



From the Desk of
Representative
Dan Flynn



The Flynn Report

July 22, 2005

Greetings constituents, supporters and friends:

The first called Special Session of the 79th Texas Legislative Session adjourned Sine Die at midnight on July 20th according to the rules of the Texas Constitution. The Special Session adjourned without passing House Bill (HB) 2, the public school finance reform or HB 3, the property tax relief/tax restructuring.

Before the Legislature adjourned HB 1 / SB 1, did pass. This is the appropriation for the Texas Education Agency. The Governor vetoed it with a line-item veto from the budget passed in the regular session. This bill funds public education for the next two years and will allow schools to continue operating at the current levels. Governor Perry has signed it into law. Speculations and rumors that public schools would not have the funds to start the fall semester were unfounded. SB 20, the renewable energy bill, also passed.

The status of major legislation when Special Session ended:

Public School Finance – Both the House and Senate took up the conference committee report on HB 2, the public education reform bill, in the waning hours of the session, but neither chamber adopted the conference committee report. The House stood at ease while Senator John Whitmire (D-Houston) filibustered the bill in the Senate allowing it to die.

Property Tax Reduction/Tax Restructuring – HB 3, the property tax reform/tax restructuring bill, died in the conference committee which failed to reach an agreement.

Eminent Domain – HJR 19, the proposed constitutional amendment,

passed in the House but died in the Senate State Affairs Committee. SB 62, the enabling bill, passed the Senate and the House. The Senate refused to concur with House Amendments and appointed conferees. Since the Senate's bill was substantially different from the House bill the House voted not to grant the Senate's request for a conference committee because of time restraints thereby killing the bill.

Judicial Compensation – SB 11 passed the Senate and was reported favorably from the House Judiciary Committee, but died in the House Calendars Committee. HB 11 passed the House and was reported favorably from the Senate State Affairs Committee but was never considered by the full Senate.

Renewable Energy – SB 20 passed both the Senate and the House and is headed for the Governor's desk if it clears the procedural hurdle of being signed in the presence of the Senate.

Telecommunications Reform – SB 21 passed the Senate and the House but the Senate did not take it up to concur with the House amendments.

Tuition Revenue Bonds – HB 6 passed the House and was reported favorably from the Senate Finance Committee, but the full Senate never took it up.

There continues to be the need for legislation similar to HB2 and HB3. Otherwise we will be left with the current structure, which is inadequate for the public schools, giving no reforms and no increase in teacher salaries and no property tax relief for taxpayers. With this in mind Governor Perry issued a call for a 2nd special session that began Thursday July 21st.

With the new special session the School Reform bills will basically start over with the whole process.

HB 2 the Public Education bill will take the conference committee report by Kent Grusendorf (R-Arlington) and Florence Shapiro (R-Plano), the public education reform bill and it is the starting point for education reform during this 2nd special session.

Its Key Provisions Include:

Teacher Pay Raise

Average teacher compensation of \$2,000 increased to \$2,500 by FY 2007. \$1,500 is across the board, \$1000 distributed at the local district's discretion including \$500 restoration of the health insurance supplement, distributed as salary at the teacher's discretion. Existing \$500 health care supplement included and may be provided as a supplement or salary.

Incentive Pay -

Local Incentives - 1% of funds used for professional staff salaries will be used to provide incentives based on student performance growth and other performance indicators determined appropriate by the district. Programs are designed locally with teacher input and must be approved by the Commissioner. Funds may be used to provide mentor stipends.
State-wide Incentive Program - \$100 million in FY 07 targeted to campuses with high percentages of economically disadvantaged and at-risk students. Incentive stipends up to \$3,000 for teachers based on growth in student performance.

Money for Classroom Instruction

65% of funding must be spent on direct classroom instruction by 2009/10 (5% annual increases starting at 50%).
Direct classroom instruction is defined by the National Center for Education Statistics (NCES). This definition excludes administrative and other indirect expenses.
3% minimum increase; 8% maximum increase for every ISD by 2007.

TRS Longevity Pay

Pay increase encourages experienced active teachers to remain in the classroom a little longer while providing a mild positive actuarial impact on the TRS pension fund.

- * Teachers at Rule of 80-84 = \$1,000/year**
- * Teachers at Rule of 85-89 = \$2,000/year**
- * Teachers at Rule of 90-94 = \$3,000/year**
- * Teachers at Rule of 95 + = \$4,000/year**

Instructional Materials

Funds Textbook Proclamation 2002 at \$294 million. (Foreign Language, Fine Arts and Health)

Creates the Instructional Materials Allotment (IMA), which replaces the method of providing instructional materials to students by providing funding to each school district to purchase instructional materials, including technology. Funded at \$300 million for 2007.

