

Chairman Buckley ([00:00:00](#)):

Like all house committee proceedings, the meeting is open to the public and the media in accordance with house rules without objection and pursuant to house rule four, section 13 C, the committee grants permission to accredited media representatives to record and broadcast today's proceedings. And with that we'll begin with today's agenda. Mr. Chairman?

Rep. Talarico ([00:00:21](#)):

Mr. Chairman?

Chairman Buckley ([00:00:21](#)):

Yes Rep. Talarico?

Rep. Talarico ([00:00:23](#)):

Thank you for explaining that. Are we live streaming this with the broadcast system here in the room for people around the capitol and across the state to be able to watch this discussion?

Chairman Buckley ([00:00:36](#)):

No. We are following our house procedures and policies in accordance with the formal meeting, but the accredited media is present.

Rep. Talarico ([00:00:44](#)):

So we are about to discuss last minute changes that have been made to the two biggest bills of the session, including the private school voucher bill, which many of us are worried will defund our schools and we are not live streaming that discussion for people across the state who can't be here and who will not be able to just see clips from the media, we're not going to be able to show them the entire discussion. Is that right?

Chairman Buckley ([00:01:13](#)):

We are conducting this media in accordance with house policies and house rules as we do for every formal meeting.

Rep. Talarico ([00:01:16](#)):

Mr. Chairman, is there anything in house rules that says you can't turn on these cameras that are here in the back to allow people to watch this livestream?

Chairman Buckley ([00:01:24](#)):

We're conducting this meeting in accordance with our house rules and we have even gone an extra step. We are having this in a committee hearing room and we have invited a credentialed accredited media to be here today and as you can see there is a, I believe they refer to that as a gaggle. There's a gaggle of them in the back.

Rep. Talarico ([00:01:41](#)):

Mr. Chairman, these cameras are going to be able to show clips if they get into the local news, but I think our constituents from all over the state, especially constituents who can't drive in to be here in the

middle of the workday, they should be able to see the entire discussion that their public officials are [00:02:00] having on the two biggest bills of the session. Two bills that will change public education in this state or forever. Why are we not just turning on these cameras?

Chairman Buckley ([00:02:10](#)):

Because we're acting within house policies and the house rules today.

Rep. Talarico ([00:02:14](#)):

But you just said there's nothing in the house rules that prevent us from turning on these cameras. There is again, we are conducting this hearing in accordance with house rules and house policies. Is there anything in house rules that prevents us from turning on the live stream?

Chairman Buckley ([00:02:30](#)):

It is against the House policy.

Rep. Talarico ([00:02:30](#)):

It's against house policy to turn on the live stream?

Chairman Buckley ([00:02:34](#)):

Absolutely. We are following in accordance with the policy of the Texas house and this is, you mentioned clips, I don't understand what is a clip?

Rep. Talarico ([00:02:43](#)):

Meaning these news outlets, these news outlets have limited time to cover all the stories in their community. At best, they're going to show a few clips from this hearing, but our constituents deserve to see the entire discussion. We're all public officials, we work for our constituents and they're not able to watch this. My folks back home are working and if they're going to see what's happening, they need the live stream on and there's nothing in the house rules I've already checked Mr. Chairman, that prevents us from turning on live stream and I spoke about this in private with you yesterday, so I'm not bringing this to the dais without having gone through the steps. I would not do that to you, but I'm just very concerned that we're about to discuss last minute changes to these multi-billion dollar bills that will change public education forever and we are not allowing our constituents to watch the discussion.

Chairman Buckley ([00:03:33](#)):

Well let's keep in mind that what we're doing today is simply taking up the changes made to the bills that received hours and hours of testimony. One hearing went 21 1/2 hours, another probably 14, where we heard from hundreds of Texans both in person virtually or through submissions. And so that is not the day, you know what a formal meeting is to take up pending business. We are taking up pending business in accordance with our house rules and a house policy and we've even gone the extra step. This committee was a hearing was supposed to, this formal meeting was supposed to take place two days ago and upon the urging of my colleagues, including yourself because of the fact that we did not have all the data that we wanted in terms of the output of house bill two, we delayed this hearing today in much respect for members of this committee.

Chairman Buckley ([00:04:30](#)):

And so today we're going to take up a pending business and as we always do, we're going to do it in the formal setting as you'll do. I would argue many, many, many times between now and signee die, Mr. Chairman, except with the exception is we have media lined up across the back of this room and they are here and there are members of the audience that are participating as well I'm sure with their accredited media credentials and we are happy people are here and we're going to talk about this amongst the committee because that's the state of the process we're in. And one more thing from here. These bills will go to the House floor where there will be another robust debate and there will be amendments considered and amendments adopted amendments voted down and we will produce the best work product as is our job.

Rep. Talarico ([00:05:21](#)):

Mr. Chairman, you mentioned the hearings. We had 700 Texans who showed up here to testify on the voucher bill. We had 12,000 text and submit written testimony overwhelmingly against the bill but there have been changes made to that bill as well as household two since then. We're about to discuss those changes here on the dais. This is my fourth session, same as you, we're classmates. I've done many formal meetings. Usually a formal meeting is just to vote out a bill. Oftentimes we have to have those formal meetings on the floor of the house or in another room because there's no chamber available. But that's not the case here. We're in our official chamber. We're doing more than just voting. We're going to be having a robust discussion about major changes and we're not turning on the live stream. So I just think it's disingenuous to say that we're going by typical House rules or typical House procedure because this is not typical and I won't belabor the point. I just want to say that there are a lot of people across this state who have suspicions about this bill, suspicions about its motivations, suspicions about the money behind it, suspicions about the tactics used to pass it and this does not help.

Rep. Frank ([00:06:30](#)):

I think calling you disingenuous, which I feel like is what you just said, that this is disingenuous. These are not informal meetings are not held with the live stream and to say it is disingenuous with the chairman I think is disingenuous one say Mr. Chairman. Alright.

