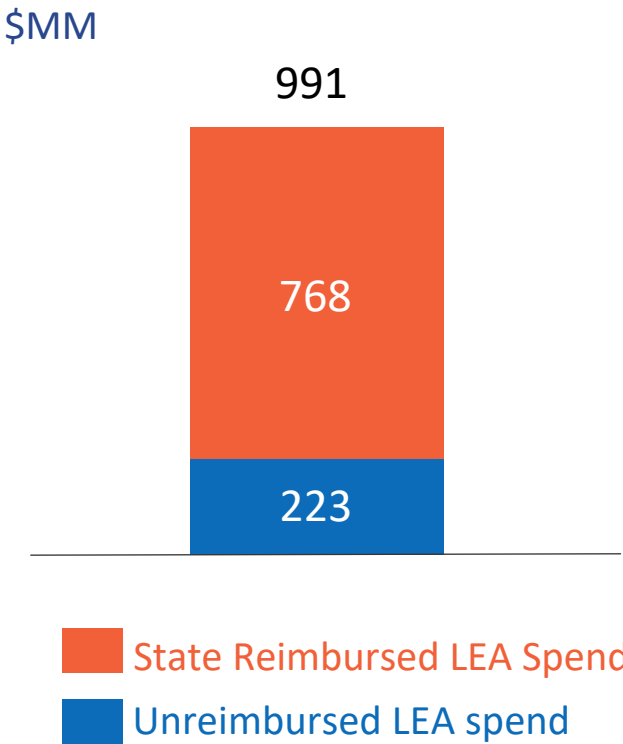
LEAs and TEA will have contributed nearly \$1B since March and closed the device gap, but an Internet gap still exists⁵

Estimated 1.6–1.9M of Texas' 5.5M students lack connectivity²

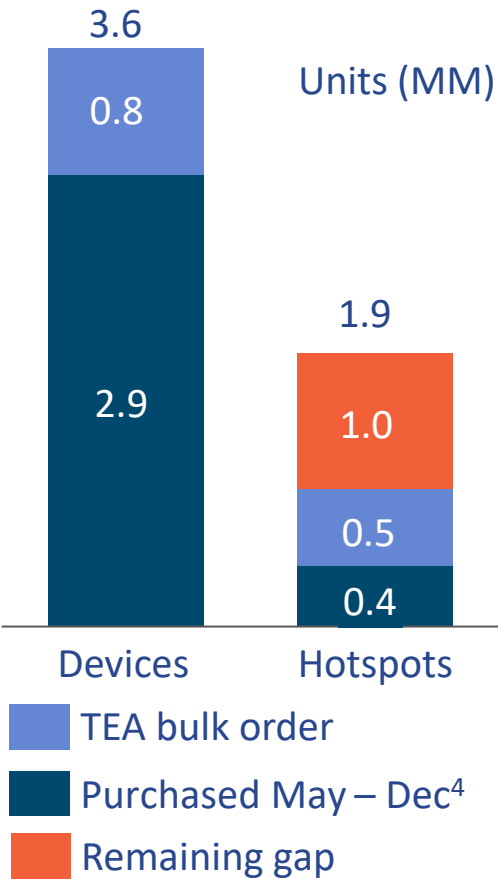


~61% of Texas students are categorized¹ as “economically disadvantaged”

LEAs and TEA will have spent nearly \$1B since March³ to close gap



Over 3.6M learning devices purchased, 1.0M hotspots⁴



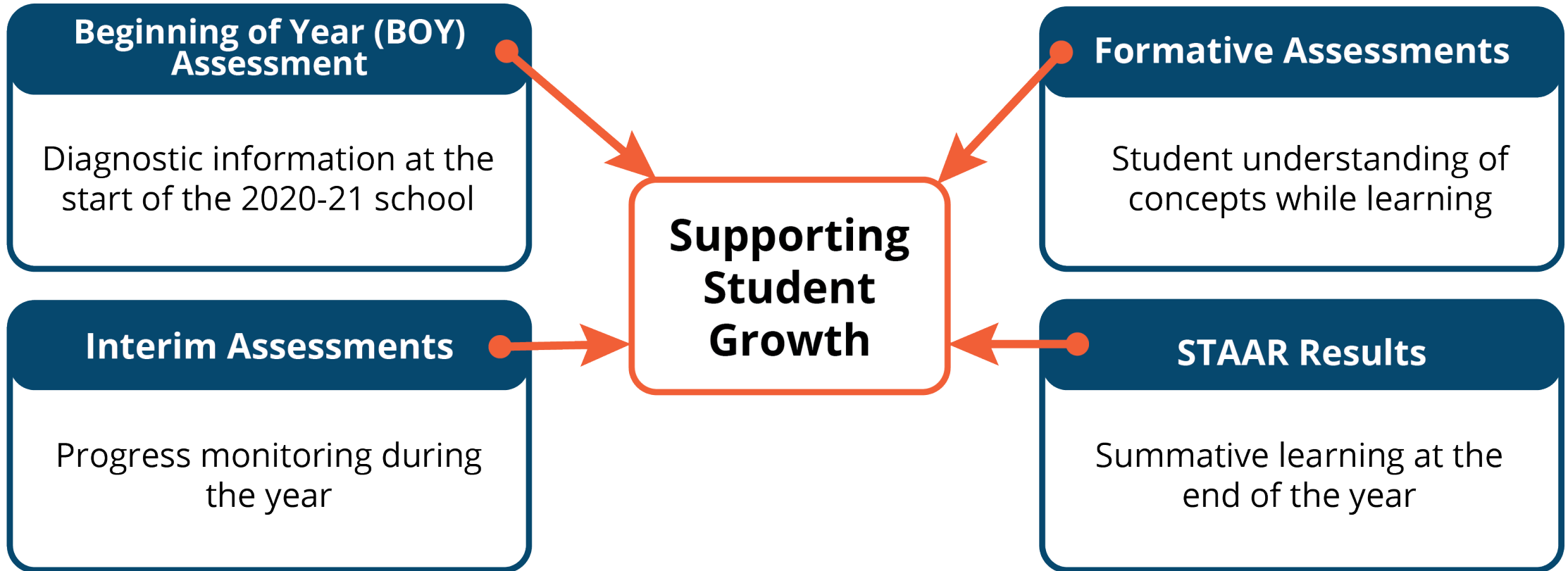
Note: LEA spend on fixed internet solutions excluded from analysis as large majority of solutions reported did not provide internet access to students in their home; Update is as of 1/10/2021; 1. October 2019 PEIMS submissions; 2. number of students lacking connectivity (device or high speed internet subscription) determined based on max between LEA submissions in June 2020 Operation Connectivity survey and American Community Survey census data; 3. Spend between March – May reported through TEA reimbursement survey, spend May -Dec reported by LEAs in TEA bulk order & PPRP requests; final spend numbers still being processed as of 1/30/2021, and may see some downward revision as a portion of \$190M in March-May reimbursement includes non-technology items. 4. March-May order data was not reported by unit volume, so total numbers are higher. 5. Although enough devices have been purchased in aggregate, individual LEAs could still have a gap

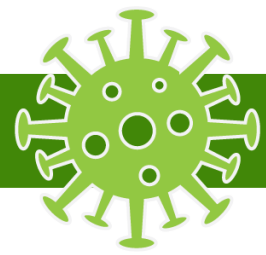




Addressing Learning Loss

To Address Learning Loss, We Must Understand What Texas Students Know





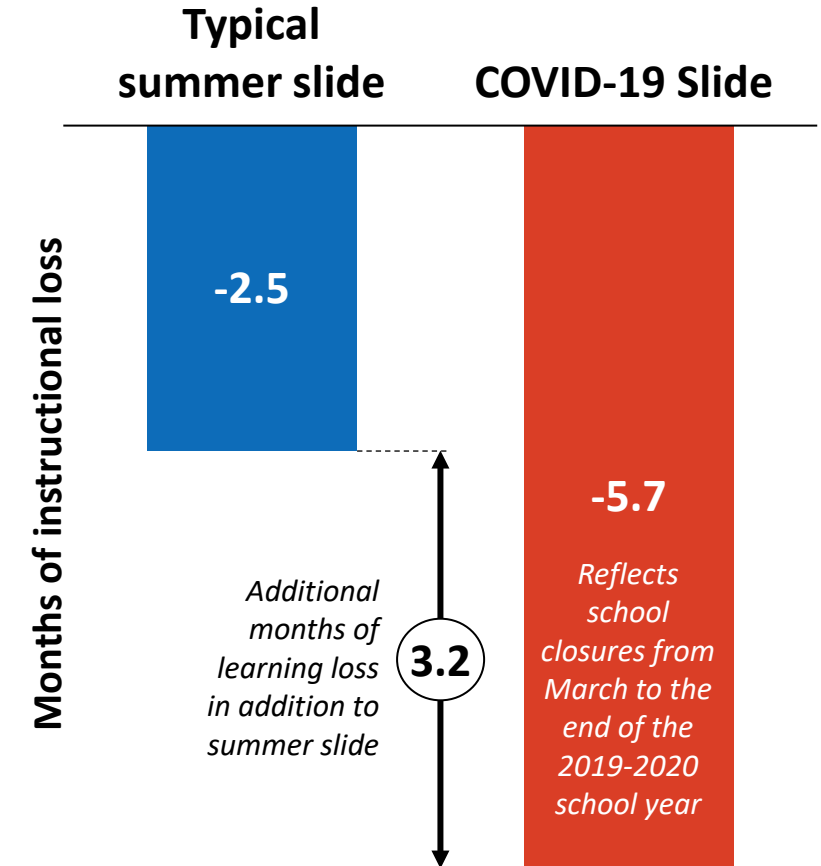
COVID RESPONSE

Optional beginning-of-year (BOY) assessments data indicated **3.2 months of instructional loss** due to the impact of COVID-19

BOY assessments were administered from **July 27, 2020 until October 16, 2020** and were designed to diagnose student understanding of the TEKS from the previous school year.

Almost 650k students from 334 school systems took the optional assessments online

The results of the study indicated **3.2 months of instructional loss**, in addition to the typical 2.5 months of summer loss



Note: Data was not used for any accountability purposes; aggregate results of the data were used in this research study

Source: [STAAR End-of-Year and Beginning-of-Year Results](#)

To Address Learning Loss, We Must Act Based on those Assessments

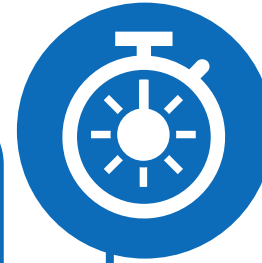
Our kids will need bold action, including many supports.
But chief among them are these three focus areas:



Rigorous **instructional materials** designed to make up ground, and designed to work remotely & on campus



Supported teachers who are equipped to deliver excellence, getting more than 1 year of growth in 1 year



More time for the students most in need, including in the summer



We ***cannot*** allow this public health crisis to become a generational education crisis.

Research on Disruptions: Prepare For a Multi-Year Recovery



- TEA studied the impact on students who came to Texas from the disruption of Hurricane Katrina.
- **After 4 years of intervention**, those students recovered to perform at state average in reading.
- In math, recovery to average levels did not occur during the study period.



COVID Response Appropriations Implications

COVID Appropriation Implications – Expenses to Date

- School systems have responded in a variety of significant ways, spending funds to take action on COVID in ways that weren't planned.
- Some of that spending has been reimbursed (ranging from 50% - 100% of local costs), some has not. Reimbursement areas include:
 - Operation Connectivity
 - PPE + Rapid Tests
 - Certain remote instruction costs
 - Equitable service requirements
 - General 2019-20 SY expenses
- TEA does not have clear estimates of unreimbursed LEA expenses at this time. Estimates range from \$500M - \$1.6B

COVID Appropriation Implications – LEA Revenue Loss

- For the 2019-20 school year:
 - In 2019-20, school systems received an ADA hold harmless for the end of the year, preventing any FSP revenue loss.
 - This was partially funded with initial CARES Act dollars.
 - Note: schools did experience declines in revenue for food service (federal & parent pay) & transportation (state) given reduced service
 - Preliminary information indicates fund balances saw a slight increase as of the end of the 2019-20 school year vs the year prior. Final data coming in March.
- For the 2020-21 school year:
 - In 2020-21, school systems have been held harmless for ADA declines for the first semester. Decisions related to the second semester are being finalized.
 - Because of the timing of funding flows, hold harmless funding would impact the new biennial budget, not the current biennium

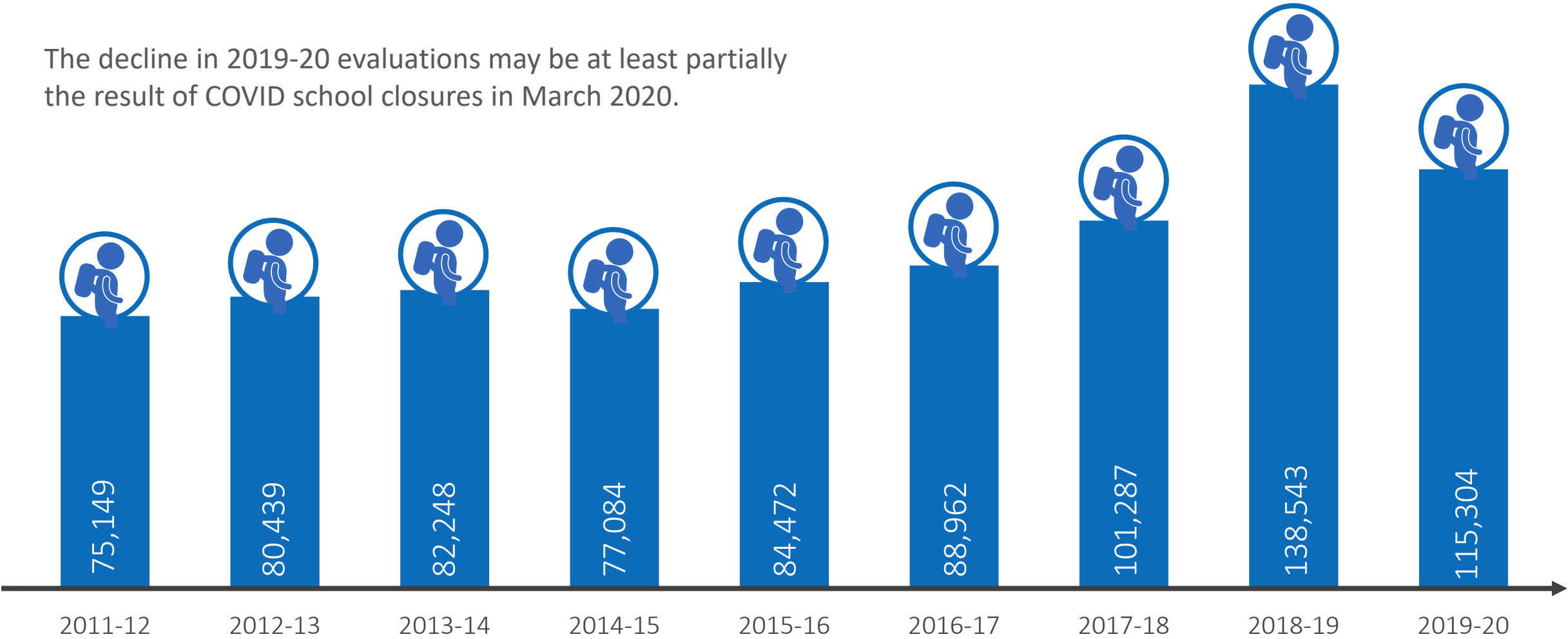
COVID Appropriation Implications – Remediation Needs

