



Texas Education Agency

SB 1 89th Legislature

Strategic Plan Overview

EVERY CHILD, PREPARED FOR SUCCESS IN COLLEGE, CAREER, OR THE MILITARY

STRATEGIC PRIORITIES



Recruit, support and retain teachers and principals.



Build a foundation for reading and math.



Connect high school to career and college.



Improve low-performing schools.



SB 1: Highlights of TEA Article III 2026-27 Budget



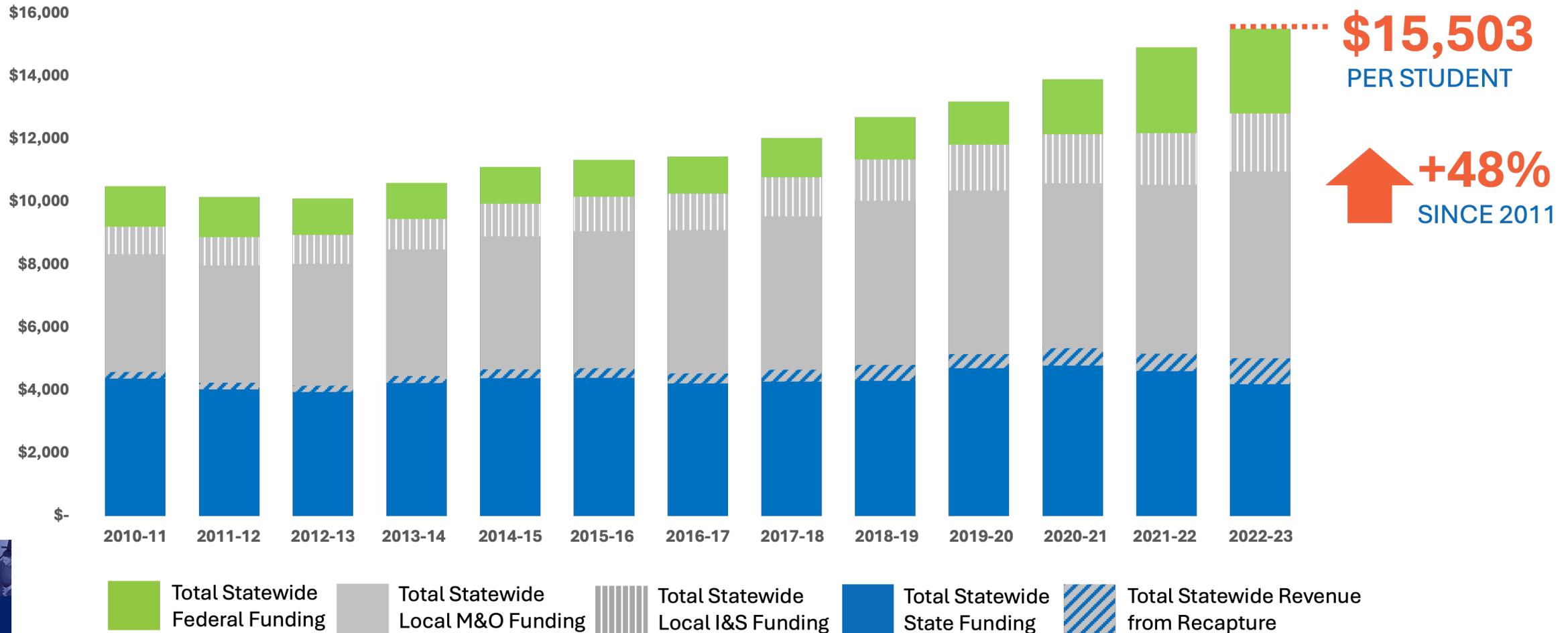
Method of Finance	FY 2022-2023 (GAA)	FY 2024-2025 (Base)	FY 2026-2027 (SB1)	Biennial Change 2024-25 – 2026-27
State Funds*	\$54.0 B	\$64.2 B	\$75.1 B	\$10.9 B
Federal Funds	\$11.8 B	\$12.5 B	\$13.7 B	\$1.2 B
All Funds**	\$65.8 B	\$76.7 B	\$88.8 B	\$12.1 B

