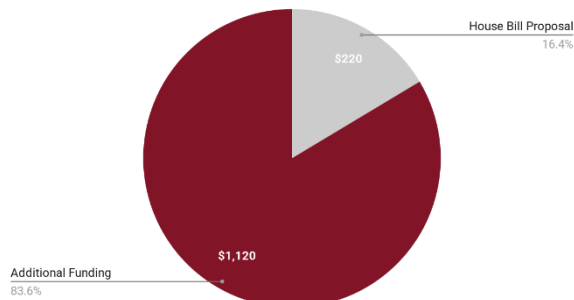


INCREASE BASIC ALLOTMENT TO \$7,500

- School funding in Texas has remained **unchanged for five years** despite rampant inflation of 23%. This has led school districts to increase class sizes and modify or cut student programs.
- Northwest ISD is currently taking steps to eliminate a **\$16 million structural deficit**, increasing class sizes, adjusting programs, and absorbing as many staff as possible through attrition.
- The basic allotment stands at \$6,160, with a proposal (HB2) to increase it by **just \$220** which is woefully insufficient. Northwest ISD is advocating for an increase to **\$7,500** to match inflation.
- Every increase in the basic allotment automatically provides structural increases for **teacher salaries**, **the school safety allotment**, and the **special education allotment** and structurally **decreases recapture**.

Basic Allotment Inflation Adjustment



To help match inflation, Texas would need to increase the base per-student funding by \$1,340.

The Texas House's current proposal is just 16.4% of that amount.

EDUCATION POLICY BRIEF

SCHOOL FUNDING

House Bill 2



PROS: Increases the basic allotment for the first time in five years.

Northwest will gain approximately \$6.9 million or \$220 more per student.

HB 2 could increase the funding for Special Education students slightly.



CONS: A \$220 increase in the basic allotment is woefully insufficient. It is only a 3.58% increase since 2019 compared to a 23% increase in inflation during the same time.

Depending on the commissioner's idea for weights, HB 2 could also decrease SPED funding.

NISD has a SPED allotment of \$35.4 million. The cost of SPED is so expensive, NISD spent \$38.8 million last year in order to serve those students and comply with the state laws and mandates. The bill will not come close to adequately funding SPED that is severely underfunded, which TEA reported earlier this year.

TEACHER PAY AND RETENTION

Senate Bill 26



PROS: Provides teachers with a historic and desperately needed pay increase/retention plan.

The new allotment would provide regular increases (based on longevity) for perpetuity, so long as it is not removed in the future.



CONS: The bill limits salary increases to teachers, excluding other critical staff who support the learning environment and are currently underpaid as well.



The estimated cost of \$4.8 billion utilizes all the new funding proposed for public education in SB 1, leaving no other funds to offset inflation costs or provide raises for other staff. Without more funding, districts may face program cuts, increased class sizes, or even teacher layoffs, impacting the very teachers this bill supports.

Additional funds would be used for Teacher Incentive Allotment. NISD remains concerned about TIA's long-term impact. Our success is built on a culture of collaboration, where teachers support and elevate one another. A system that ties salaries to unreliable test scores and fosters competition over cooperation risks undermining this culture.

EDUCATION POLICY BRIEF



HOMESTEAD EXEMPTION

Senate Bill 4

CONS: Since the hold harmless provision for the new \$100,000 to \$140,000 homestead exemption is limited to debt with a payment made before August 2023, NISD will lose funding for the authorized \$2 billion approved in May 2023. It would cost the district \$171 million in lost taxes over the next 25 years without a hold harmless provision from the state for this law change. This change would force NISD to raise its I&S tax rate, which would then eliminate any savings for the homeowner that was intended to be provided by this bill.

NISD and its taxpayers will pay more in taxes over the life of the debt with this bill. NISD has done an excellent job in saving taxpayers' money by paying debt down early or buying down the debt so as not to borrow as much.

Removing the M&O hold harmless for homestead exemption changes from \$25,000 to \$40,000 and \$40,000 to \$100,000 is a **defunding** of public education. Districts will lose the tax revenue on every home between the values of \$25,000 up to \$100,000. Districts were previously held harmless for the loss of these taxes by the state, but this bill is now taking that money away from schools resulting in a funding loss.



EDUCATION POLICY BRIEF



SCHOOL SAFETY FUNDING

Senate Bill 260



PROS: Doubles the school safety allotment from \$10 to \$28 per student.

Doubles campus safety funding from \$15,000 to \$30,000.



CONS: The increased safety allotment still falls short of covering Northwest ISD's costs to meet state-mandated requirements.

NISD would receive approximately \$1.67 million under SB 260, but the estimated cost of providing campus officers and armed guards is \$2.4 million, leaving a significant funding gap.

The bill does not account for a 3-5% inflation adjustment commonly included in security contracts, further straining district budgets.



EDUCATION POLICY BRIEF

ASSESSMENT & ACCOUNTABILITY

House Bill 4



PROS: Allows for the STAAR test to be revamped.



CONS: Shifts the authority for all standardized testing to the Commissioner of Education – a politically appointed position – creating the risk of partisan influence and shifting priorities based on political agendas rather than student needs.

Removes requirements for Commissioner to share changes or new standards providing drastically less transparency and enabling teachers' ability to prepare students.

Places legal limits on school districts – preventing districts from taking action against the state and placing a conservator over a district that challenges the state.





UNIVERSAL ESA/VOUCHERS

Senate Bill 2 and House Bill 3

MUTUAL CONS:

Texas should ensure the constitutional obligations to public education are fully met and funded before implementing an ESA/voucher program (Texas Constitution, Article 7).

Removes \$1 billion from the state's budget that could otherwise fund Texas public schools.

Creates a new budgetary commitment in the state that will increase. SB 2 is projected to reach \$4.6 billion in four years.

ESAs allow tax dollars to be spent without transparency or accountability. Private schools/students choosing vouchers should be subject to the same financial and academic accountability.

Comptroller has the sole ability to select five organizations to run the program, opening the door to political favoritism, lack of transparency, and a structure that benefits vendors and their pocketbooks rather than students.