- Given the significant loss in the level of student knowledge & skills relative to students in normal years, extensive efforts will need to be taken to accelerate student instruction.
- Beyond \$2.2B in federal funds already directed to public education in Texas, significant new federal appropriations have been provided to the state, for which spending decisions must still be made:
 - ESSER II - \$ 5,530M
 - GEER II - \$ 134M
 - EANS - \$ 153M

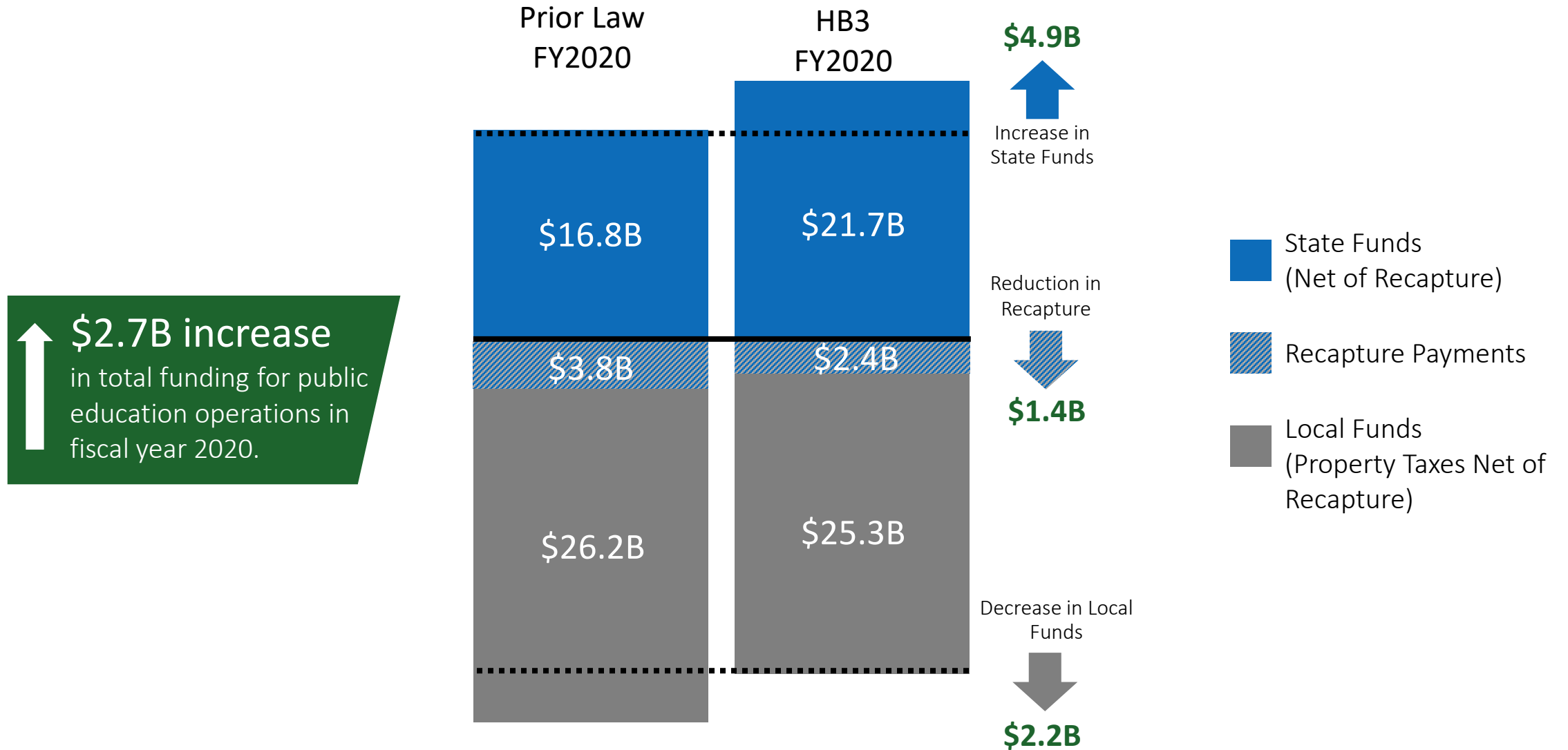
Appendix

Special Education Evaluations Serve as a Leading Indicator for Total Special Education Representation

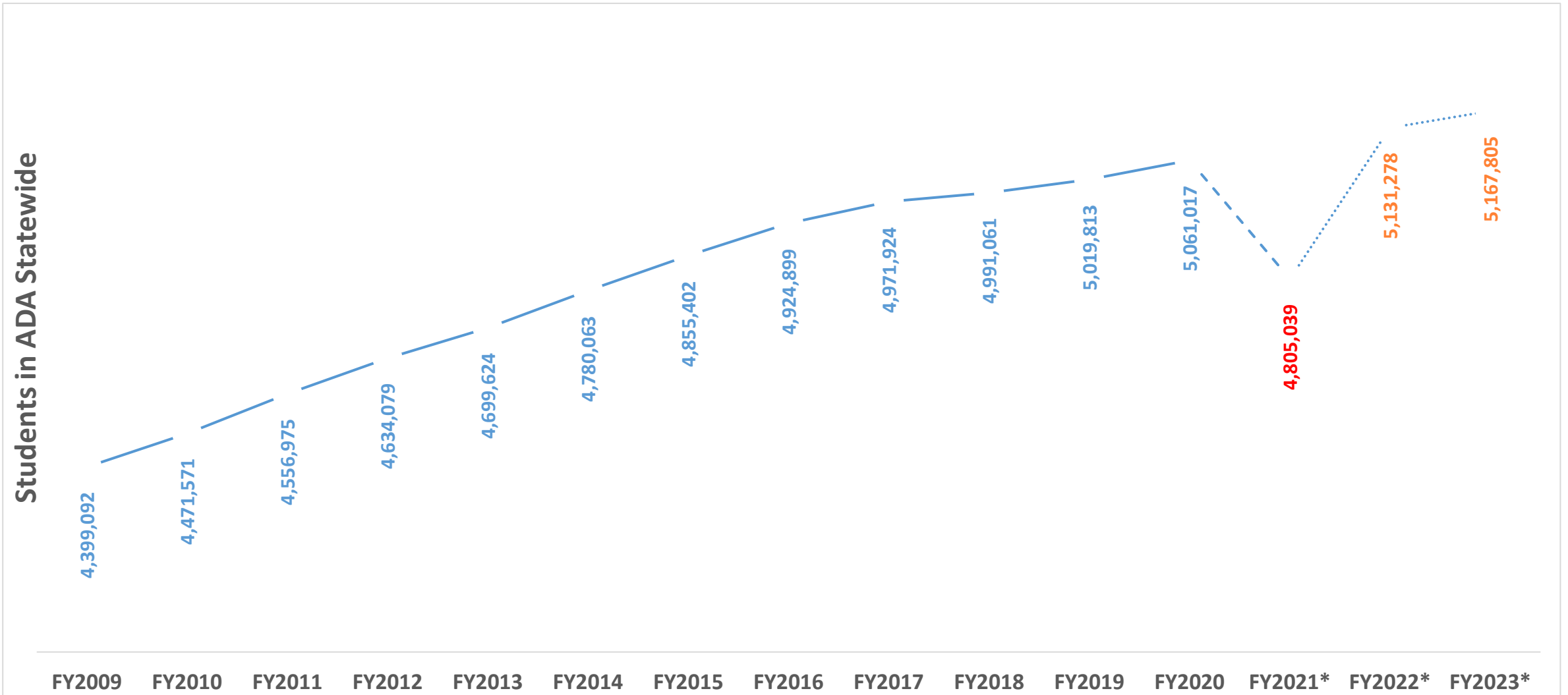
The decline in 2019-20 evaluations may be at least partially the result of COVID school closures in March 2020.



HB 3 infused \$2.7 billion of net new revenue into district budgets



ADA Actual and Projected



*Source: TEA Summary of Finances (FY21 through FY23 are projected)

TEA Implementation Support for HB 3



TEA has produced **25 videos** on HB 3 implementation guidance for the field.
These videos have...



427,540

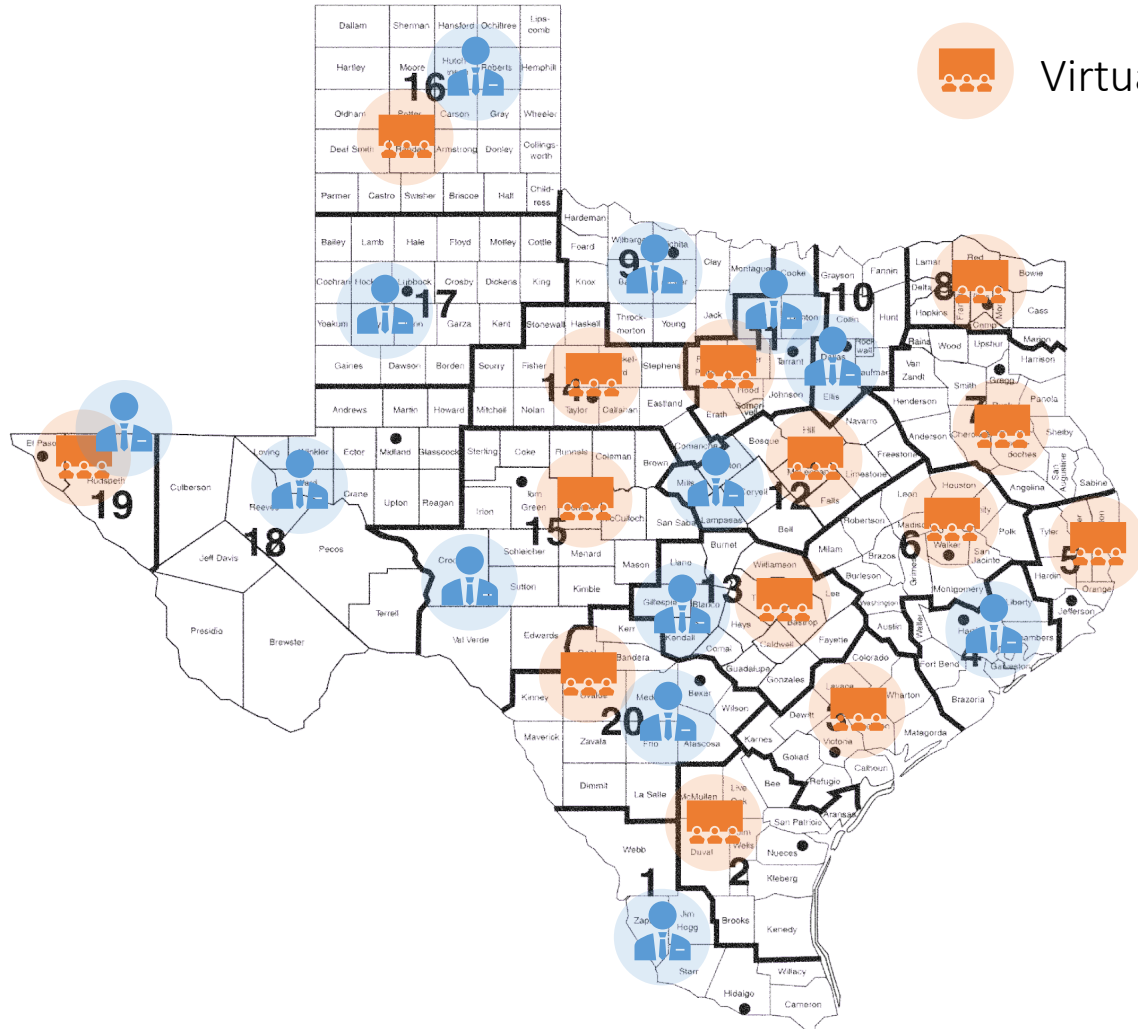
unique video views
(as of Sept. 2020)



1,731,312

minutes watched
(as of Sept. 2020)

TEA Visits to ESCs Across the State



Virtual Visit



In-Person Visit

Commissioner Morath held over **13 in-person** visits and **11 virtual visits** with Superintendents and administrators briefing them on the initiatives and opportunities in HB 3 as well as **monthly ESC director meetings**.

TEA's School Finance team held over **5 in-person** visits and **2 virtual visits** with Superintendents and administrators briefing them on the initiatives and opportunities in HB 3.

HB 3: TAA Correspondence Letters

52

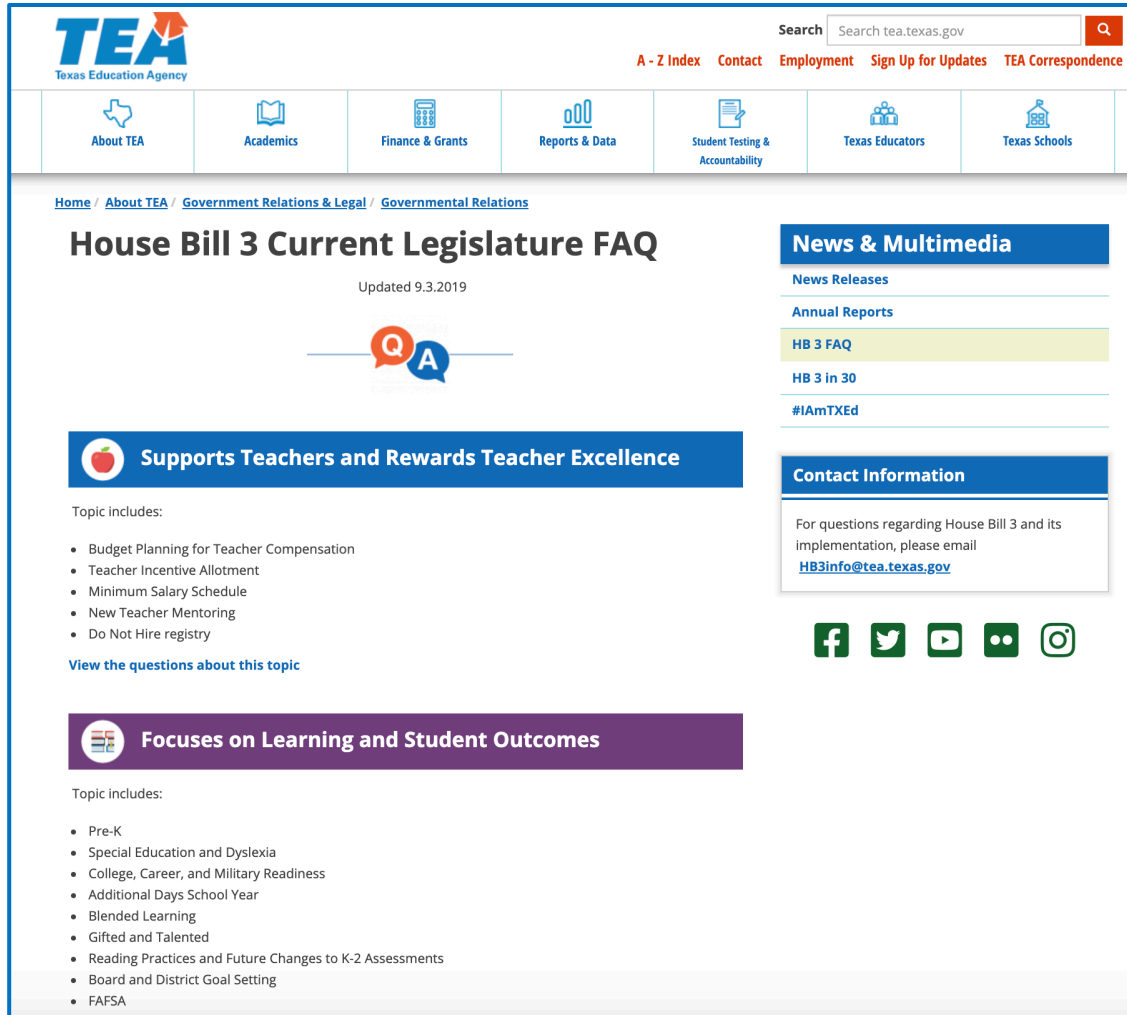
To the Administrator letters on HB 3

These letters provide useful guidance to districts and direct them where to find information on TEA's website.