*Includes recapture

** Does not include Local or Other Funds



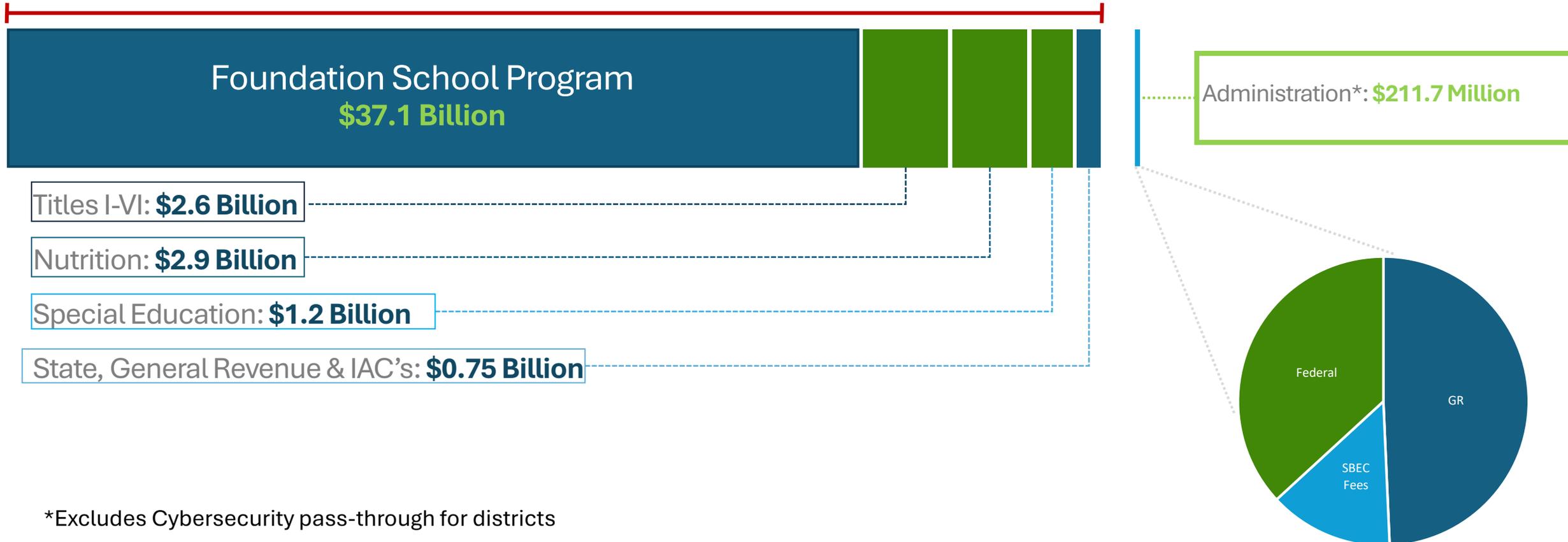
ANNUAL FUNDING PER STUDENT



FY 2026 TEA Agency Budget: \$211.7M vs \$44.8 Billion

The Texas Education Agency is responsible for the wise fiduciary stewardship of **\$44.8B** in state and federal funding and agency administrative costs totaling **\$211.7M***