Rep. Talarico ([00:06:54](#)):

I just wanted to respond to Chairman Frank, and I appreciate that. What I'm trying to say is that this is not a typical formal meeting and to characterize it that way to the public that are in the room I feel like is not a reflective of reality and I appreciate that folks from the lobby are here and the media, but I'm talking about our constituents. Constituents in Amarillo, in Beaumont and McAllen and El Paso who cannot be in this room but this bill will affect them and one of these bills I fear will defund their local schools. They have a right to hear what we're about to discuss on this dais.

Chairman Buckley ([00:07:32](#)):

Alright, any more questions? Alright. Alright. The chair lays out as a matter of pending business House Bill 2 by Buckley relating to the public education and public school finance, excuse me, relating to public education and public school finance. The chair offers a committee substitute members. First I want to thank you all for your help with House Bill two since the layout on March 4th, the dialogue between members on this dais has been productive and I believe that the testimony that we heard with two days of hearings where we took a day to bring in experts and invited testimony was productive and then we spent an entire day on public testimony on March 6th to hear from citizens across the state of Texas and many of the things that were heard in that testimony are now included in that committee substitute.

Many of the things brought to me as concerns by members of this committee are in the committee substitute and when at the last moment when we were trying to get it right and tried to make sure that we had the impact that we needed for our public schools and I could not deliver the runs in a manner that I felt was fair to members, I postponed the committee hearing and so that's why we're here today and I appreciate first of all your willingness to postpone the hearing and to continue to do the good work that we do, but most especially, I want thank Vice Chair Bernal and his team.

Chairman Buckley ([00:09:15](#)):

We've spent hours together talking about ways and these are words coined by my good friend, Vice Chairman Bernal, and it was basically, "Buckley," and this was as filed Buckley, "House Bill 2 does a lot of good but we need to make sure that we keep this about the classroom," and so today that is our effort and my commitment to each and every one of you is for you to understand that today is just another step in the long process of what it takes to pass a historic funding bill for public education. Many of you on this dais have participated that in the past and you understand the fact that it's a complicated system that often picks winners and losers and as we look at the data and we think about the language in the bill, we want to make sure that we take care of our school districts across the state from the coast to the panhandle, from the Sabine River to El Paso.

Chairman Buckley ([00:10:18](#)):

That is our audience and that's who we are. That's who we're working for. I'm also proud to have our vice chairman as a joint author on this bill and I told him that that is my commitment that we will continue to work together to make sure to get this right. Today I'd like to highlight some of the changes you'll see in the committee substitute for House Bill 2. Members, this bill still represents nearly \$8 billion of funding for our public schools. Again, this is more money for the Texas public schools than any other prior piece of legislation and this is a landmark funding for Texas schools. First, one of our big concerns from both the invited testimony and our public hearing was the basic allotment. This bill has increased the basic allotment that in the file version increased by \$220 to \$395 for the basic allotment is \$6,555 and it includes an ongoing increase in the BA every biennium that ties it to the growth in statewide property values through the golden penny yield.

Chairman Buckley ([00:11:37](#)):

Another important point to understand that in that testimony tying the BA to some sort of inflationary adjustment was heard loud and clear. This means we'll have more predictable increases in the basic allotment and we'll fund all districts this way and further reduce recapture for those districts that are impacted by that process. The basic allotment is the most fair and equitable way to drive dollars where they need to be and that is in the classroom. The committee sub also modifies existing statute to prioritize increases from the BA to go towards salary increases for our teachers and I want to especially thank Vice Chairman Bernal that recognized another key point from testimony is that too often those dollars go to starting teacher pay where teachers with experience of 5 years and 10 years or so, as they go up the ladder, if you will there is no ladder.

Chairman Buckley ([00:12:37](#)):

This bill prioritizes teachers with five or more years of experience and 10 or more years of experience with the desire to keep the best teachers in our classrooms. The bill also includes a formula transition grant as current law says, to make sure that no district receives less than \$200 increase per student. Now let me be perfectly clear, when we looked at our runs, the runs that we delayed the hearing for, we

found that there was disparity between districts as there always is in any school funding bill. And that's why today from this dais you have my commitment to continue to work on that problem. We can start at nine o'clock tomorrow morning from whoever's willing because what we'll be starting to do that to find out to make sure that all of our districts receive the much needed funding that they need. Additionally, pre-K been added to the early education allotment increasing money to districts and incentivizing more full day pre-K offerings to Texas families.

Chairman Buckley ([00:13:38](#)):

In the committee substitute, we've also increased all three emergent bilingual ways to provide an \$450B to districts to strengthen bilingual education. If you'll think back to the hearings, one of the things that the State of Texas from public testimony to invited witnesses they said down to the last person was that we are doing well delivering bilingual education services that is so important to our state and this bill makes an additional \$450 million investment in that, members. I want you to note that we've removed the high school advising allotment since that policy is also embedded in House Bill 120 carried by Representative Keith Bell, which recently passed unanimously from this committee. The committee substitute for House Bill 2 also has removed much of the educator preparation language and focused on strengthening our existing Grow Your Own program, establishing it as an allotment which equips our districts to recruit and train teachers from their communities to earn a degree in their teacher certification.

Chairman Buckley ([00:14:51](#)):

Remembers what this does is it allows our districts to challenge and encourage high school students to enter the teacher pipeline. It also encourages paraprofessionals with 60 hours of college credit to enter the teacher pipeline and become an educator. I appreciate the comments from the committee concerned about some of the elements of the educator prep language and you will no longer find that in this committee substitute. The bill also provides a phased in approach to ensuring teachers in our classrooms are certified and provides a stipend in the amount of \$1,000 for districts to help them receive their certifications members. One of the things that we know is that the bill originally created a target for zero uncertified teachers in our classrooms in a very short period of time. Well, immediately after the hearing, local superintendents from my district one assistant superintendent who happens to be my spouse said, that sounds great but let me tell you how hard that is. So what this does, this puts our districts on a much needed glide slope to increase teacher certification, but it also recognizes that in August you have to have school and that 0% certifications is something I know our districts will strive for, but we also must face the harsh realities that we must grow the future pipeline.