HB 3 Guidance and Correspondence

Date	Title	Division
10/10/2019	House Bill 3 (HB 3) Implementation: Blended Learning Grant Program	Special Populations
10/03/2019	House Bill 3 (HB 3) Implementation: Teacher Incentive Allotment	Educator Systems and Support
10/03/2019	House Bill 3 (HB 3) Implementation: Teacher Appraisal survey	Educator Systems and Support
09/26/2019	House Bill 3 (HB 3) Implementation: Update on Changes to the Bilingual Education Allotment	Special Populations
09/19/2019	House Bill 3 (HB 3) Implementation: Early Childhood and CCMR Board Adopted Plans and Goals	Governance
09/12/2019	House Bill 3 (HB 3) Implementation: Reading Practices	School Programs
09/05/2019	House Bill 3 (HB 3) Implementation of the Special Education and Dyslexia Allotment and Senate Bill 2075 Monitoring	Special Populations
08/29/2019	House Bill 3 (HB 3) Implementation: Gifted/Talented Education Certification and Funding	Special Populations
08/29/2019	House Bill 3 (HB 3) Implementation: Charter School Funding	School Finance
08/22/2019	House Bill 3 (HB 3) Implementation: College, Career, or Military Readiness CTE, Incentives for High School Models, and High School Equivalency	College, Career, and Military Preparation
08/22/2019	House Bill (HB 3) Implementation: Small and Mid-sized District Allotment	State Funding
08/15/2019	Changes to Reporting Requirements and Creation of the Registry of Persons Ineligible to Work in Public Schools	Educator & System Support
08/15/2019	Updates to Program Intent Codes	Financial Compliance
08/08/2019	House Bill 3 (HB 3) Implementation: College, Career, or Military Readiness Sections	College, Career, and Military Preparation

HB 3: Frequently Asked Questions



TEA Texas Education Agency

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House Bill 3 Current Legislature FAQ

Updated 9.3.2019

Supports Teachers and Rewards Teacher Excellence

Topic includes:

- Budget Planning for Teacher Compensation
- Teacher Incentive Allotment
- Minimum Salary Schedule
- New Teacher Mentoring
- Do Not Hire registry

[View the questions about this topic](#)

Focuses on Learning and Student Outcomes

Topic includes:

- Pre-K
- Special Education and Dyslexia
- College, Career, and Military Readiness
- Additional Days School Year
- Blended Learning
- Gifted and Talented
- Reading Practices and Future Changes to K-2 Assessments
- Board and District Goal Setting
- FAFSA

News & Multimedia

- [News Releases](#)
- [Annual Reports](#)
- [HB 3 FAQ](#)
- [HB 3 in 30](#)
- [#IAmTXEd](#)

Contact Information

For questions regarding House Bill 3 and its implementation, please email HB3info@tea.texas.gov

[f](#) [t](#) [v](#) [d](#) [i](#)

TEA has posted answers to **over 200** frequently asked questions



Sample Questions Answered by TEA:

How do I calculate the teacher pay raise? Specifically, what dollar value needs to be set aside for the raises?

What does the passage of HB 3 mean for my current Master Teacher Certification?

What happens if I don't compress my taxes in compliance with House Bill 3?

Learn more at tea.texas.gov/HB3

HB 3: TEA Rules Timeline

TEA has completed, or is in the process of completing, **37 out of 53 rules** pertaining to HB 3 as of November 2020.



70% complete

- ☒ Do not hire registry
- ☒ High quality Pre-K program requirements
- ☒ Recapture Rule re-write

The full rulemaking schedule can be found on our HB 3 page:
<https://tea.texas.gov/sites/default/files/HB-3-Rulemaking-Schedule.pdf>

HB 3: TEA Rules Timeline

TEA has **16 rules** pertaining to HB 3 left to complete as of November 2020.

- 1) Additional state aid for school districts that contract to partner to operate district campus (§61.1010)- **(Commissioner)**
- 2) College, career, or military readiness outcomes bonus (§74.1007)-**(Commissioner)**
- 3) Cross reference updates in optional extended year program rule (§105.1001) – **(Commissioner)**
- 4) Blended learning grant programs - **(Commissioner)**
- 5) Excess funds for video surveillance of special education settings (§61.1020) - **(Commissioner)**
- 6) Science lab grant program ADA (§61.1037)- **(Commissioner)**
- 7) Cross reference updates in IFA/EDA (§61.1032 and §61.1035) - **(Commissioner)**
- 8) Instructional arrangements for special education (Ch 89, Sub D) - **(SBOE)**
- 9) Gifted and talented programs (Ch 89, Sub A) - **(SBOE)**
- 10) Reporting requirements for preK and partnership classroom teachers and aides, Kindergarten-Grade 2 reading assessment (including Kindergarten readiness indicator), and reading standards for Kindergarten-Grade 3- **(Commissioner)**
- 11) New test codes and passing scores for EC-6 exams and student services exams (includes science of teaching reading instruction for elem tchr cert) §151.1001- **(Commissioner)**
- 12) Financial aid application requirement for high school graduation- **(Commissioner)**
- 13) Repeal of rules for FSP funding for reimbursement of disaster remediation costs (§61.1013 and §61.1014)- **(Commissioner)**
- 14) Financial aid application requirement for high school graduation (§74.11)- **(SBOE)**
- 15) Definition of Tax Levy and Tax Collection - **(SBOE)**
- 16) Definition of Tax Levy and Tax Collection - **(Commissioner)**

HB 3: Advisory Committees

Reading Standards K-3 Advisory Committee

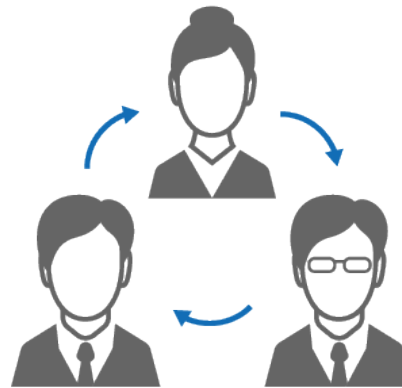
- Committee members named Oct. 17th
- Conducted 4 meetings and a focus group
- Provided important feedback on Reading Academy module content

Financial Aid Advisory Committee (FAFSA & TAFSA)

- Held 2 meetings, 2 more currently scheduled
- Providing recommendations on proposed opt-out form, proposed data tracking and reporting processes and implementation resources
- Report due in January 2021

Special Education Allotment Advisory Committee

- Committee members named Oct. 31st
- Committee met 6 times throughout the Fall 2019 and Spring 2020
- Final Report delayed by 3 months due to COVID-19 – Expected completion September 2020



Compensatory Education Allotment Advisory Committee

- Committee members named Nov. 7th
- Conducted two meetings, another is scheduled
- Provided valuable feedback on policy and outstanding questions
- Approved increasing the homeless student weight to .275

HB 3 Unintended Consequences

HB 3 Unintended Consequences Update

TEA requested and received approval to make certain adjustments during initial HB 3 implementation using unintended consequences authority:

1. PTECH and New Tech Funding
2. Formula Funding for Special Education for Open-Enrollment Charters
3. Regional Education Service Center Staff Supplement
4. Taxes
 - a) Incorporating first year tax relief into ongoing tax compression
 - b) Local property values used to calculate local compression
 - c) Compressing taxes limited to the 90% differential



A variety of other issues have also arisen during initial implementation, but many did not rise to the level of making immediate adjustments.

Legislative action regarding these issues will ensure that the adjustments are addressed in statute.

HB 3 Reforms Implementation Status



HB 3 Supports Teachers and Rewards Teacher Excellence

1. Required Compensation Increases
2. Teacher Incentive Allotment
3. Mentor Teacher Allotment
4. Maintaining the Integrity of the Profession

Budget and Compensation Increases

Basic Allotment Increased from \$5,140 to \$6,160

District Budget Increases



Educator Compensation Increases



- ✓ This increases the minimum salary schedule (MSS) by \$5.5K - \$9K per creditable year of service (CYS)
- ✓ Teacher Retirement System (TRS) contributions from the state for all who are subject to the MSS will be increased, reducing the amount LEAs fund out of their own budgets



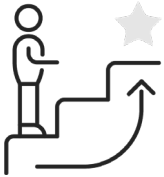
Teacher Compensation Increases

Increase 0-5 years of experience	Increases greater than 5 years of experience
Statewide Avg: \$3,839	Statewide Avg: \$5,215

Teacher Incentive Allotment: Paying Teachers More, With a Focus On Equity

- ✓ HB 3 establishes an optional **Teacher Incentive Allotment** with a stated goal of a six-figure salary for teachers who prioritize teaching in high needs areas and rural district campuses

Key Points



3 Designation levels
(Master, Exemplary,
Recognized) added to
teacher's SBEC
certificate



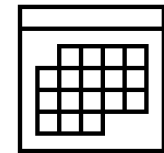
LEAs will receive
\$3-32K annually
per designated
teacher



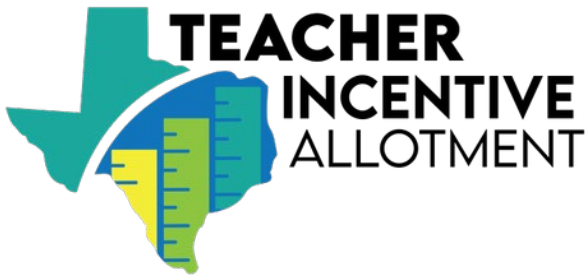
Greater funding for
designated at high-
needs and/or rural
campuses



LEAs must use at least
90% of funds on
teacher compensation
on designated
teacher's campus



5- year designation
validity, regardless of
teacher placement
(subject, school, LEA)



- ✓ The Texas Education Agency has announced the [26 school systems](#) that were approved in the first cohort of the Teacher Incentive Allotment, plus an additional [14 school systems](#) that designated National Board Certified Teachers.
- ✓ Additionally, [512](#) more school systems have provided a letter of intent to begin participating in the Teacher Incentive Allotment in a subsequent cohort over the next 4 years.

<i>Year 1 Totals</i>	<i>Average</i>
Recognized	\$6,574
Exemplary	\$12,626
Master	\$22,414

*(Base compensation based on 2019-20 projections. Potential earnings include districts flowing 100% of the funds directly to designated teachers – most districts are flowing at most 90%)



Total number of Texas teachers
who earned a designation

 **3976**

2019-2020 TIA Allotment Funding

\$40,400,000

2449

Recognized designated teachers

327 of these are National
Board Certified Teachers

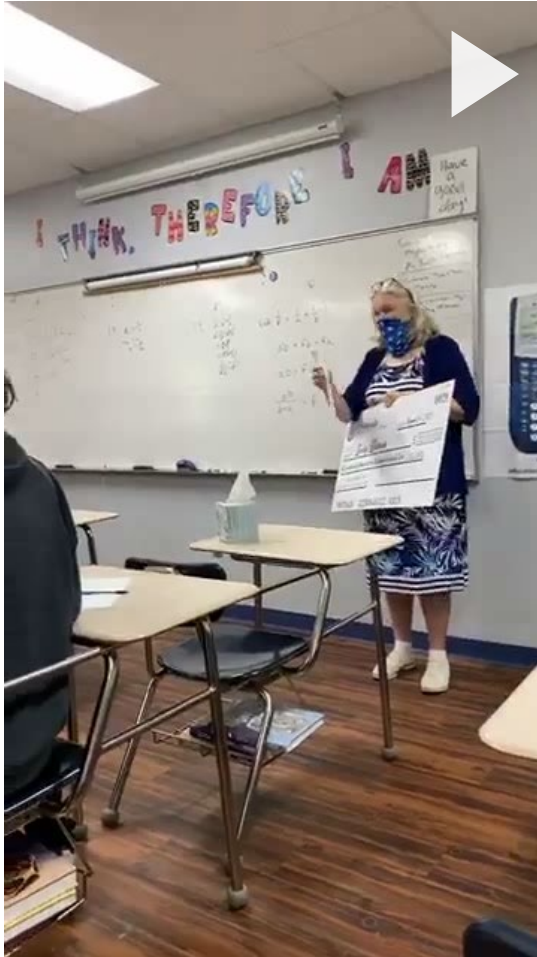
1100

Exemplary designated teachers

427

Master designated teachers

Teacher Incentive Allotment Recognizes Effective Teachers



Fruitvale ISD Superintendent Rebecca Bain notified Becky Barnes of her Master Teacher Incentive Allotment designation and allotment funding.