Pass-through Dollars



*Excludes Cybersecurity pass-through for districts

Improving TEA Staff Connections with Schools

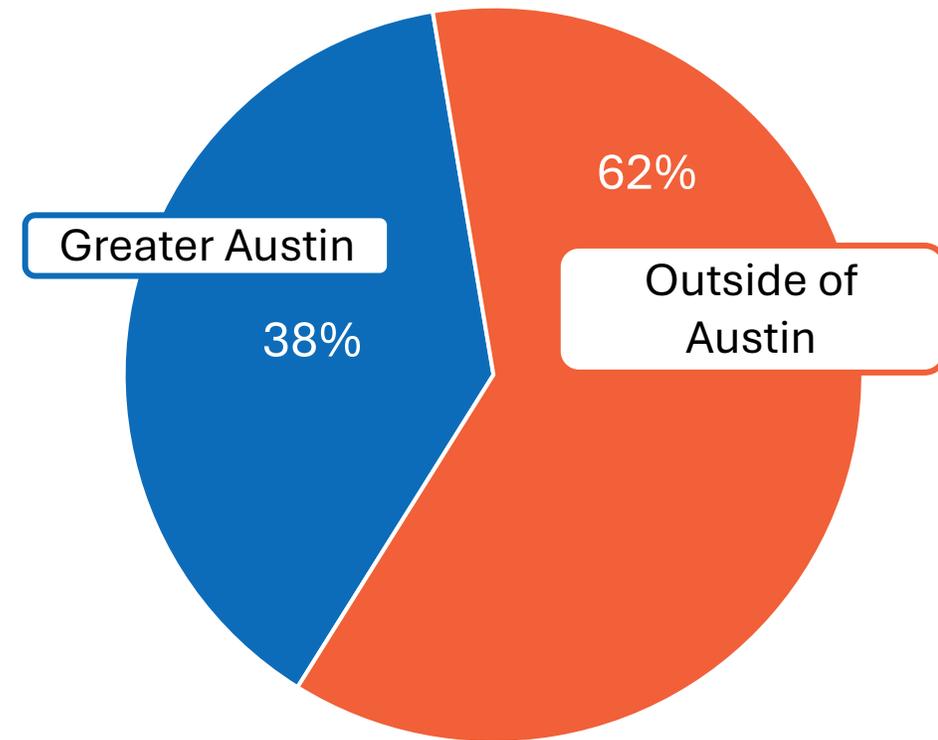
Rider 82: Space Planning and Utilization

TEA's hiring practices have enabled TEA to reduce its facilities footprint, recruit talented staff from all regions of the state, and save state funds each year moving forward.

Rider 82: Space Planning and Utilization provided \$3.8 million for TEA to consolidate its footprint

- ✓ Downsized from 9 floors to 5:
 - ✓ Relinquished ~7,000 sq. ft. of leased space at Moody Bank Building (eliminating 2 floors of TEA use) and ~14,000 sq. ft. at an external warehouse
 - ✓ Downsized from 7 to 5 floors within WBT building

TEA Employees Workplace Assignment by Percentage





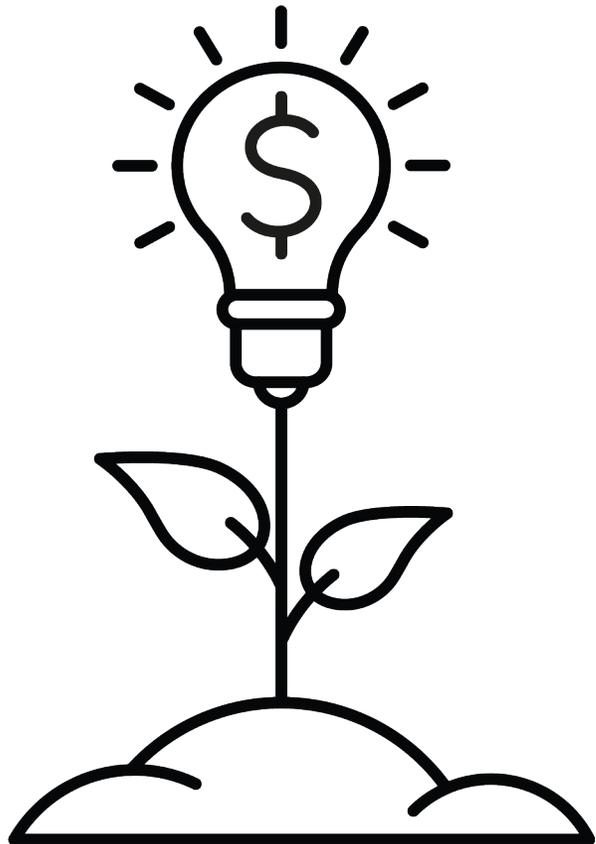
SB 1: TEA

SB 1: Highlights of TEA's 2026-27 Budget

- ✓ Fully funds current law requirements for the Foundation School Program
- ✓ Sustains funding for core, ongoing programs, while removing one-time items from prior Legislature
- ✓ Continues funding for all 24-25 biennial legislative actions and funding priorities



SB 1: New Initiatives for TEA in 2026-27



- ✓ Included in amounts appropriated above to the Texas Education Agency (TEA) and identified below in subsection (f) is an estimated \$51.0 billion for the 2026-27 biennium to provide new tax relief and to maintain tax relief provided by the legislature following the enactment of House Bill 3, Eighty-sixth Legislature, Regular Session.
- ✓ \$400M as a contingency for SB 260 relating to the school safety allotment under the Foundation School Program.
- ✓ \$1.0B as a contingency for Education Savings Accounts.
- ✓ \$4.1B for Increased Teacher Compensation including \$50M for Teacher Retirement System to incorporate the increased compensation.
- ✓ \$750M for Increased Teacher Compensation through increases in the Teacher Incentive Allotment.