Chairman Buckley ([00:16:29](#)):

We've only highlighted a few of the updates today in the committee substitute and these things are on top of many of the great aspects that are in the file legislation and remain there today such as significant increase in special education funding and a change in the way that we fund special education moving away from a seat count to intensity of service model that better reflects the cost of education to deliver those services to special education students in Texas public schools. The small and midsize allotment remains in the bill, the expansion of the teacher incentive allotment to make sure the best teachers in our classrooms remain there, that they're on a pathway to earning six figures and that they're rewarded for their hard work but also for their incredible outcomes. Significant investments, \$880 million of additional investments in compensatory education to help target those most at risk that literally are scattered across the state of Texas in significant numbers in nearly every school district.

Chairman Buckley ([00:17:41](#)):

Property value study grants to make sure that when the local CAD and the Comptroller are having disagreements about property values that our school districts don't take it all on the chin and lose hundreds of thousands to millions of dollars in funding and something that they have zero control over. It remains in the bill regional insurance support to support those districts who have seen insurance costs increased by the thousands of percents, taking dollars directly from the classroom simply to pay the premiums and there's more in this bill members. I want to thank you again for all your help with this legislation, but I also want to ask for your help as we move forward over the next several days. The committee substitute for House Bill 2 represents a strategic student-centered investment in public education. It provides teacher support and a substantial investment in special education all while ensuring district flexibility. I look forward to working with all of you to ensure that this bill and other House priority funding bills such as House Bill 120, House Bill 123, and House Bill 124, move forward through the Texas House and deliver the necessary resources to our students and our schools. And before I open up to questions, I'd like to recognize Vice Chairman Bernal for any comments he may have on the committee substitute for House Bill 2. Thank you Chairman.

Vice-Chair Bernal ([00:19:18](#)):

This is why I'm here. This is why I came to the buildings to do this work. Everything else is important but for me everything else is everything else and so having done this before, one, I want to thank the chairman and the committee because I think we can, we've seen the way that the bill has evolved based on the things that we've heard from public testimony from the people that we care about in the public education space. We can see that the bill has evolved and I think there's still an opportunity to do that and that's the part I want to talk about the most is we're at a moment now where we're better, but between now and the floor there's still opportunity to do a lot of work. I fully recognize, and I mean this in the most respectful way, that there's still work to do that.

Vice-Chair Bernal ([00:20:12](#)):

There's still some things that we have to resolve or fix. There are districts including some of my own, that when you look at them there's something that needs to be smoothed over fixed resolved and I have no doubt that we can do that. I really appreciate the chairman's offer to sort of open up the office nine o'clock Friday or Monday and start working together on those pieces and my preference is that we get it done early so that the time between then and the floor is just getting the basic pieces of what we can go through everyone's districts and get it right in every big bill. There are going to be pieces that you're not always thrilled about. I get that, but I think the good pieces, the big pieces here are really significant and for the parts that need work, I think we can, I really believe that we can get to them and make them what they're supposed to be.

Vice-Chair Bernal ([00:21:13](#)):

And I'm going to give you an example. I'm going to shoot my shot right now with all you guys as an example. What can happen between now on the floor and something that I've been looking at, I've talked to the chairman about it, no commitments, but I want to give you an example of the things that can happen if we keep working. So for those of you who may not know, Texas currently funds pre-K at a half day, every other student K to 12, it's a full day amount of money, pre-K, it's a half day and we've talked a long time since I've been here since my sixth session. We talked about getting ourselves to full day pre-K for whatever reason or variety of reasons we haven't done it to put that here. Comp Ed, the Comp Ed weight increase is 0.005. Okay? It adds up to about \$880 million. Sounds like a lot. It is a lot in

the grand scheme of things throughout the state that comes out to about \$32 a kid and that \$32 at any given campus, even the ones that I went to in San Antonio doesn't do really as much as we'd like it to do.

Vice-Chair Bernal ([00:22:27](#)):

However, if you take the \$880M that Comp Ed generates, you take the pre-K, pre-K being added to the early ed allotment that's 110 million, and you take the full day pre-K partnerships and you put that money together, all of a sudden you have the dollar amount needed to fund pre-K at a full day, right? So maybe I might on the floor after talking with everybody, offer an amendment that takes these dollar amounts, puts 'em together and puts Texas in the position to fund full day. That is the kind of work I think still is available and remains between now and then. This is on top of making sure that everyone's districts are either winners or big winners. I am hopeful enough to believe that that is what we're doing and that we're doing it all in good faith and that's a standard that I want to hold myself to and a standard I'm going to hold everyone else on the dais too as well and I look forward to it because as hard as it is and as challenging as it is, I love this so I just can't wait to keep working. Thank you Chairman.

Chairman Buckley ([00:23:47](#)):

Thank you vice chair. Alright members, I'll be happy to answer any questions Mr. Bryant.

Rep. Bryant ([00:23:52](#)):

Mr. Chairman, notwithstanding all the glowing comments, this bill is a catastrophe for 10 of the largest school districts in the state, maybe more than that, who are receiving under the provisions of this bill, well less than the average increase in funding experienced by the rest of the state. Now I'm only speaking about the top 49 in size and 10 to 12 of those. I'm not commenting on the many other districts that are smaller than that are also disadvantaged, and they're principally disadvantaged because the bill continues to contain language which takes away the promise in 2023 that the districts will be held harmless from the effects of the homestead exemption increase and compression policy when we implemented extensive tax relief in that session of the legislature. It is an easy fix simply to eliminate the language that eliminates the hold harmless and it's a matter of great distress with these districts and with the many others that are not on the list of the largest 49 that has not been done already.