Becky Barnes, **Master Teacher in Fruitvale ISD**

Teacher Incentive Allotment Participating Districts in First Three Cohorts (through 2020-21)



Application Accepted



Full Approval



Rural School Application Accepted



Rural School Full Approval

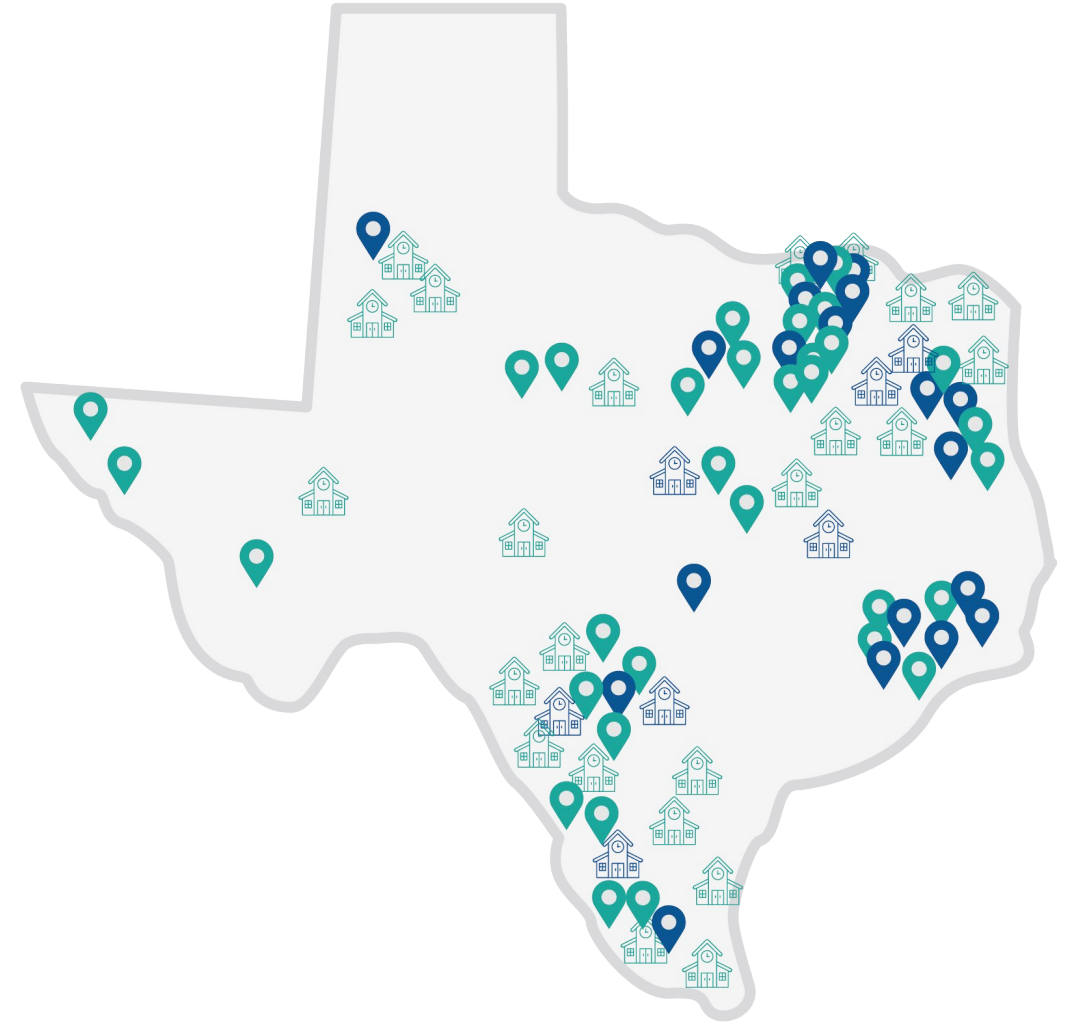
82 Total Participating Districts



Application Accepted: An LEA's local optional teacher designation system application has been accepted. The LEA's next steps it to submit data for validation.



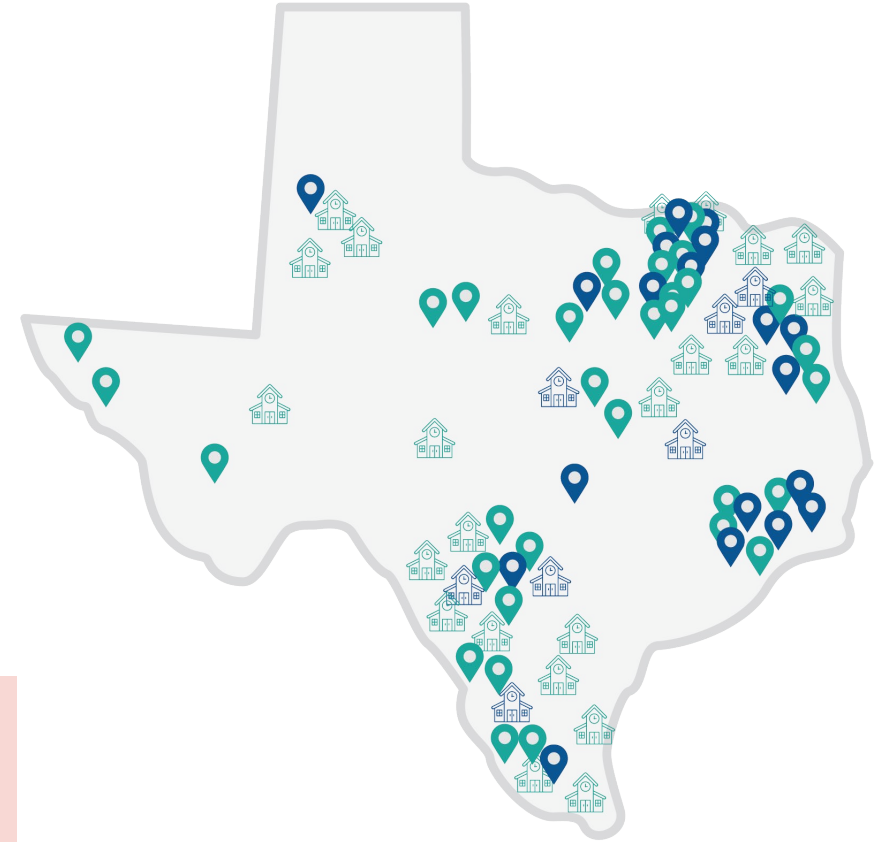
Full Approval: An LEA's Local Optional Teacher Designation system application has been approved to issue designations.



Teacher Incentive Allotment Participating Districts in the First Three Cohorts (2020-21)



- | | | | |
|----------------------------------|------------------------------------|--------------------------------|--|
| ABILENE ISD | GARLAND ISD | LEGACY PREPARATORY | RICHARDSON ISD |
| ADVANTAGE ACADEMY | GEORGE WEST ISD | LIBERTY-EYLAU ISD | ROCHELLE ISD |
| ANDERSON-SHIRO CISD | GRAND PRAIRIE ISD | LONGVIEW ISD | ROOSEVELT ISD |
| BANDERA ISD | HARMONY SCHOOL OF EXCELLENCE (HPS) | LUBBOCK ISD | SAN ANTONIO ISD |
| BETA ACADEMY | HPS- SCIENCE ACADEMY | MARSHALL ISD | SAN ISIDRO ISD |
| BROOKS COUNTY ISD | HPS-AUSTIN | MEDINA ISD | SAN PERLITA ISD |
| BROWNSVILLE ISD | HPS-EL PASO | MOODY ISD | SCHOOL OF SCIENCE AND TECHNOLOGY (SST) |
| CARTHAGE ISD | HPS-HOUSTON | NEWMAN | SST-DISCOVERY |
| CITYSCAPE SCHOOLS | HPS-SAN ANTONIO | INTERNATIONAL ACADEMY | SLATON ISD |
| CLINT ISD | HPS-WACO | NORTH TEXAS COLLEGIATE ACADEMY | SNYDER ISD |
| COAHOMA ISD | HUNT ISD | ORE CITY ISD | SOMERSET ISD |
| COUPLAND ISD | INGRAM ISD | PALESTINE ISD | SPRING ISD |
| DALLAS ISD | INTERNATIONAL LEADERSHIP OF TEXAS | PREMIER HIGH SCHOOLS | TEXAS COLLEGE PREPARATORY ACADEMIES |
| DEMOCRACY PREP | JEFFERSON ISD | PROMESA ACADEMY | TRANSFORMATION WACO |
| DONNA ISD | KIPP TEXAS PUBLIC SCHOOLS | PROMISE COMMUNITY SCHOOL | TYLER ISD |
| ECTOR COUNTY ISD | KLEIN ISD | QUINLAN ISD | UPLIFT EDUCATION |
| EVOLUTION ACADEMY CHARTER SCHOOL | LA ACADEMIA DE ESTRELLAS | RICE ISD | VANGUARD ACADEMY |
| FREER ISD | LA JOYA ISD | | WACO ISD |
| FRUITVALE ISD | LA PRYOR ISD | | WEST ISD |
| GALVESTON ISD | LASARA ISD | | WINFREE ACADEMY CHARTER |
| | LEADERSHIP ACADEMY NETWORK | | WINONA ISD |
| | AT TEXAS WESLEYAN | | YES PREP PUBLIC SCHOOLS INC |
| | LEADERSHIP PREP SCHOOL | | |



~270 Additional school systems are working to implement a designation system in 2021-2022.

TIA is being used in Rural & Non-Rural Districts, with Higher Success Rates for Rurals

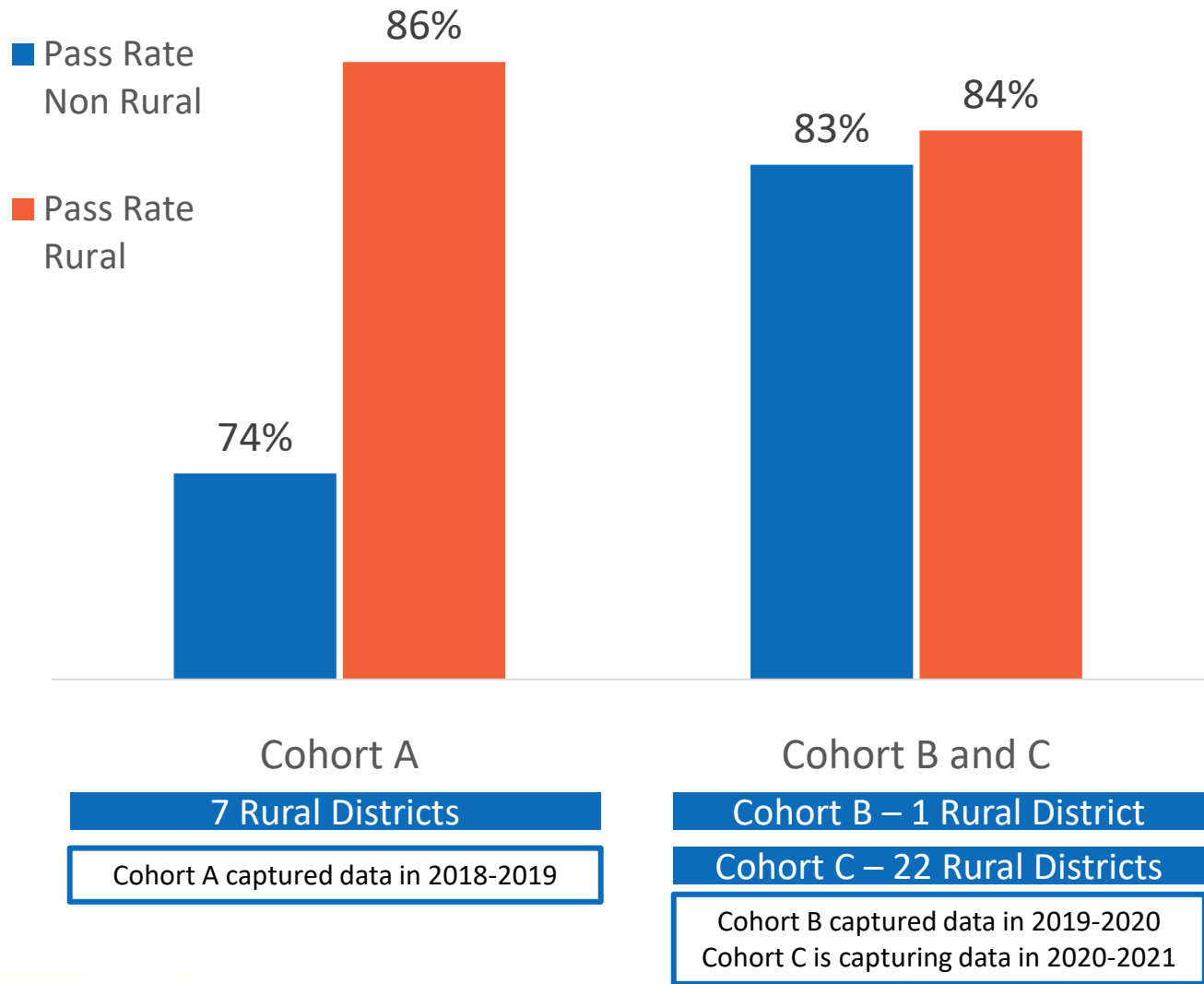


86%

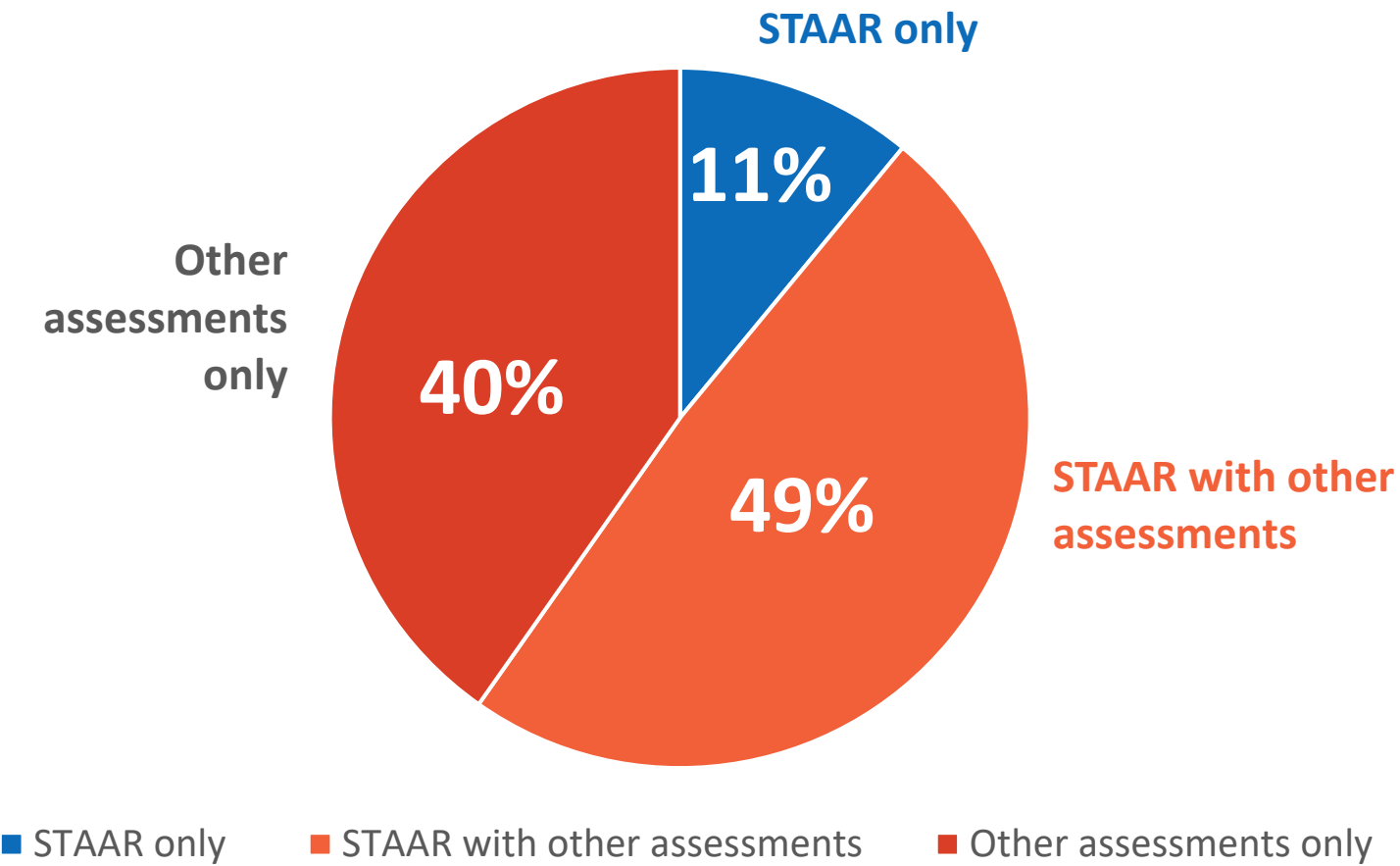
Rural district acceptance rate.