Including Proclamation 2001, funded in HB 10 and SB 1 of the Regular Session, the state is providing approximately \$920 million of instructional materials for the 2006/07 biennium.

Equity Reforms

More than 95% equity in Tier I - currently at 85 %.

92% equity (\$38 Guaranteed Yield) in Tier II; phased to 96% equity by 2011- currently at 81%.

38% cap on recapture with equity, spending and taxpayer relief limitations.

Enhances state share of funding from 37% to 55%.

Cost of Education Index updated and phased-in over 4 years at 50%.

Taxpayer Approval of Local Enrichment Taxes

\$.15 of local enrichment - \$.05 per biennium, must have an election for every increase -up to \$.05 with each election. A district may access the entire \$.15 with a 2/3 vote. Not recaptured.

Financial Accountability

The Texas Education Agency is directed to create a financial accountability reporting system that provides transparent reporting of public school district expenditures; requires reporting.

Low-Performing School Intervention

Early intervention for schools that are trending toward or close to being identified as Academically Unacceptable in the state accountability system.

One year = campus intervention team.

Two years = mandatory reconstitution.

More than two years = the commissioner has discretion to apply any available sanction, including placing the campus under alternative school management.

If Commissioner of Education determines the district or campus leadership is not acting in good faith in remedying the problems, all timelines may be accelerated by one year.

High School End-of-Course Exams

Beginning with Algebra I, the Texas Education Agency will begin developing and gradually administering end-of-course exams in core subjects.

Legislative oversight committee will report to the legislature regarding the development and implementation of the exams and make a recommendation on further implementation.

State-Paid College Entrance Exams and College Preparation Exams

The state will provide funding for students who choose to take the ACT, SAT or other nationally recognized college entrance exams.

School Start Date after Labor Day

Schools will open on the Tuesday after Labor Day and end no later than June 7 effective for the 2006-2007 school year; with exception for year-round schools.

Dual Language Immersion Pilot Program

Creates a Dual Language Educator Certification.

Establishes a pilot program where students are immersed in foreign language.

Career and Technology Funding

Career and Technology funding is expanded to the 8th grade.
Pilot program for 7th Grade CATE in 4 counties.

Alternative Certification for School Administrators

Establishes a temporary educator certification for superintendents and principals.

November Elections

4 year terms, non-partisan elections in even-numbered years.

Charter School Reform

Campuses with less than 25% of their students passing Reading or Math TAKS will be closed.

Financially mismanaged charter schools will be closed.

Exemplary and Recognized charter schools will receive \$1,000 per student for Instructional Facilities.

Teacher Certification/SBEC reform

Creates a Professional Practices Board appointed by the Commissioner to oversee educator professional conduct and discipline.

Creates an advisory board that will propose standards for teacher certification, educator preparation programs to the Commissioner. SBOE may reject a rule by a 4/5 vote.

With the new special session the Property tax relief bill will also start over with the whole process.

HB 3 the Property tax relief bill when it did not pass was disappointing and unfortunate that an agreement wasn't reached. I feel the direction taken by the House and Senate conferees was encouraging. Both bodies developed tax plans providing greater transparency and they both appear to have reached an agreed on the importance of not harming the state's economic competitiveness by not enacting any new class of business taxes. I feel the effort will continue to be to provide a broad based plan that will be revenue neutral.

I believe the House and Senate will move quickly to pass a bill that looks a lot like the one offered by the House conference committee negotiators. It's not perfect, but it certainly keeps Texas moving in the right direction and keeps the legislative dialogue moving towards meaningful tax reform. It was encouraging when several leading policy organizations outlined the important parameters that both chambers were working towards. A sound tax reform that includes; reducing school property taxes by at least 25 cents, enacting no new classes of business taxes, maintaining the

transparent nature of the Texas tax system; and devoting a portion of future tax surpluses to future property tax reduction. With a goal of working towards a priority of decreases in general revenue spending.

My staff and I welcome your input and your questions. You can reach us in our office located in the Capitol extension: E1.324. Mailing address: P. O. Box 2910, Austin, TX, 78768 - phone number 512-463-0880. Canton District office phone number 903-567-0921. Greenville District office phone number 903-455-0971. Email: dan.flynn@house.state.tx.us.

Visit our web site www.daflynn.com and click on the links that will allow you to view previous Flynn Reports and updates on news, issues and photos. If you know someone who is not receiving our report please forward this email and let them know they can be added to our list.

May God bless you and may God bless Texas,

**Dan Flynn
State Representative, District 2**

If your name is on this email list in error, please respond and say UNSUBSCRIBE