Rep. Bryant ([00:25:20](#)):

Notwithstanding every positive thing that may have been said about this bill in my own district in Dallas, we will not be able to operate in the second year of the biennium if these numbers are not changed. The district is already, because of what took place in 2023 in this legislature, \$180 million in deficit operations utilizing its reserve funds to operate. It's just one of many that are in that situation. Inasmuch as a vote for this bill is a vote for the policy in this bill. I cannot under the current circumstances vote for it. If the chairman has any specific assurances to make with regard to this, I think it would be beneficial if we heard those.

Chairman Buckley ([00:26:13](#)):

Thank you Mr. Bryant. Well first of all, I want to thank Dr. Aldi and Mr. Segura, both the superintendents of Dallas and Austin ISD for a great conversation about this very issue yesterday and appreciate to have about an hour and 15 minute conversation with those school leaders to talk about their concerns about the bill. And we had a great discussion about the hold harmless provisions. I believe that Dallas is held harmless to the tune of about \$80 million and Austin tune about \$20 million and I think that's what you

look at if you look at the data and you have my commitment to make sure we find a fit. We have a \$200 funding floor. I have a district in my district that is not a Dallas or in Austin as a matter of fact it has about 2000 kids and it joins them in what I'd say less than enthusiastic increases.

Chairman Buckley ([00:27:16](#)):

And so what we've learned I believe, is that when you pull one string in the school finance system, it unravels something else and our job over the next several days will be how to sew that together in a manner that continues to lift those that did not receive the increase that we expected. This is not anything aberrant or abnormal in a school finance bill. I remember 2019 seeing some runs. I was just a freshman member and being completely underwhelmed but I do know at the end of the process it was historic for my school districts and so you have my commitment to work with every member on this dais to begin to sew that back together so that we get it right and I appreciate the real in-depth conversation with those leaders from Austin and Dallas and we will continue to have that and we will set the time up and we need to start working at least Monday morning at nine o'clock. Mr. Bryant.

Rep. Bryant ([00:28:24](#)):

Why are we voting a bail out that is so significantly flawing for, I would just eyeballing it at just more than a million of our 5.5 million students? Why wouldn't we wait and fix it? This is a committee, the purpose of the committee is to write a bill. We can all see out in the open offer amendments and so forth. Why wouldn't we do it here in the committee? Why are we being asked to vote this bill out today with such an enormous flaw in it?

Chairman Buckley ([00:28:54](#)):

Well, I would say that you have to look at the process as it is and we know that there is a timeline where we need to be able to have meaningful discussions on this. The bill needs to get to the floor and my commitment is to have the bill right when we get it to the floor. My desire was, which is impossible and let's just keep this real, real clear that when we looked at the runs, the runs that got to you late, the ones that I delayed the hearing by two days for when we started having other folks that do school finance chime in. There is no one that agrees what the outcome is, but our gold standard is the LBB, that is who we'll make our decisions on other very smart people. Some folks that are in this room right now have chimed in with districts and their runs don't match what LBB said. I mean I think so that that's the issue with this, is that you kick the can you kick the can, you kick the can you kick the can and you run out of time. We have had good faith discussions over the last several weeks to get this bill right. These are complicated bills. We will vote this, we will vote on this bill today and we will, I believe with the support of this committee begin work to get it right and get it to the floor here as when it's ready to go.

Rep. Bryant ([00:30:26](#)):

Well what is "get it right?" What do you mean by that? What result are you promising to obtain between now and the time of the bill gets to the floor if it's voted out?

Chairman Buckley ([00:30:37](#)):

My commitment is to work to make sure we are that districts feel like and understand that the investments headed their way can be meaningful to them. And that depends who you ask; the conversation with Dallas was very different than the conversation with Austin what they think perfection looks like. So there's two districts in the same boat, Mr. Bryant, that don't really agree on what that ought to be because our districts are so unique and so I mean I think if you want to make

perfection be the enemy of the good and if you think we can sit on this dais and talk this thing, I will tell you what we need to do is we need to pass the bill out of this committee and we need to get it right so we can get it to the floor and then let the Texas House weigh in on this because our constituency is obviously our school districts, but more so it is our 135 colleagues as well and the impact it has on their district, sir.

Rep. Bryant ([00:31:36](#)):

Well, but I ask what specifically or is it you're going to do between now and the floor that addresses this problem? I didn't hear the answer to that.

Chairman Buckley ([00:31:44](#)):

The answer to that is, is we know we have some districts I know in my district and in your district and in Representative Hinojosa's and Chairman Leach's district and really across this size and Chairman Dutton's district where we felt like when you're making this type of investment that we didn't get the increased in the per student funding that we expected. And my goal is to improve that to where we can make it more fair for districts to make sure they're getting the resources that they need.

Rep. Bryant ([00:32:18](#)):

Then why are we being asked to vote it out a committee before that happens?

Chairman Buckley ([00:32:24](#)):

Because the bill is before us in a manner that the process of the school finance system to understand when you pull the thread and I pull the thread that it doesn't drive Vice Chair Bernal in the ditch. And so that's what we need to do. We need to get the baseline set which we have here in this bill and then we need to continue to work on that and we will have, my intent is to have a perfecting amendment that will speak to these issues that you bring up today and what others bring up today. Because what I need to have is I need to have a commitment from this committee that we agree in the process of what we're doing. We may not agree with every outcome. I have several districts in my house district and some of which did very, very well. I have a similar district that has nearly the same demographics and metrics that didn't, we're going to get to the bottom of that. We'll get to the bottom of the Dallas problem and the Austin problem. The Allen problem, I mean that's my commitment. But the process before today is pending business and we will vote this bill today and we'll start work on it this afternoon if you'd like.

Rep. Bryant ([00:33:46](#)):

Well I've served in two different legislative bodies at two different level and nobody's ever asked me before to vote against the very people who sent me here and that's what you're asking me to do to vote "aye" on this bill without even a specific commitment to fix the very thing I'm talking about. I'm not hearing that commitment except a general commitment.