74%

Overall district acceptance rate.



TIA Districts Use a Balanced Approach to Measure Teacher Impact



89%

Of districts are using other assessments or multiple assessments to measure student growth.

Mentoring New Teachers



[HB 3 in 30](#)

**Presentation on New
Teacher Mentoring**



**Teacher
Mentorship**

HB 3 established **Teacher Mentor Program Allotment (MPA)** to fund stipends for mentors and other costs associated with mentoring teachers in their first two years

- ✓ In August of 2020, 67 districts were approved to receive the allotment for the 2020-21 school year.
- ✓ Cycle 1 MPA - \$1,800 per mentee, which can be used on mentor stipends, scheduled release time, and providers of mentor training



Commissioner of Education Rule (§153.1011) - effective June 28th, 2020

- Each year, TEA will provide an application and approval process for school districts to apply for mentor program allotment funding.
- Funding will be limited based on availability of funds, and, annually, the commissioner shall adopt a formula to determine the amount to which approved districts are entitled

Maintaining the Integrity of the Profession



[HB 3 in 30](#)

**Presentation on Do
Not Hire Registry**



**Do Not Hire
Registry**

TEA is required to create a new **Do Not Hire Registry** and place individuals on the Registry who are not eligible for hire in a Texas public school based on misconduct or criminal history. TEA is also required to create a **Misconduct Reporting Portal**, so that Texas schools have a method of securely reporting allegations of misconduct to the agency.

- ✓ The Registry launched in January 2020. There are 1,850 former educators and employees on the Registry as of August 2020
- ✓ The Reporting Portal launched in March 2020.



Commissioner of Education Rule - Registry of persons ineligible to work in Texas public schools (Ch 153, Sub EE), effective December 31, 2019.



HB 3 Focuses on Learning and Improving Student Outcomes



Focuses On Learning and Improving Student Outcomes

Expanding Learning Opportunities

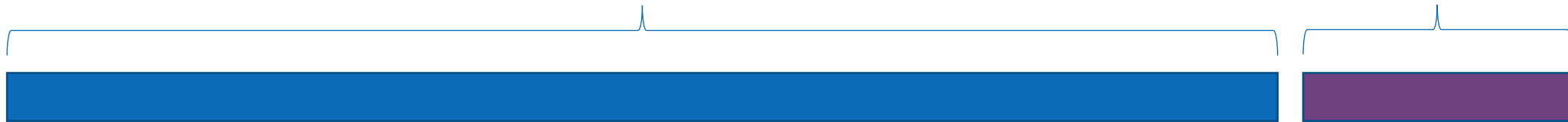
1. Additional Days School Year
2. Blended Learning Grant Program

ADSY: Additional Days School Year For Elementary

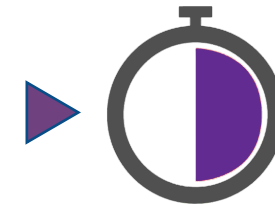
HB 3 adds **half-day formula funding** for school systems that want to add instructional days (beyond a minimum 180 days, **up to 210 days**) to any of their elementary schools (grades **PK-5**).

Minimum 180 Instructional Days

Up to 30 Additional Days



Half-day formula funding





- ✓ Districts are eligible to utilize ADSY funds starting in the 2020-2021 school year
- ✓ TEA launched a survey to better estimate use and cost on September 15, 2020.

Declining Achievement during Summer Breaks




We should first ground ourselves in the drop of student achievement over the summer months – “summer slide”.



Student Type:

-  Middle-class student
-  Low-income student

School Year Growth:

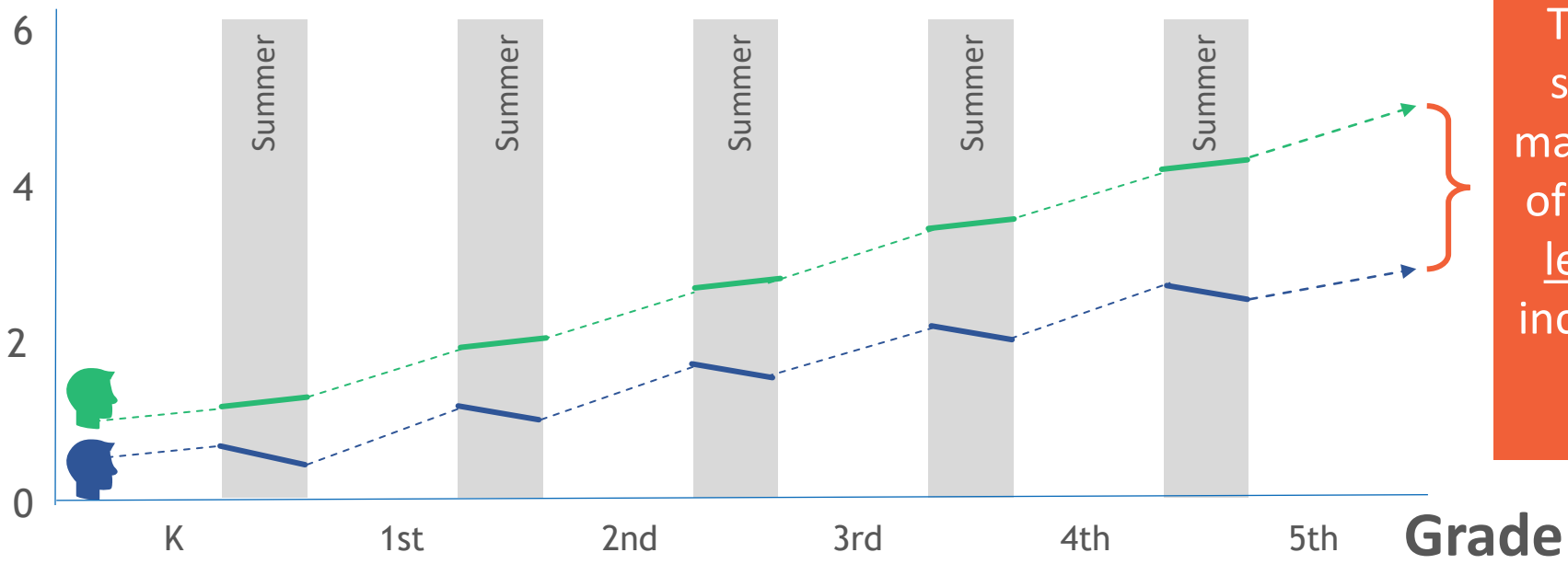
-  Students progress at same rate during school year

Summer Growth:

-  Advanced by one month
-  Fall behind by 2-3 months

Note: No variance in amount of summer slide by grade

Years of learning



The impact of summer slide may create a gap of up to 3 grade levels for low-income students by 5th grade

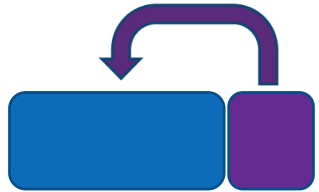
COVID is dramatically magnifying this slide

Graph completed by Boston Consulting Group. Source: Cooper, H., Borman, G., and Fairchild, R. (2010). “School Calendars and Academic Achievement” In: J. Meece and J.Eccles (Eds.), Handbook of research on schools, schooling and human development (pp. 342-355). Mahwah, NJ: Erlbaum



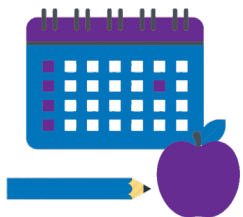
Option 1: Voluntary Summer Learning

- **Purpose:** Summer Enrichment
- **Think:** 180-day traditional calendar, and up to 30 days for something additional



Option 2: Intersessional Calendar

- **Purpose:** Targeted Remediation
- **Think:** 180 days spaced out over the full year, with intermittent breaks for targeted remediation with a subset of students



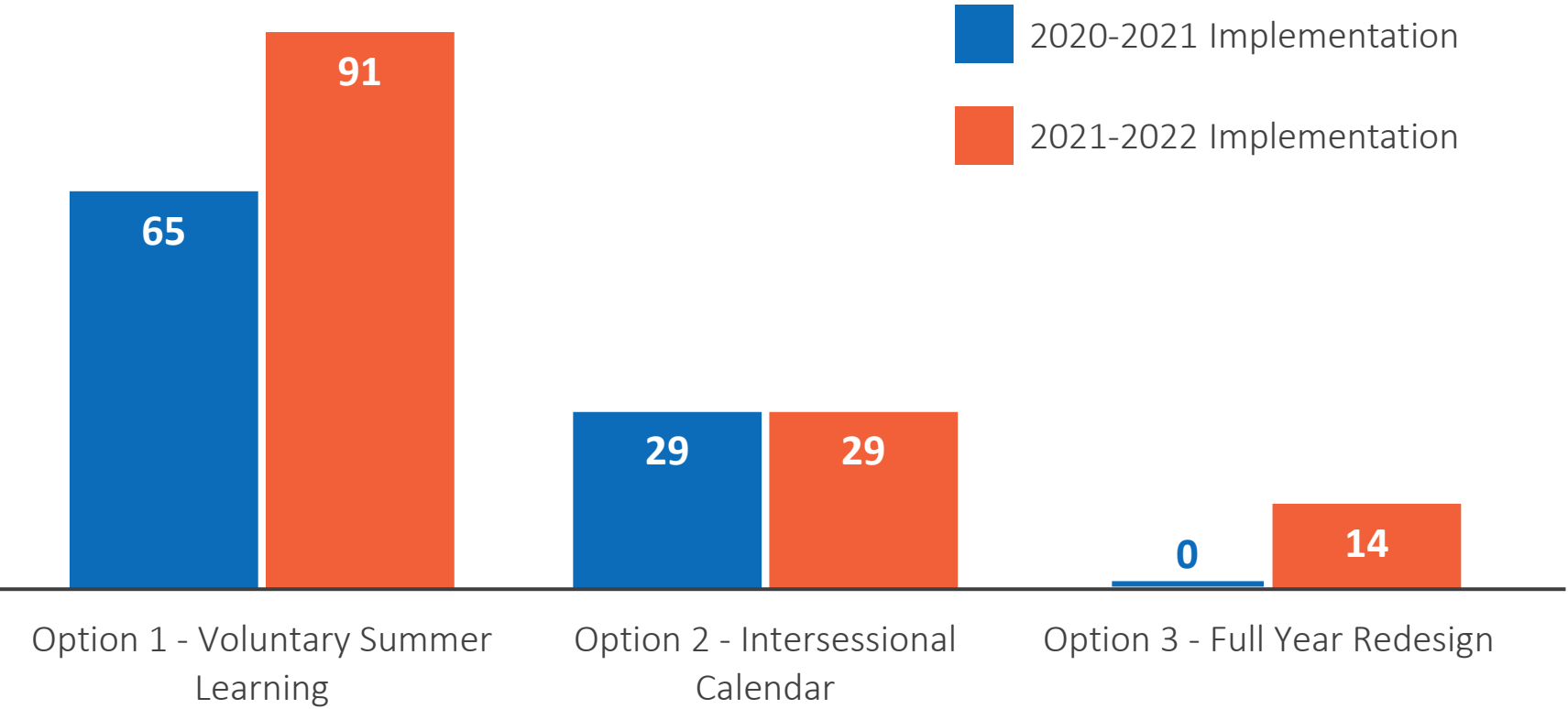
Option 3: Full Year Redesign

- **Purpose:** Rethinking the School Day
- **Think:** A revamped 7x6-weeks calendar, daily schedule changes to increase teacher planning time and student play

Additional Days School Year – Projected Implementation Trends



Districts Utilizing ADSY Funds



55,600 students in 2020-21* and at least **290,000 students** in 2021-22 will have access to an average of **21.5 additional instructional days**

**Data on model types and 2020-21 student counts are estimates from LEA survey conducted 9/17/20-10/1/20; Enrollment projections for 2021-22 are from LPE attendance module.*

Blended Learning Grant Program



HB 3 established a blended learning grant program (BLGP) that prioritizes LEAs with the highest enrollment of educationally disadvantaged students

- Blended learning is a blend of face-to-face instruction and online learning
- The BLGP walks districts through a codified planning process and provides a built-in performance management system to continuously improve effectiveness
- 2019 BLGP Grants awarded to 25 out of 41 applicants for Math Innovation Zones and non-math blended learning pilots
- Program demand expected to dramatically increase given the need for adaptable in-person, online, and hybrid instructional models due to COVID-19



**Blended
Learning
Grant Program**



COE Rule to establish BLGP, including rules to establish an application and selection process for awarding grants and a list of programs that may be used for training in the BLGP effective March 2021.

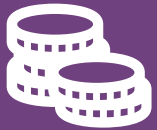


Focuses On Learning and Improving Student Outcomes

Prioritizing Early Literacy, Including Pre-K

1. Early Education Allotment
2. Early Literacy (and Mathematics) Goals
3. Full Day, High Quality Pre-K
4. Reading Practice Requirements
5. Reading Academies
6. Reading Diagnostics
7. Dyslexia Allotment
8. Dual Literacy
9. Preparing New Reading Teachers

Early Education Allotment



Early Education Allotment

Established an Early Education Allotment (**additional 0.10 weight**) for each student in ADA in grades K-3 and who is educationally disadvantaged or Limited English Proficient (LEP).