SB 1: New Initiatives for TEA in 2026-27

- ✓ \$23M for Texas Strategic Leadership Support to support Regional Education Service Center District Leadership Coaching Teams; Specialized Leadership Coaching Teams; technical assistance; performance management data tools and processes; and Texas Leadership Academies for Public Education.
- ✓ \$2.7M for the **Santa Fe Ten Memorial** to assist in the creation of a memorial that remembers and honors those who died, and all individuals impacted on May 18, 2018, by the Santa Fe High School shooting.
- ✓ \$2.0M each year for Preschool-Aged Children's Food Security Grant Program to provide a grant to Kids' Meals to provide free, healthy meals to hungry preschool-aged children and provide their families with resources to help end the cycle of poverty.





TEA's 2026-27 LAR: 89th Exceptional Items

1. **Complaints & Misconduct Investigations Support: \$17.7M biennial total**

To ensure appropriate oversight and reduce the likelihood of harmful statutory violations in our schools, TEA requests \$3.5M per year to expand the overall investigative team, \$4.6M per year to replace lost SBEC fee revenue that funds the existing investigative team, and \$1.4M to deploy a more effective case management software system to handle the growing volume of complaints.

- The volume of general complaints has more than doubled in recent years (1,265 in FY2019 to 2,595 in FY2023)
- There were more than 12,500 educator misconduct matters in FY2023.

2. **NEW OER Support: \$1 (TBD via Supplemental Appropriations)**

- HB1605 included Texas Education Code 31.0752 that requires TEA to provide a program to assist school systems in using open education resource instructional materials. This program provides funding that covers the cost of training for teachers, principals, and district leaders on how to best use the state's Bluebonnet Learning instructional materials.
- Base level funding has been provided given upon estimates of demand at the time HB 1605 was adopted.
- Demand for this kind of implementation support has come in significantly higher than original estimates (more than 2x).
- Additional funding would allow the agency to provide funds to more districts who have requested funds to ensure strong implementation of Bluebonnet Learning.

3. Special Education: \$1 (TBD by Legislation)

The 87th Texas Legislature established the Texas Commission on Special Education Funding to evaluate and offer recommendations related to state special education funding.

- Reforming current funding mechanisms and targeting new investments so that funds better match the specific and varied costs of delivering special education services.
- Requires statutory changes

4. **Teacher Preparation: \$1 (TBD by Legislation)**

More than 34% of new teachers in FY2024 were uncertified, up from 13% in FY2020. Evidence shows that certain teacher preparation pathways lead to greater teacher retention and better student outcomes. Governor Abbott's 2023 Teacher Vacancy Task Force report identified training and support as a critical area in need of attention, especially for those entering the teaching profession.

- Improving initial teacher preparation, including expanding investments in the teaching pipeline and high-quality preservice preparation programs.
- Expanding existing investments in new teacher mentoring
- Requires statutory change

5. **Strategic Teacher Compensation: \$1 (TBD by Legislation)**

Another recommendation from Governor Abbott's 2023 Teacher Vacancy Task Force report is to increase teacher compensation. While average teacher pay in Texas has grown markedly, reaching roughly \$62.5k in the 2023-24 school year, inflation is a concern, and teacher compensation still remains structured in a way that is quite flat – the typical teacher receives a very small raise each year, regardless of performance or duty area.

- The Task Force recommended increases in overall and strategic compensation practices, enhancements to total compensation packages, and the implementation of more targeted incentives for hard-to-staff areas .
- Requires statutory change

6. **Windham School District: \$14.7M biennial total**

Windham is requesting to continue funding the expansion of their academic, life skills and career and technical education (CTE) to new campuses.