Chairman Buckley ([00:34:11](#)):

Well let me do this. I'll put it this way. I'm committed to making sure that we get it right for our school districts and your job is to advocate on behalf of your school districts. What I believe is nearly entirely, and I don't want to speak for you, I can't recall, but probably mainly Dallas and then Representative Kerwin has her constituency of districts and I have mine and Talarico and everyone else and it is my job and all of us together work to make sure as we pull the thread to help Dallas, that we don't impact someone else and that we do so in a fair way. And that's my commitment to you and that's what I

intend to do and I know the vice chair and I will begin to work and everyone is welcome at the table and we will continue to work. I think you can't, I mean I hope you can recognize the difference in the bill that's filed versus the bill presented for you today in the committee substitute. I think any describing that any other way than significant change would not be accurate. You may not like necessarily and the outcome may not be what you expected nor was it what I expected in all cases, but it is a significantly different bill than what came before us before. And I expect with the bill we take to the floor with the perfecting amendments and the great work of this committee, then we will have an entirely different product that comes off that floor. Thank you. Thank you.

Chairman Buckley ([00:35:45](#)):

Who's first? Representative Talarico.

Rep. Talarico ([00:35:48](#)):

Thank you Mr. Chairman. We're considering two bills today. This is the first of two. This is certainly the bill I like better than the second one. And I do want to acknowledge the work that you and Vice Chair Bernal have done to make this bill better. This bill is in a better spot. I do want to echo Representative Bryant's point that it is hurting many of our districts that need a lot of help and I do think this bill can be a good step forward. Heck, I would vote for a \$1 increase for public education funding, but I want to be careful that we don't over promise our constituents. We said that this was a historic school funding bill, but our schools are in a historic hole and this bill does not even catch us up to 2019 funding levels. And I think that's very important for everyone to understand just so that we as a legislature are not overpromising what this bill does, even though there are many good aspects to it and it is a step forward. But I asked every school district when we had public testimony if this bill would catch 'em up to 2019 funding levels and each one of them said no. The basic allotment is the foundational part of the school finance formula. We heard testimony from every expert that said we needed an increase of about \$1,400 per student in the basic allotment and catch us up to 2019 funding levels. Can you tell us what the current increase of the basic allotment is in this version of the bill?

Chairman Buckley ([00:37:13](#)):

\$395. And just in the spirit of discussion, I would suggest you take that argument about the basic allotment and talk to the folks that lead your schools, because that was not always what was relayed to me and we do make significant investments in the basic allotment. We also have a mechanism for inflationary increases every two years in the basic allotment. But significant districts have been in my office to say that is not necessarily, I mean that is a wonderful talking point and it is wonderful to have the little meter where you fidget with the basic allotment and you watch the funding go up. But the reality is when you do the runs, here's what's interesting about the runs. If you increase the basic allotment \$395, I bet everybody in here, if we had a little class, a little math class, we'd say I bet funding probably goes up \$395 per kid. Who would think that's probably right, but you don't have to raise your hands.

Chairman Buckley ([00:38:20](#)):

Well the reality is, the way the system works, it doesn't. Okay, so you can put a thousand dollars in the basic allotment and still have a district that gains 200 bucks a kid. That's the complexity we're dealing with. And so let's, again, I appreciate the talking point. It's simple to do that and I'm not accusing to do that. I'm just saying the reason we have to move forward is because we have to wade into the weeds of that and we have to put inputs in and get them out the other side to make sure that we solve the

problems you want to solve. And we share that desire to do that and that's why we need to move forward. So I mean that's what I have learned digging into the school finance system is that there is sort of the narrative that makes the Facebook and then there is sort of the reality of what helps schools and those two things can be very different and that is what that was literally shared with me by superintendents yesterday.

Rep. Talarico ([00:39:19](#)):

Well I just want to clarify. Every district I represent has asked me to increase the basic allotment and I believe every school finance expert who testified here during the test during the public testimony said the basic allotment should be higher. But even if we disagree on the importance of the basic allotment, does this bill catch our schools up to 2019 funding levels after six years of rampant inflation? Does this bill catch our schools up to 2019 funding levels?

Chairman Buckley ([00:39:46](#)):

I think it does for some schools. If you look at the runs,

Rep. Talarico ([00:39:49](#)):

Which schools are those?

Chairman Buckley ([00:39:50](#)):

Probably your smaller, smaller schools. Some of your mid-size schools.

Rep. Talarico ([00:39:54](#)):

Would you say most schools in Texas are getting caught up to 2019 funding levels?

Chairman Buckley ([00:39:57](#)):

I don't have that type of depth of knowledge of individual districts because each one is very different. You have schools that come in that we visited with and I've talked with districts from 300 kids to 180,000 kids and they'll tell you vastly different financial stories. I had one district tell me, listen to this, we don't need money for a teacher pay raise. We have that. We've had other districts talk about, hey, we really would rather see the funding go this. There's all kinds of different opinions on that. And so I think that speaks to the complexity of the issue before us.

Rep. Talarico ([00:40:32](#)):

I think we just heard in the discussion between you and Representative Bryant that the reason that a lot of our large urban districts are not getting significant gains in this bill is because of the hold harmless provision. What would be the cost of fixing that problem roughly? Do we have an idea?

Chairman Buckley ([00:40:51](#)):

I think it varies. I mean it depends of which hold harmless provisions you look at, it looks, I've heard as a little as 600 million to over a billion dollars. It just depends on how you do it and every district is different. And my fear is on any provision that we make is that we have to or any change to any provision and we have to make sure we see the outputs on the other side of how they impact it. Or you simply end up of solving maybe my problem and your problem and represent Bryant's problem and then I create a problem for Chairman Dutton. That's what I think. That's the way I look at it. I look at it in

terms of what gets our districts to where we're members and that's really who in consultation with their districts, yet it's to a place we feel like we can agree that this is the place to move forward.