- ✓ Early Education Allotment incorporated into 2019-2020 FSP amounts
- ✓ Funding amount for 2019-2020 school year is \$796 million
- ✓ Estimated funding amounts for 2020-2021 school year is \$800 million
 - The 2020-21 estimate could end up being significantly less, depending on the number of early education students that are unenrolled from public schools due to COVID-19.



No Commissioner of Education Rule necessary as HB 3 was clear in statute.



Proficiency Plans

Requires boards of school districts and open-enrollment charter schools to adopt literacy and mathematics proficiency plans and post on their website

COVID UPDATE

- ✓ The deadline for boards to set goals **was extended until January 31, 2021** and can be incorporated into the 2020-2021 district and campus improvement plans for board adoption during the 2020-2021 school year once the goals and progress measures are approved by the board.
- ✓ Goal-Setting Training: This training can be provided by ESCs or any authorized provider with a provider number beginning with “2020-”. A list of Authorized Providers can be found here:

http://tea4avcastro.tea.state.tx.us/school_board/providers.html

Full-Day High-Quality Pre-K

HB 3 Requires full-day Pre-K for all eligible four-year olds

- Requires high-quality program requirements of all pre-k classrooms in Texas
- Requires consideration of partnerships with quality childcare providers before issuing bonds for new classrooms

	4 Year Olds Full Day*	4 Year Olds Total*
Pre HB3 (2018-19)	121,947 (60%)	203,650
HB3 Year1 (2019-20)	154,059 (73%)	211,269

- ✓ TEA approved 192 full day PreK waivers – 85 for 2019-20 only, 15 for 2019-2020 & 2020-2021, and 89 for 2019-20, 2020-21, 2021-22



Commissioner of Education Rules filed November 2019



Reading Practice Requirements

New Advisory
Committee Formed

HB 3 amends statute to include multiple reading initiatives:

- Requires LEAs to provide a phonics curriculum using systematic direct instruction in grades K-3
- Requires LEAs to certify to the TEA that the LEA:
 - Prioritizes placing highly-effective teachers in K-2 and
 - Has integrated reading instruments to support Pre-K to grade 3 students

✓ TEA established the Reading Standards Advisory Board in October 2019



**Improving
Reading
Outcomes**

Simple View of Reading
Gough & Tunmer (1986)

Decoding

Ability to transform
print into spoken
language

X

**Language
Comprehension**

Ability to understand
spoken language

=

**Reading
Comprehension**



**Commissioner of Education Rules – Tentatively Planned for
Summer of 2021, Given COVID Impacts**

Reading Academies



Improving
Reading
Outcomes

Requires each teacher and principal in grades K-3 to complete reading academies by 2022-2023

- Academies are available in a blended model and a comprehensive model and both models include a biliteracy path



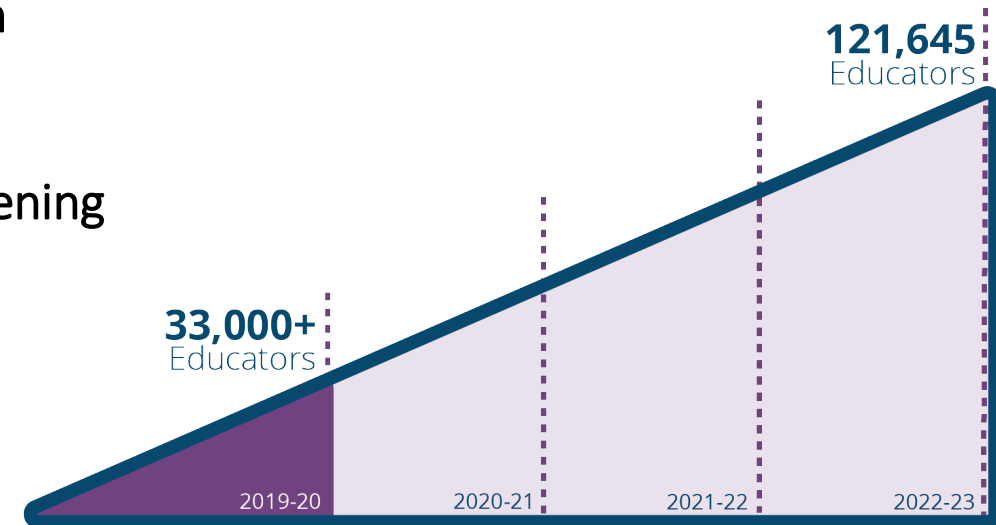
38 Authorized Providers, (including all 20 ESCs) support...



700+ Cohort Leaders, who have been screened + trained to facilitate...



33,000+ Educators actively strengthening their reading practices!



Improved Reading Diagnostic Instruments



Reading Diagnostic Instruments

HB 3 amends statutory requirements for the use of kindergarten reading instruments:

- Requires the Commissioner to adopt a multi-dimensional assessment tool that includes a reading instrument
 - The commissioner has adopted **TX-KEA** for this purpose.
- Permits the Commissioner to approve an alternative reading instrument for use in diagnosing the reading development and comprehension of kindergarten students
 - The commissioner has approved **mCLASS Texas** as the alternative reading instrument.
- ✓ One-year waiver:
 - LEAs must use TX-KEA or mCLASS Texas for the beginning-of-year screener, starting in the 2020-2021 school year.
 - Because of disruptions to the 2019-2020 and 2020-2021 school years resulting from COVID-19, LEAs that are unable to implement TX-KEA or mCLASS Texas in 2020-2021 may request a waiver in order to continue to use the instrument they used in the 2019-2020 school year or another instrument approved by a local district board of trustees in order to best meet student needs in the 2020-2021 school year only.



Dyslexia Allotment

Additional funding is provided to support students with Dyslexia

- School districts and open-enrollment charter schools now receive a weight of 0.10 multiplied against the Basic Allotment for each student that has been identified as having Dyslexia or a related disorder
 - ✓ There were 220,551 students identified as receiving dyslexia related services during the 2019-2020 school year.
 - ✓ This resulted in a final Dyslexia Allotment for the 2019-2020 school year of \$139 million, which was slightly higher than the \$125 million legislative estimate. Note: this number is subject to change given data submissions errors currently under review.



No Commissioner of Education Rule necessary as HB 3 was clear in statute.

Improving Literacy Through Dual Language



[HB 3 in 30](#)

[Presentation on
Bilingual Allotment](#)



Dual Language
Programs

HB 3 expanded the Bilingual Education Allotment to increase student support for literacy in English and other languages

- Includes incentivized funding (an additional 0.05 weight) for dual language
- Incentivizes districts to integrate English learners and native English speakers into dual language programs
- ✓ Dual Language Allotment for the 2019-2020 school year is \$202 million, which is less than the \$218 million legislative estimate.



SBOE rule requiring a report on the use of funds as part of a district's annual audit and the minimum requirements of the report drafted in June 2020.

Preparing New Teachers



As of January 1, 2021, a candidate must demonstrate proficiency in the **science of teaching reading** on a certification exam to earn a certificate to teach Pre-K to grade 6

- 747 exams have been administered (as of 1/28/21)



Preparing New Teachers



SBEC Rule- Requirements for the science of teaching reading instruction for elementary teacher certification- Effective February 2020

- ✓ Candidates seeking certifications after January 1, 2021, in the following areas will need to take the STR: EC-3 core subjects, EC-6 core subjects, 4-8 core subjects, 4-8 ELAR, 4-8 ELAR/SS
- ✓ All candidates are required to meet the same requirements regardless of their teacher preparation program.
- ✓ The ELAR section of the EC-6 Core will remove standards found in STR to ensure that those standards are only assessed once.
- ✓ TEA created a prep manual located [here](#).



Focuses On Learning and Improving Student Outcomes

Improving College, Career, and Military Readiness

1. CCMR Goals & Plans
2. Outcomes Bonus
3. CTE Funding Expansion
4. College & Industry Exams & Applications

College, Career, Military Readiness Plans

Requires boards of school districts and open-enrollment charter schools to adopt college, career and military readiness plans and post on their website



Readiness Plans

COVID UPDATE

- ✓ The deadline for boards to set goals **was extended until January 31, 2021** and can be incorporated into the 2020-2021 district and campus improvement plans for board adoption during the 2020-2021 school year once the goals and progress measures are approved by the board.
- ✓ Goal-Setting Training: This training can be provided by ESCs or any authorized provider with a provider number beginning with “2020-”. A list of Authorized Providers can be found here: http://tea4avcastro.tea.state.tx.us/school_board/providers.html

Outcomes Bonus



[HB 3 in 30](#)

[Presentation on CCMR Bonuses](#)



Outcomes Bonus

Establishes a CCMR Outcomes Bonus paid for each annual graduate above a certain threshold percentage.

✓ CCMR Outcomes Bonus estimated funding amount is \$225M



COE Rules expected to effective for all programs by April 2021.



CTE Expansion

CTE funding expansion:

- Adds Technology Applications to funding weight – including all computer science
- Extends to CTE & Tech Apps courses offered in grade 7
- New funding to support the P-TECH and New Tech HS models
 - **\$924k** was issued for FY20
- Establishes a grant program for career and technology courses during the summer
 - **\$3.5M** was awarded for Summer CTE to date



Unintended
Consequence



COE Rules for all programs in were effective beginning October 2020.

College & Industry Exams & Applications



[HB 3 in 30](#)

[Presentation on FAFSA](#)



Other Initiatives

Adds a reimbursement to districts to offer one free college & one free industry entrance exam per student before they graduate

- ✓ Reimbursement for one High School student for SAT/ACT/TSIA – **Estimated at \$20.5 million for SY2019-20, and final amounts will be calculated in April 2021.**
- ✓ Reimbursement for one HS student for any of the 220 approved Industry Based Credentials (IBC) – **Estimated at \$12.1 million for SY2019-20 , and final amounts will be calculated in April 2021.**

Requires every student to fill out a FAFSA to graduate
(Allows for opt-out)

New Advisory
Committee Formed



COE Rules for FAFSA expected February 2021



Focuses On Learning and Improving Student Outcomes

Increasing Support for Special Education

1. Mainstream Allotment Increase
2. Other Special Ed Supports



Increased Resources, Planning and Training

HB 3 increased Special Education weight from **1.1 to 1.15** for students served in a mainstream setting

- ✓ Mainstream Allotment for the 2019-2020 school year was increased by **\$52 million** above what it would have been at the previous weight, which is slightly higher than the \$46 million legislative estimate. This is largely attributed to an increase in the special education enrollment.



Unintended
Consequence

Special Education Advisory Committee released report in late 2020 providing recommendations regarding financing special education

New Advisory
Committee Formed



New Dyslexia Allotment and CCMR Funding



New Dyslexia Allotment and CCMR Funding

Additional funding is provided to support students with Dyslexia

- Dyslexia allotment is provided to support students with dyslexia regardless whether they are receiving special education supports or not.
- Total amount of dyslexia allotment specific to special education, a wholly new special education funding source, was **\$59 million** in 2019-20

Established \$2,000 CCMR outcomes bonus funds for **each** special education student who graduates college, career, or military ready

- The class of 2018 included 869 special education graduates who met this threshold (3.4% of sped graduates)



HB 3 Increases Funding and Equity

1. Compensatory Education
2. Fast Growth Allotment & NIFA
3. Gifted & Talented
4. Transportation Funding Changes
5. Small & Mid Sized Allotment
6. Recapture
7. Other Changes to Funding Formulas

Compensatory Education: Census Block Groups

In school year 2019-20, data collections were updated to include the census block group for each student

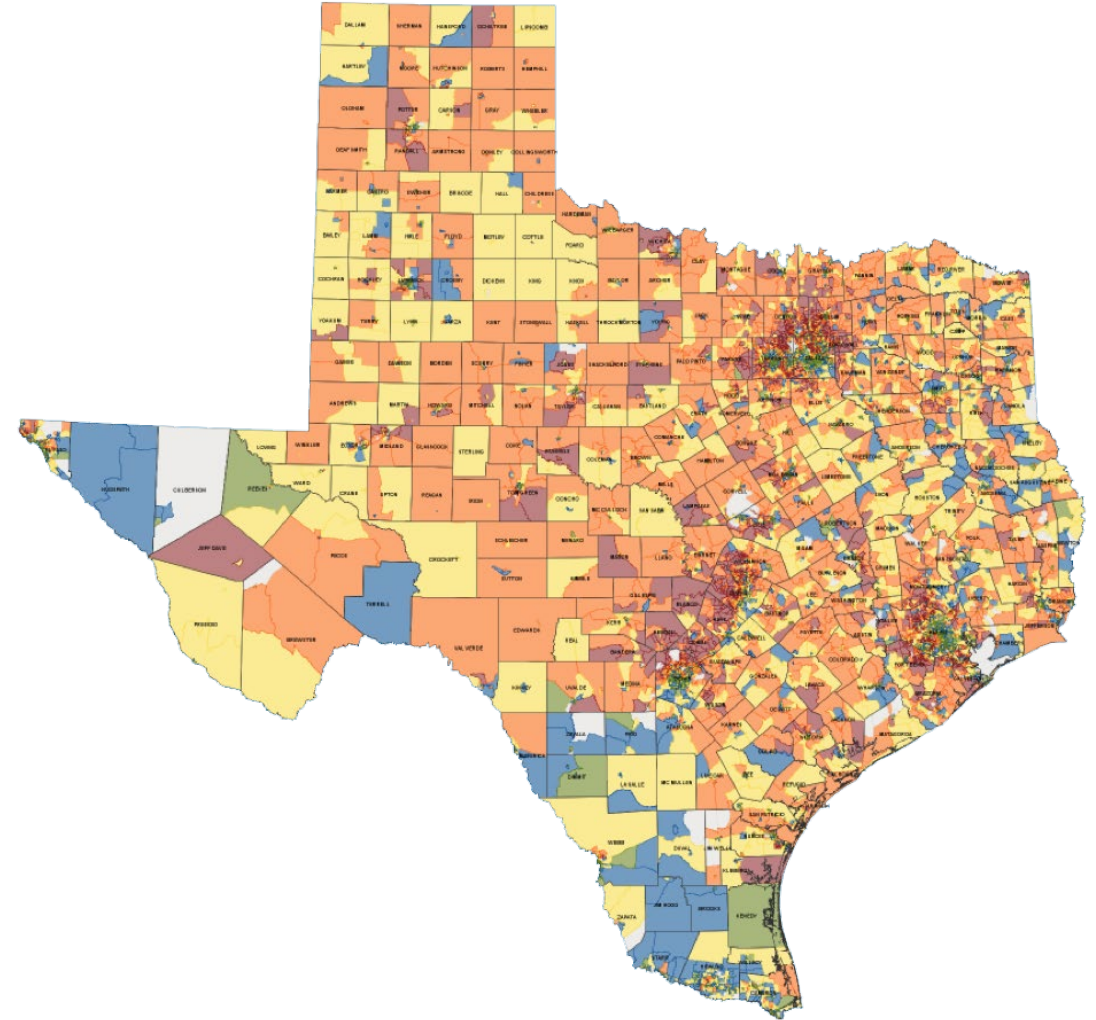
- This map shows the Tier of every census block group in Texas
- TEA provided districts with a tool to identify block group by address

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
0.225	0.2375	0.25	0.2625	0.275

Highest
Socio-economic

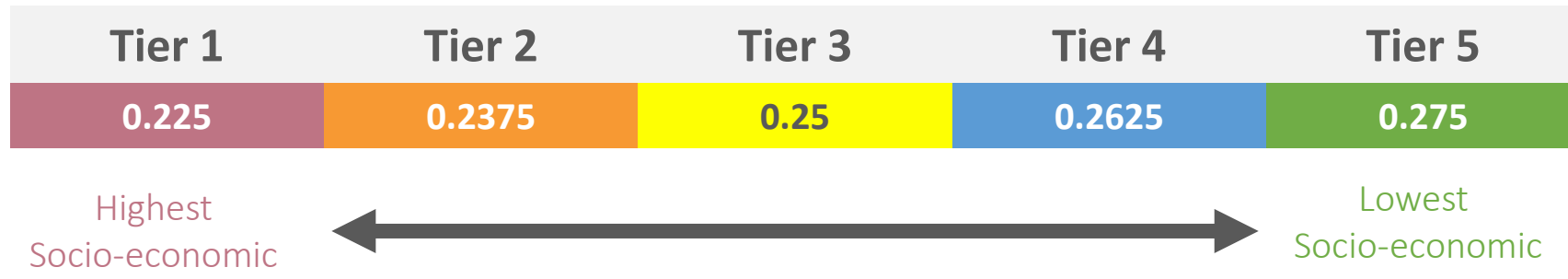


Lowest
Socio-economic



Compensatory Education (Comp Ed)

Comp Ed funding is provided for students who are educationally disadvantaged (i.e. eligible for free and reduced-priced lunch)



New Advisory Committee Formed

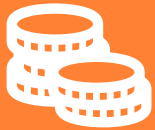
- Under HB 3, the formula for Comp Ed **increased from 0.20 to a range of 0.225-0.275** per student based on the census block group of the student's home address
- In 2019-2020, the total amount of the Comp Ed allotment was **\$5.09 billion**, as compared to **\$5.15 billion** that was estimated during the legislative session. **This represents a 22% increase over SCE funding levels during 2018-2019, when the total allotment was just under \$4.2 billion.**

Fast Growth Allotment and NIFA



[HB 3 in 30](#)

[Presentation on
Fast Growth](#)



**Fast Growth
Allotment**

Adds a Fast Growth Allotment (FGA) of 0.04 for each student in ADA to support rapidly growing districts



COE Rule effective December 2019

- ✓ 317 school districts that were in the top quartile of percentage of student growth, statewide, received a FGA of \$302 million for the 2019-2020 school year which was higher than the \$266M estimate.*

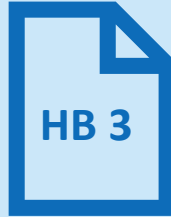
Increases the New Instructional Facility Allotment (NIFA) maximum annual appropriation from \$25 million to \$100 million per year

- Actual applications from LEAs was **\$62M** in the first year and **\$46M** in year 2.

Gifted and Talented



BEFORE



- The G/T program was funded with a separate allotment
- Reported G/T expenditures
- State spending requirement

AFTER



- The G/T program is funded within the district's basic allotment (\$6,160)
- Continue to report G/T expenditures
- Certify that the district has a compliant G/T program



SBOE Rule- Each district shall report to the commissioner regarding the use of the funds on the district's program for G/T as provided by the State Board of Education rule, Effective December 2020.

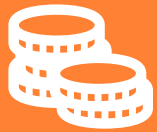
Transportation Funding Changes



Transportation Funding Changes

Amends statute for transportation from linear density to a simple \$1.00 per mile reimbursement (set at \$1.00 per mile in the General Appropriations Act)

- Previously, transportation funding was not provided to recapture districts. Now, transportation funding is equally available to all districts.
- Certain new transportation options have become eligible for reimbursement:
 - Homeless students (regardless of distance to campus)
 - Work-based learning site transportation under a district's CTE program
 - Dual credit students (to a local college or a neighboring district)
- ✓ 2019-20 Transportation allotment estimated at \$284 million, which compares favorably to the legislative estimate of \$460 million, because school buses stopped running when Texas schools closed due to COVID-19 in March 2020.



Small and Mid-sized Allotment

Established Small and Mid-sized adjustment as a stand-alone allotment

- This new allotment improves transparency and separates student centric weights from district centric weights
- Charter schools will now receive the weighted average funding amount for the Small and Mid-sized Allotment, with certain adjustments.
- Small and Mid-sized continues to be a multiplier for the Special Education Allotment to ensure maintenance of financial support.
- Adds new small district formula for districts under 300 students that are the only district in a county
- During implementation, it was discovered that this new structure created significant funding variances when coupled with CTE funding. This issue warrants legislative attention.

Recapture No Longer Impacts District Entitlement

Recapture is now local revenue in excess of entitlement instead of on a wealth per WADA basis

- Districts are now guaranteed that recapture will not reduce revenue below their entitlement level

Early Agreement Credit on recapture has been repealed

✓ Recapture for school year 2019-20 is reduced from \$3.82 billion under prior law to \$2.43 billion under HB 3 (36% reduction).*



**Reducing
Impact
of Recapture**



Changes to Equalize Funding

Establishes an Equalized Wealth Transition Grant

- The grant establishes a 5-year glide path off of the 1992-1993 Chapter 41 hold harmless (repealed by HB 3)

The Available School Fund (ASF) operates as a method of financing for all school districts

- In prior law, only Chapter 41 districts received the ASF on top of their Tier One entitlement

Disaster Aid, when appropriated, applies equally to recapture and non-recapture districts

- Disaster aid for facility repair now includes vehicles and computer equipment

Repeals the Staff Allotment and redirects the funding to the basic allotment



Changes to Equalize Funding

Repealed the HS allotment but establishes a Drop Out Recovery and Residential Facility Allotment

- **Adds \$275 per student** in ADA in a drop out recovery school or residential facility

Repealed the Cost of Education Index (CEI), so districts no longer receive funding based on a decades old metric

- TEA issued study on geographic variations in resource costs and cost of education, including transportation

Utilizes current tax year property values (vs. prior tax year property values) for the local share calculation

Charter school formulas, which don't have a tax base, were changed in a few specific ways given other HB 3 changes



Formula Transition Grants



Formula Transition Grants

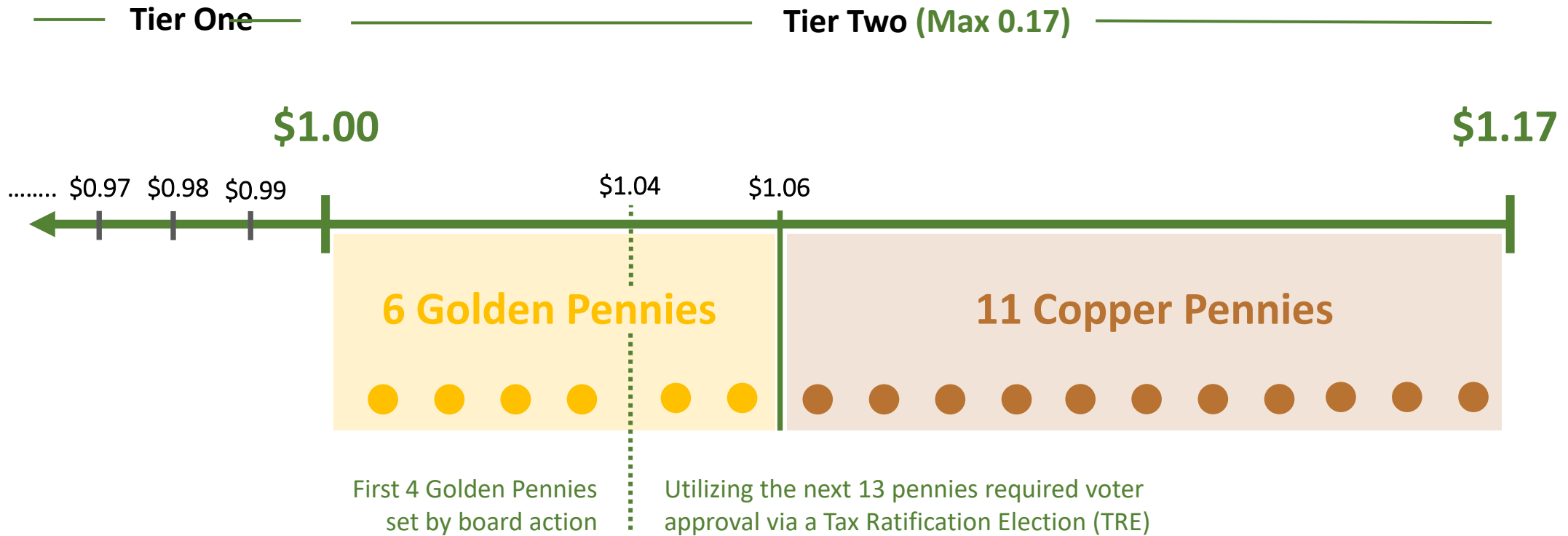
- School districts and open-enrollment charter schools are entitled to receive the lesser of 103% of the M&O funding they would have received under old law, or 128% of the state average M&O funding under old law
 - For school years ending in odd years (SY 2020-21, and SY 2022-23) school districts and charter schools receive the better of SY 2019-20 or SY 2020-21 under old law
 - Except for a small number of districts that received the 1992/93 hold harmless, no districts or open-enrollment charter schools lose funding relative to old law during SY 2019-20 or SY 2020-21
 - The formula transition grant (FTG) expires after five years (SY2023-24 is the last year).
 - Repealed the 92-93 Hold Harmless
-
- ✓ 284 LEAs received \$430 million in FTG for 2019-2020 school year. This is substantially higher than the \$40 million estimated during the legislative session due to unprecedented property value growth for Tax Year 2019.
 - ✓ Estimates for the 2020-21 school year currently show over \$900 million for the FTG. This is also substantially higher than the estimate made at time of bill adoption.



Reduces and Reforms Property Taxes and Recapture



Prior Law

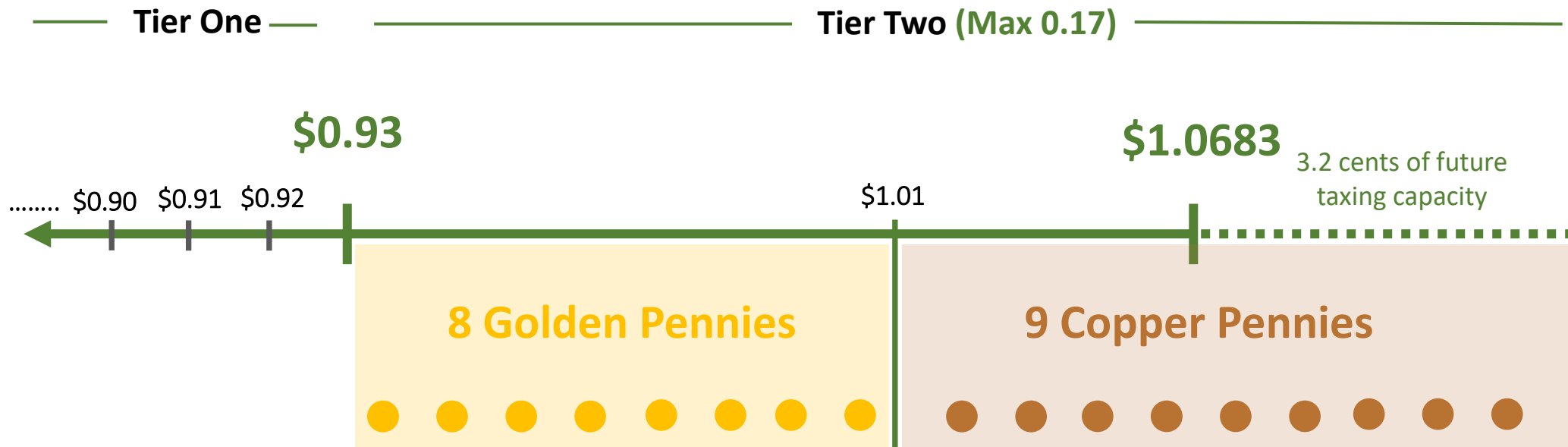


HB 3 Year One: Max M&O Tax Rates Dropped From \$1.17 to \$1.0683



HB 3 Year One (FY2020)

1. Tier One max rate reduced by 7%
2. First two Copper Pennies become Golden Pennies
3. Remaining Copper Pennies are cut in ~ half
4. Rates in most cases cannot be raised for year 1





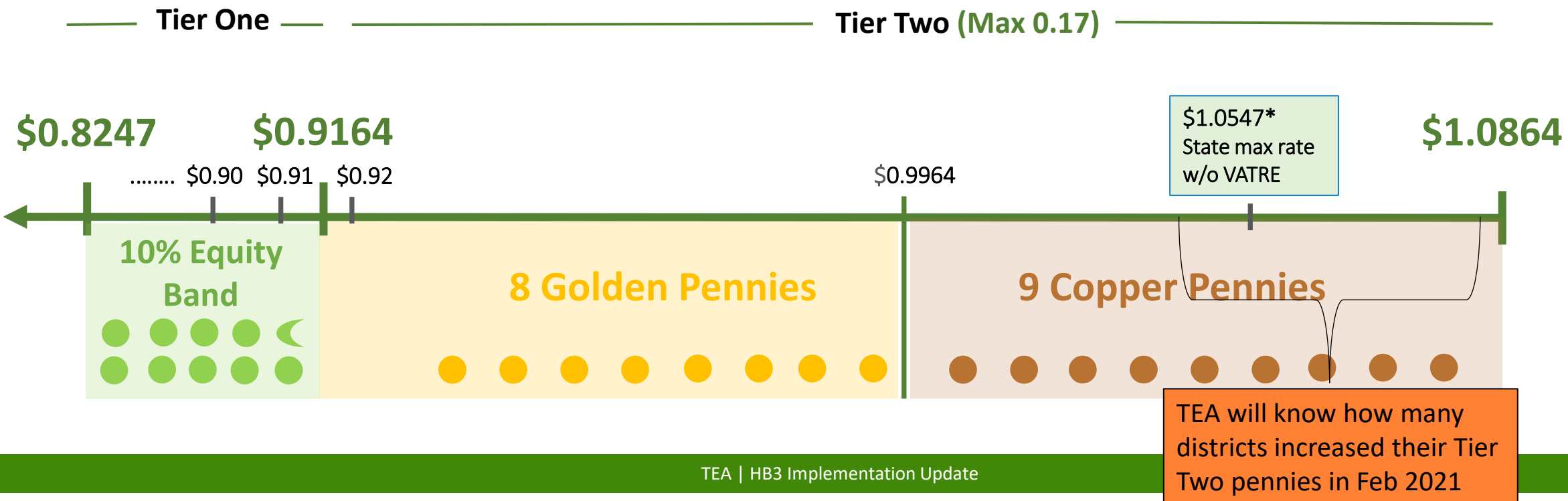
HB 3 Year Two: Max M&O Tax Rates Dropped to \$1.0864 (17 cents above state compression of \$0.9164)