Rep. Talarico ([00:41:44](#)):

And so far in the discussions I've been a part of the consensus as much as you can never have consensus in school finance, the consensus seems to be that to solve this problem for our big urban districts with lots of poor kids in them is to address hold harmless. The problem I think it's fair to say is that's an expensive fix. That's the reason we're having to figure this out because if it was a simple cheap fix, we would just do it, but it could cost up to a billion dollars to solve this problem. What is the fiscal note for the bill we're about to hear next?

Chairman Buckley ([00:42:18](#)):

I'm sorry, say it one more time.

Rep. Talarico ([00:42:18](#)):

What's the fiscal note in the first biennium that bill we're going to hear after this. A billion dollars. Okay. Thank you Mr. Chairman.

Rep. Hinojosa ([00:42:30](#)):

Well first I want to say I appreciate you lowering the number of TEA FTEs in the bill. There's no fiscal note yet, but it looks like it's reduced. When should we expect a fiscal note on this bill?

Chairman Buckley ([00:42:56](#)):

I suspect will probably within the next probably five, six days.

Rep. Hinojosa ([00:43:05](#)):

And I want to also echo the concerns expressed by Representative Bryant, Representative Talarico also, I think this should be televised or broadcast. I see a lot of my people here and these are the hardcore supporters of public schools and I'm so glad they're here, but there's a lot of people who can't make it and I do think this is significant enough that it should have been televised. Speaking of the language that Representative Bryant brought up, so that's on page 30 and it is my understanding that \$900 million problem is this line that says that we would take districts back to as they exist on September 1st, 2022. And so that makes districts have to eat the hold harmless that we gave 'em for property taxes. It is my understanding that it is not only a pretty large, substantial impact to this school finance bill and to our overall districts, but that it also just doesn't sit right.

Rep. Hinojosa ([00:44:23](#)):

I mean we're considering property taxes this session too. Last time we did this we made a promise to our districts, let me say that nobody wants property tax reduction more than people in my district given especially the amount that we pay in recapture, and that our property values are through the roof. I want property tax reduction just like anybody else, but I don't want to do it on the backs of our students. I don't, and I know my district doesn't support that. And I know this is complicated stuff and this probably was not what was intended, but I'm asking don't make a liar out of me because when I voted for property tax reduction, it was with the commitment that it wasn't on the backs of our students

and that our students would not suffer a decrease in their school funding. And so I'm just asking not only because of the subsequent impact, but what it means when we go back on our word.

Chairman Buckley ([00:45:26](#)):

Well, as discussions we've had offline and we'll have, I guess, typically now in public, I believe the hold harms provision is one of the things we have to look at. And here's what I think we need to keep in context. The hold harmless doesn't hold everyone the same. So what holds you harmless may harm me. And so that's one of the, that's sort of the theory if you will, of the case as you attorneys say, of why we want to what we were working towards that for more equitable funding to make certain—now the desire, be clear—nobody loses money in this bill. There were no negative numbers. It was simply that including some of my districts did not reach that level that we were, that I was hoping, and I know from members on this dais were hoping, and so that's one of the things we need to look at and you have my commitment to do that as we look and model it to make sure, again, I have to know what the output is. You need to know what the real output is, but what we do and that that's what happens in my office or Bernal's office Monday at nine or mine tomorrow afternoon or what have you, we'll begin to do that. You have my word.

Rep. Hinojosa ([00:46:51](#)):

Well, I appreciate that the fix to this hold harmless that was proposed for this version of the bill would phase out the hold harmless over I think it's a couple of biennia, and the other challenge with that is while it may be more money now for districts, if that money goes away and we're obligated, our school districts are obligated to spend 40% of the increase on our teachers as pay raises, what do our districts do when that's not there? Right? So that's another concern about the way this fix is proposed.

Chairman Buckley ([00:47:34](#)):

Well, and remember that all this doesn't happen, it's not static. The issue is everything's dynamic. When you talk about homes, you have property growth increases, you've got different student populations. One of the things that's created, I guess disagreements in what the bill does in terms of the runs from the different from LBB versus the groups, the people that do this in Texas and do it well is sort of the assumptions and the data they use. Is it 23? Is it 24? Is it this or that? We're looking forward, looking backward. All that impacts it and that's why I think that that's what this committee, our gold standard is. What we will do is produce LBB runs because they kind of call, they make the rules. And we had a great meeting a couple of mornings ago where we got folks that work on this in a room and said, okay, let's agree on what assumptions we're making so that we can begin to sort of galvanize the outputs when we make these changes. And I think we'll have better information at that point and information that we can all be more comfortable with for sure.

Rep. Hinojosa ([00:48:52](#)):

And I'll echo the sentiment, I'm no expert at school finance, but it is always my understanding that an increase in the basic allotment is the rising tide that raises all ships. And so to the extent we want to do right by all students, I do think, I wonder whether if this language hadn't been put in to undo the hold harmless, whether we wouldn't have seen that play out with an increase in the basic allotment, which I want to also echo. I appreciate it going up from the last sub. I think we still need more money in it. One other thing I want to address about this bill, and I promise I'm not a charter school hater, y'all gave me a bigger boogiemer to fight these last couple of sessions, but I think the increase that they're getting in this bill is way out of whack. And I'll just give you an example. So when we have runs from a group called

Moak Casey, right? That's who our school district hires to do this, a very complicated school finance calculation and what we see when we look at the runs is that the teacher pay increase from the basic allotment increase of the 40% and the 75% that has to go to teachers, Austin ISD teachers are going to see about a \$4,000 increase.

Rep. Hinojosa ([00:50:34](#)):

Charter school teachers are going to see a \$14,000 increase. I don't know how my school district can compete with that. And so I would ask, and by the way I read the bill, I don't know they're going to spend that money on teacher pay raises because they're not obligated in the same way school districts are. But that's part of the largesse that charters are getting that I would ask that we look at in trying to balance everybody's interests and balance everybody's what our districts are getting because that does seem out of whack.

Chairman Buckley ([00:51:16](#)):

Thank you members. No more questions. Oh, I'm sorry. Chairman Dutton.

Rep. Dutton ([00:51:20](#)):

Thank you Mr. Chairman, I want to thank you and Mr. Vice Chair Bernal for working on this. This is always a complicated issue but one of the things that I want to follow up on I think that I think is Mr. Talarico, who raised the issue of the biggest problem in the bill seems to be related to the hold harmless provision. Is that correct?

Chairman Buckley ([00:51:46](#)):

It is the biggest problem for certain districts I think. I mean I don't know for sure that that's causing the problem. I don't know if it's district size because I know that some of the problems that Representative Bryant, we shared that same problem and you've got a district that probably has, I don't know, 90,000 kids. I don't, 35,000, I'm sorry, 135,001, and my district has 2000. Well we got the output is the same for kid, so that could be the problem, but it's hard for me to square how that issue, you know what I mean, is impacting both districts the same, but it may very well be.

Rep. Dutton ([00:52:30](#)):

Well one of the things I was wondering if I don't want to try this, but could you just succinctly explain the hold harmless and why that is in the bill? Why do we have the hold harmless provision?

Chairman Buckley ([00:52:50](#)):

So anytime you, when you do compression, maintenance and operation compression, and you have increase in homestead exemptions, then that changes] because of a legislative trigger that changes sort of the mix of funding in a school district. In other words, it is going to decrease the amount that they can raise locally because the tax rate goes down, the values go down if you do the math, that creates fewer dollars and so hold harnesses are in here and they've literally been layered in to try to fill the hole [00:53:30] someone if by doing that compression or those exemptions that someone takes a haircut in funding. And so that is designed to kind of hold them up, to hold them harmless. The desire is that over time, as you grow as a district and the economic and the metrics change about a district that you begin to grow out of that and the funding system, the school finance system sort of catches [00:54:00] up with them.

Chairman Buckley ([00:54:01](#)):

And this was in the effort to do that, to step those down because every time we were literally layering hold harmless after hold harmless after hold harmless through these efforts to provide tax relief. And so that's what the bill seeks to do. And also the hold harmless is really inequitable because it really does pick winners and losers. And so like I said, if we look at what the hold harmless is doing, we may find it impacting Houston or Salado significantly and we may find that it is all along that before with the hold harmless as is now might be a detriment to Galveston, it might be a detriment to Northside. And so that's the challenge of that and that's why we need to get in and work it out and figure out what we can do to get the outcomes that we desire for our districts.

Rep. Dutton ([00:54:54](#)):

Well thank you for that explanation Mr. Chairman and I asked that because I think there are people, as I've had to explain it to people, they always have this wide eye and they're trying to figure out what are y'all talking about about hold harmless and why do you need to do that? Because for the largest school district HISD, which has upwards of 190,000 students, I think the information we have is that the hold harmless provision is what causes a significant imbalance in the whole funding of House Bill 2. And I suspect that when trying to fix that, as you suggest fixing it means that some districts are going to be losers and some districts are going to be winners just by the nature of the hold harmless provision. And when we've done it in the past, that's always been at the top of the list is how to minimize the losers and selling about maximizing winners. And I hope, and I am sure when you're developing this bill further, that will be at the top of the priority list I hope.

Chairman Buckley ([00:56:24](#)):

Absolutely. Yeah. You have my commitment to that chairman and I've made that to other members on here and one of the things that I think we need to keep in mind that as a district was we try to grow them out of hold harmless. That is the process as all this is designed to increase the state share as that happens so that there's net less need to hold them harmless. And so we will work on that of what that really does, what the impact of the dollars we're putting into the system will have on those districts to get that right. And let's keep in mind that the basic allotment automatically increases under this bill every two years, which is also positive for the school finance system just in terms of dollars though it is not always dollar for dollar as you'll find amongst many districts. Mr. Chairman. Alright, thank you Representative Bryant?

Rep. Bryant ([00:57:29](#)):

Okay. I'd like to provide some clarification. This is not that complicated. In 2023 we passed property tax changes, but for the hold harmless language would've cost our school districts money because we compressed down, we compressed their tax rates and we granted a much larger homestead exemption and part of the bill then was to guarantee each district that if they lost because of that, the state would make up the difference. That's called hold harmless. We're going to make sure you're not harmed by the passage of the property tax reform bill. Your bill eliminates that protection. It's that simple and it is not complex because every district benefits from a hold harmless provision in the law that is being taken out. But lemme finish, it's being removed by HB 2, by this bill that we're speaking in going terms about, why is that happening is the first question and I would put that to you. Why are you taking it out?

Chairman Buckley ([00:58:57](#)):

Because the hold harmless provision to you, that is to the tune of \$85 million for Dallas. That is resources that are not available to other school districts. So what holds you harmless harms me. I'm not physically, you know what I'm saying? That's the point. That's absolutely the point.

Rep. Bryant ([00:59:25](#)):

You have the same hold harmless protection as Dallas has, as any other district has. We all have the same hold harmless protection. If you're harmed, the state's going to make up the difference. So you're not harmed in the current law. Your bill today removes that.

Chairman Buckley ([00:59:40](#)):

It steps it down over time. As districts grow, as they grow out of the harm, that is the intention of that. If not, if you continue to provide this baseline and they grow, then the equity between districts begins to expand because of that hold harmless provision.

Rep. Bryant ([01:00:02](#)):

Well, I would just point out that I stand on what I've said and I think it's irrefutably the case, but I'd also point out that I know why it was done. It was done so you could provide these lavish increases to charter schools that Representative Hinojosa referenced earlier, and so you can provide an extremely generous increase in the incentive of funding for incentive teacher pay later on.