[HB 3 in 30](#)
Presentation on Year 2 Tax Rate Changes

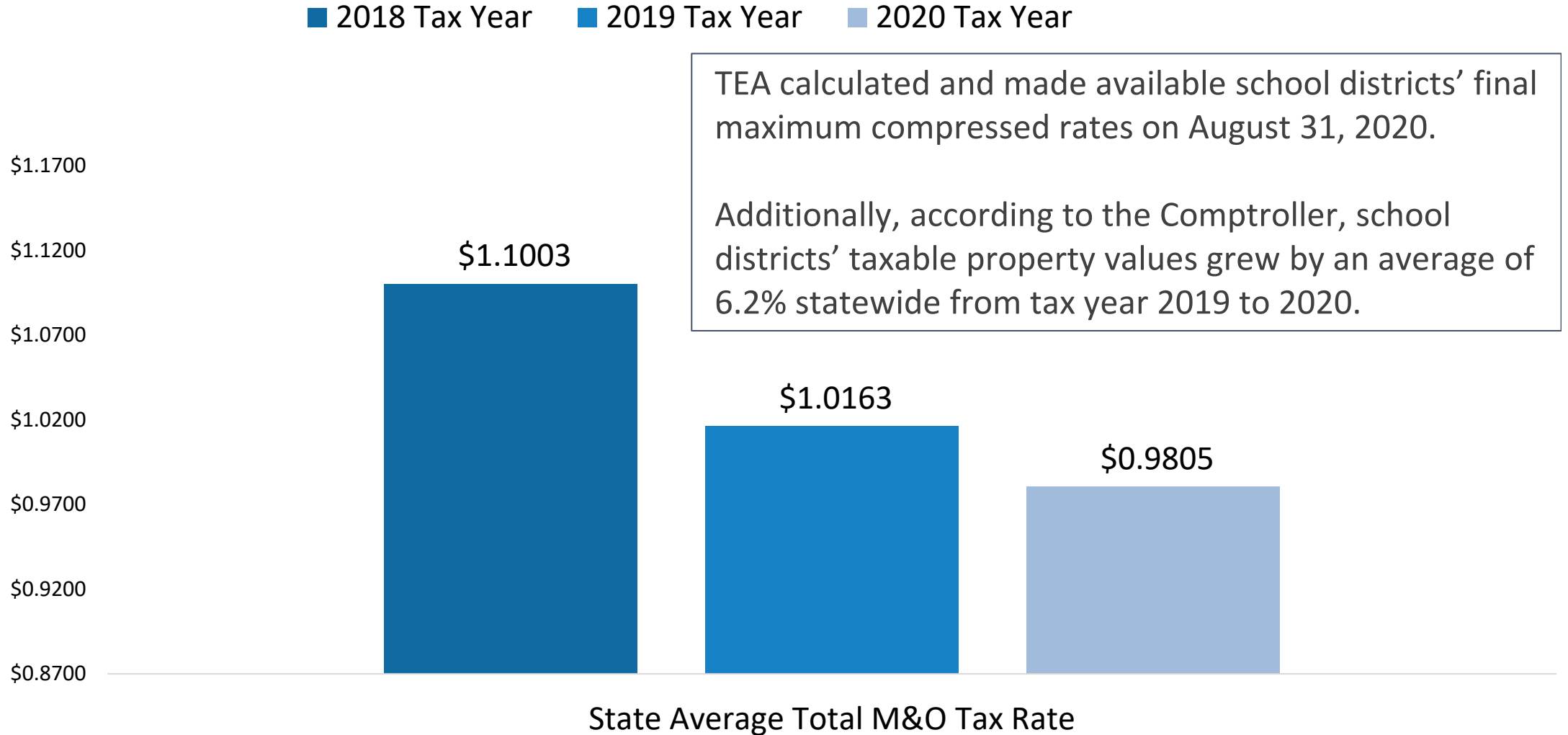
Unintended Consequence

- 1. Tier One State Compression moved from \$0.93 to \$0.9164
- 2. Tier One minimum MCR established at \$0.8247
- 3. Each district now has their own maximum total rate.
- 4. All districts would need Voter Approval Tax Rate Election (VATRE) in order to exceed [MCR + \$0.1383]*

HB 3 Year Two (FY2021)



M&O tax rates continued to compress under HB 3 by an average of 3.6 cents in TY2020





New Requirements for Local Tax Increases



Tax Policy Changes

Effective January 1, 2020, **Efficiency Audits** must take place before a district seeks voter approval for increasing tax rates. LBB establishes the guidelines for the audit. Districts must select the auditor **at least four months before** the scheduled tax increase election date;

- Audit must be completed and posted on the district's website at least 30 days before the election

New statutory language clarifies that a school district may not increase the M&O tax rate in order to create a surplus for the purpose of paying the district's debt service. (i.e. no more "swap and drops" or "tax swaps")

Other Requirements:

- Tax Ratification Elections (TREs) must happen on uniform election days
- Bond election notices must include "THIS IS A PROPERTY TAX INCREASE" language

Other HB 3 Initiatives

- ☐ **Cost of Education Index:** TEA must enter into an MOU with IHE to study geographic education cost variations and transportation costs and submit to legislature by Dec. 1, 2020 (48.012) – Report due Dec 1 2020
- ✓ **Assessment Readability Study:** Commissioner must enter into an MOU with IHE to conduct a readability study on each assessment instruments (39A.907) – 1) Sec. 2.036, Pg 224 - COMPLETED – Due Dec 1 2019
- ✓ Requires TEA to enter into a MOU with the Texas Workforce Commission to fund a subsidy for persons 21 years of age and older to take high school equivalency exams

COVID Changes for Assessment & Accountability



COVID RESPONSE

Because of continuing challenges due to COVID-19, TEA has added flexibility to summative assessment



SSI waiver

The Governor and Commissioner waived the grade promotion requirement related to STAAR testing for the upcoming 2020-21 school year



Extended testing windows

The STAAR online testing windows have been extended to up to five weeks to allow districts greater flexibility in scheduling

COVID-19 Impact on Accountability

For the 2020-2021 school year:

- School districts will administer the STAAR.
- All available STAAR, CCMR, and graduation data will be reported.
- Scaled scores and A-F ratings will not be applied to the domains or overall.
- Every student is required to be offered the STAAR, either on campus, or at a secure alternative testing site.

All school systems will receive a “Not Rated-Declared State of Disaster” label.

- As a result, state and federal interventions will continue for the 2021-2022 school year using 2019 ratings.





LEGISLATIVE BUDGET BOARD

Summary of Foundation School Program:

2020-21 Biennial Base and 2022-23 Recommendations

**PRESENTED TO HOUSE COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2021

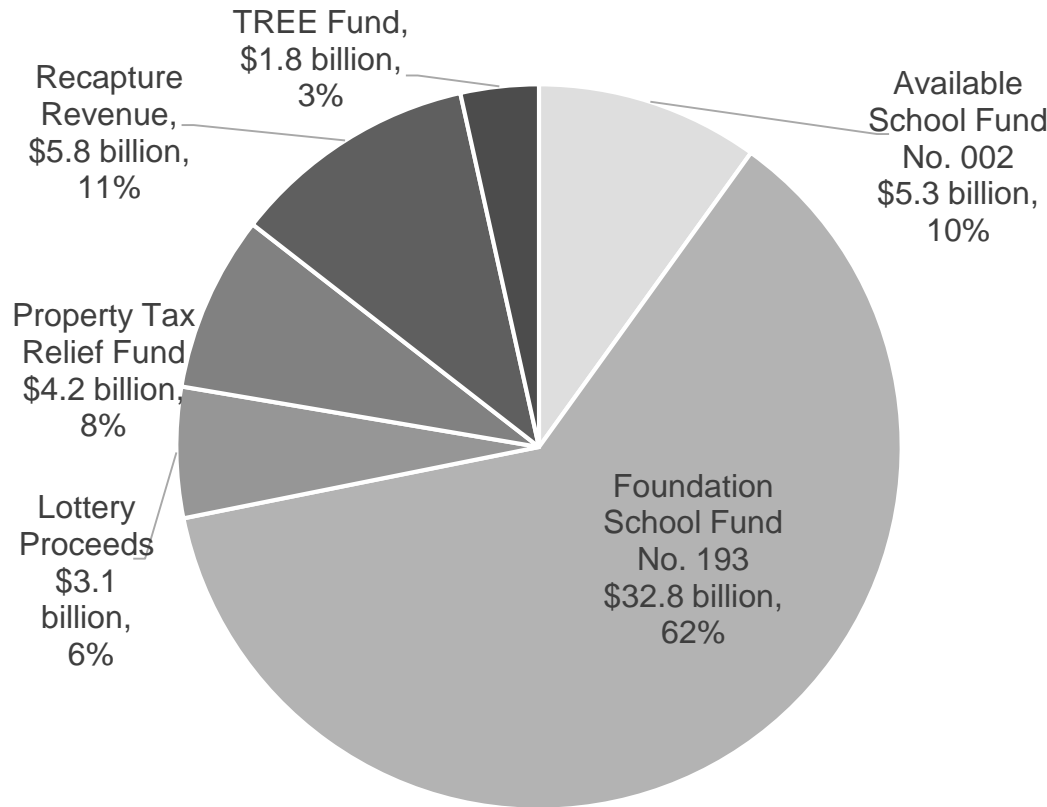
Foundation School Program (FSP)

Purpose and Structure

The Foundation School Program (FSP) is the principal vehicle for distributing state aid to school districts.

The FSP is a shared funding model, depending on contributions from state and local revenue sources to fund the level of entitlement in the school finance system.

2022-23 FSP Methods of Finance (MOFs) in House Recommendations (in millions)



General Revenue Funds Dedicated for Public Education

Available School Fund (ASF)- (Permanent School Fund distribution, 25 percent motor fuels tax, General Land Office and State Board of Education discretionary transfers)

Lottery Proceeds

Other Funds Dedicated for Public Education

Property Tax Relief Fund (PTRF)- (portion of franchise tax, tobacco taxes, liar's affidavit)

Recapture Revenue- (payments from property wealthy school districts)

TREE Fund- (portion of internet sales tax revenue)

Foundation School Fund (GR, Fund 193)

State costs not covered by other MOFs are funded from the Foundation School Fund (General Revenue)

Major FSP Budget Drivers

District Property Values (DPV)

Under current law, DPV growth reduces the level of state aid needed to fund FSP entitlement.

			2020-21 General Appropriations Act
Tax Year	CPA Projection	Budget Years Affected	
Tax Year 2019	+ 10.17	Fiscal Year 2020	+ 5.76%
Tax Year 2020	+ 6.15%	Fiscal Year 2021	+ 4.01%
Tax Year 2021	+ 0.29%	Fiscal Year 2022	
Tax Year 2022	+ 3.92%	Fiscal Year 2023	

District Tax Effort

Assumption: On a statewide level, districts will successfully pass Tax Ratification Elections (TREs) each year for a 2022-23 biennial state cost of \$300 million.

Major FSP Budget Drivers, cont'd

Student Growth

TEA projects an overall average daily attendance (ADA) growth rate of 0.71% annually in the 2022-23 biennium.

Fiscal Year	Number of Students	Rate of Growth
FY2018	29,421 ADA	0.59%
FY2019	15,467 ADA	0.31%
FY2020	42,777 ADA	0.85%
FY2021	36,013 ADA	0.71% (projected)
FY2022	36,269 ADA	0.71% (projected)
FY2023	36,527 ADA	0.71% (projected)

TEA projects higher growth for certain populations, including compensatory education (2.89%), career & technical education (6.12%), FTEs served in special education settings (5.55%), and special education mainstream ADA (4.3%).

2020-21 FSP Appropriations Compared to 2020-21 FSP Base

	GR	All Funds
2020-21 FSP GR Appropriations (in millions)	\$42,803.7	\$51,906.1
New Costs/(Savings)		
Updated Drivers. Primarily stronger than projected property value growth	(\$1,570.5)	(\$1,570.5)
Settle-Up, Prior Year, and Other Adjustments	(\$287.2)	(\$287.2)
CARES Act	(\$1,145.9)	(\$1,145.9)
2020-21 Cost Adjustments	(\$3,003.6)	(\$3,003.6)
Method of Finance Shifts		
Recapture. Revenue higher than appropriated, decreasing GR draw	(1,281.0)	\$0
Property Tax Relief Fund. Revenue higher than appropriated, decreasing GR draw	(176.1)	\$0
TREE Fund. Revenue higher than appropriated, decreasing GR draw	(\$947.0)	\$0
2020-21 MOF Shifts	(\$2,404.1)	\$0
Total, 2020-21 Base Adjustments	(\$5,407.7)	(\$3,003.6)
2020-21 FSP Base (Adjusted)	\$37,396.0	\$48,902.5

2022-23 FSP Base Compared to Recommendations

New Costs/(Savings)	GR	All Funds
Enrollment Growth	\$3,130.0	\$3,130.0
DPV Growth	(\$950.0)	(\$950.0)
Tax Compression	\$992.4	\$992.4
CARES Act	\$1,145.9	\$1,145.9
Harvey. Elimination of one-time funding for Hurricane Harvey relief	(\$636.0)	(\$636.0)
Settle-Up	\$20.4	\$20.4
Enrichment Tax Effort and Prior Year and Other Adjustments	\$382.3	\$382.3
Total 2022-23 Current Law Costs Over 2020-21 Base	\$4,085.0	\$4,085.0

House recommendations fully fund the state's statutory obligation in the FSP, including \$3.1 billion for anticipated enrollment growth, and \$1.0 billion for tax compression required by HB 3, and replacing \$1.1 billion in federal CARES Act funding used to supplant FSP formula funding, based on the assumptions laid out previously.

Method of Finance Shifts		
Property Tax Relief Fund – Biennial increase in revenue, decreasing GR draw	(\$432.4)	\$0
Recapture – Biennial increase in revenue, decreasing GR draw	(\$180.4)	\$0
TREE Fund – Biennial increase in revenue, decreasing GR draw	(\$348.9)	\$0
Economic Stabilization Fund – Elimination of one-time funding from the ESF used to fund Harvey amount above	\$636.0	\$0
2022-23 MOF Shifts	(\$325.7)	\$0
2022-23 GR Cost Over 2020-21 GR Base	\$3,759.4	\$4,085.0



LEGISLATIVE BUDGET BOARD

Contact the LBB

Legislative Budget Board

www.lbb.state.tx.us

512.463.1200