Chairman Buckley ([01:00:32](#)):

You mean the teacher incentive allotment that is basically that is built around the system. Your district at Dallas ISD uses, they are the poster child for merit pay for teachers. That's right. They are the biggest fan of teacher incentive allotment. As of yesterday sat in my office to tell me just how important merit pay and teacher incentive allotment is to Dallas ISD.

Rep. Bryant ([01:00:53](#)):

Well I think I talk to Dallas ISD more than the chairman does. I can tell you what they said is that we don't need and nobody needs that much money for the teacher incentive allotment. That's what's excessive here and the money going to charter schools and that's why you pulled out the hold harmless language that all districts benefit from to get the money to do that.

Chairman Buckley ([01:01:17](#)):

That is absolutely not true. The charter money is built around the small and mid-size adjustment and there was not an effort to say, let's do this so that we can get the hold harmless for...

Rep. Bryant ([01:01:31](#)):

It's just curious that the \$900 million you're talking about...

Chairman Buckley ([01:01:37](#)):

It's curious as you would argue against one of the greatest benefits of Dallas ISD, which is merit pay for their teachers and staff. Everybody in Dallas ISD participates. This creates enhanced TIA so that everyone on a school campus can benefit from outstanding performance. And I appreciate Dallas ISD, your home district for their hard work over the years to be the model of teacher merit pay and the

teacher incentive allotment. And the enhancements are good for Dallas, they're good for Salado, they're good for Killeen. And I mean, best of all, they're good for kids, absolutely good for kids.

Rep. Bryant ([01:02:18](#)):

Nobody here is talking about whether TIA is good or bad. The point is that whoever wrote the bill, if it was the chairman or if it was the commissioner of education or whoever else played a role in it, wanted a whole lot more money in the teacher incentive allotment than the school district that the most of it Dallas needs. And the same was the case with the charter schools and the amount of money put into those is just about the same as the amount of money you've taken away from districts by eliminating the language that make sure that they were not harmed by tax reform. And that's what you've taken out in the bill. It should not be obfuscated and we shouldn't be mixing all of these terms up. The full point is language that was promised to them in 2023 if they would not be harmed by tax reform is being removed by House Bill 2, and that's the problem that these districts have that I've mentioned that are suffering so much.

Chairman Buckley ([01:03:23](#)):

My commitment to you is again, will be that we will look at that and we'll look at the impact and to make sure that we get the types of results that impact our districts more fairly from top to bottom, the biggest to the lowest. You have my word. Dr. Allen.

Rep. Allen ([01:03:48](#)):

Thank you, thank you. Thank you very much. Just for the record, I want to say that I too think this meeting should have been livestreamed. What are we hiding? This is one of the biggest bills that we are going to pass in this session between the two bills. And so I think the public should be made aware with all of the good things that we've talked about today that are in the bill and some of 'em all significant, but I cannot add in good conscious vote for the bill because there's so many things lacking. First of all, the \$8 million, this, the billion dollars, this going into the bill is not enough. It's simply a Band-Aid. And I know some superintendents may be grateful for anything they get, but it does not significantly increase the amount of money that they need and it will not put us back to the 2019 budget.

Rep. Allen ([01:04:52](#)):

So with that in mind and that in mind, I think the basic allotment, which is for now \$395 is certainly not enough. That's not enough. Also, I'm concerned about the teachers of five years to 10 years getting a raise, but the other teachers are not. And so we are not really, we have said to teachers, you're going to get a raise. And so all of them are expecting a raise, but we're only giving it to a few because we're giving it to the five to 10. That does not attract new teachers to the profession. So I think we need to at some point think about that and I know that it's expensive and costly, but it's something that needs to be done. I also would like to see the pre-K, which is a \$200 million for all day. That makes sure that we put that money in.

Rep. Allen ([01:05:56](#)):

I remember when we put \$250 million in and then went back and took \$250 million out. I want to make sure that that does not happen again. I want to bring that to your attention. Okay, so with that in, and we don't have staff development money, we definitely need that. I know we have that incentive money to go into growing our own teachers, but if they're already in the system and they are aides or other

positions in the school district that we take those people and encourage them to become teachers and pay for their tuition or whatever they have to go through.

Rep. Allen ([01:06:41](#)):

And again, let me talk about uncertified teachers. If you look at the numbers that come out of TEA for the success that the children have made this school year, you're looking at something like 40 some percent of all the children passing the test. Okay? So we can see the harm that has done. And so with that uncertified teaching, we have lost generation of children already. We cannot afford to lose another generation because this is harming our kids and we must keep our kids in mind. Not only that, not only this generation, it will harm the next five generations before you can get teachers up to snuff and get all certified teachers back into the classroom. Those are some of my concerns. And so with that in mind, I will not be voting for the bill today.

Rep. Schoolcraft ([01:07:41](#)):

Mr. Chairman, does this bill still have it? The guarantee that every district will get at least \$200 additional new money per student?

Chairman Buckley ([01:07:52](#)):

Yes sir.

Rep. Schoolcraft ([01:07:54](#)):

Okay. So when we discuss harm, it sounds to me like it's just a discussion on whether or not some of the things they're getting enough new money, they're being harmed if they don't get what they think they should get.

Chairman Buckley ([01:08:08](#)):

Members. Any more questions? Alright. Is there objection to the adoption of the committee substitute? Chair hears none. Substitute is adopted. The chair moves that House Bill 2 as substituted to be reported favorable to the full house with the recommendation that it do pass and be printed and the clerk will call the roll.

Clerk ([01:08:31](#)):

Chairman Buckley. Aye. Vice-Chairman Bernal. Yes. Allen? No. Ashby. Aye. Brian? No Cunningham. Aye. Dutton Aye. Frank Aye. Hinojosa. Aye. Hunter. Yes. Kerwin. Aye. Leach. Aye. Leo Wilson. Aye. Schoolcraft Aye. Tallarico. Aye.

Chairman Buckley ([01:08:58](#)):

There being 13 ayes and two nays. [01:09:00] The motion prevails.