- Expansion is for eligible students within the Texas Department of Criminal Justice (TDCJ).
- Includes 86 additional staff including 49 teachers.
- The 11 campuses provides 1,080,374 contact hours per year to 5,739 students.





TEA LAR: Riders

- ✓ Combined 14 Special Education riders into a single rider (Rider 17) for transparency of funding directives, with minor changes for a few of the riders outlined in rider justification
- ✓ Added Unexpended Balance (UB) authority to several riders for flexibility in spending. Including the below new riders:
 - Unexpended earned federal funds, to ensure federally required actions that cross a state fiscal year can be completed
 - Capital Budget Acquisition of Information Resource Technology
- ✓ Clarified several riders to increase transparency of funding and ability to provide better data regarding programs.
- ✓ Removed three one-time funding riders and reports





Questions?



Appendix

- **Rider 3:** Updates School Finance estimates per statutory and Comptroller projections to ensure full funding of entitlements.
- **Rider 8 & 51:** Aligns riders with HB 1605, High Quality Instructional Materials and OER statutory changes
- **Rider 38. Permanent School Fund Distribution Rate.** Recommended moving this rider (with minor modifications) to the bill pattern of the Permanent School Fund Corporation.

- **Rider 11. Reimbursement of Advisory Committee Members.** Added *Open Education Resource Advisory Board* and *1836 Project Advisory Committee* and removed *Texas Commission on Virtual Education*.
- **Rider 24. Limitation on the Transfer and Use of Funds.** Increased transfer authority to \$10M from \$8M (kept LBB approval authority/oversight), increased administrative transfer, and aligned transfer approval process with other TEA LBB approval processes.
- **Rider 26. Funding for Juvenile Justice Alternative Education Programs.** Removed transfer language to align with Rider 27 transfer authority to another state agency.
- **Rider 37. Capital Budget Expenditures from Federal and Other Funding Sources.** Revised language to allow for a broader range of unanticipated needs related to new federal programs.
- **Rider 45. Teach for America.** Removed outdated language that was added to rider in 2015 (84th) as the plan was created and implemented. Also removed reporting requirement as the grant rules/guidelines contain the same reporting elements.
- **Rider 58. College and Career Readiness Models.** Removed T-STEM due to statutory expiration of program.
- **Rider 59. Public Education State Funding Transparency.** Edited rider to require the same reporting requirement for both years and removed “other factors impacting public education” as these factors are not defined.



- **Rider 62. Interstate Education Compacts.** Increased transfer to align with increased compact dues.
- **Rider 65. Mobile STEM Laboratory Grant Program.** Removed one-time funding that was provided to increase the number of labs, added the new minimum number of labs and biennialized the FY2025 per-lab maintenance amounts.
- **Rider 69. Local Designation Systems and Teacher Incentives.** Increased the estimated fees and projected allotment due to: underestimation of previous GAA, the growth of the program (from 240 participating districts to 600 participating districts and 25K designated teachers in FY24 compared to projected 75K in FY26) TEA anticipates a larger number of districts starting in FY 2026 than FY 2027.
- **Rider 70. Reporting Requirement: COVID 19 Funding to School Districts.** Clarified that for the 89th Session, the report will be “final” as the funds are expiring.
- **Rider 71. Salary Increase Maintenance for District Employees.** Deleted rider as it is no longer necessary.
- **Rider 72. Cross Agency Coordination on Available Out of School Time Funding.** Deleted rider as it is no longer necessary.
- **Rider 73. Supplemental Special Education Services Program.** Clarified that the rider is no longer for a pilot program and leveled out the funding each year. Deleted text that was contingent on legislation to extend the program expiration date as that was done in the 88th.
- **Rider 75. Funding for Various Programs at the Texas Education Agency.** Renamed rider – Fatherhood and Parental Involvement in Literacy Campaign – as this rider only supports one program.
- **Rider 76. Strong Foundations Grant Program.** Edited rider to ensure data collection and analysis to monitor programs.



Other Rider Changes

- **Rider 78. Interagency Cybersecurity Initiative for Public Schools.** Removed dollar amounts per LBB instructions. (Request is for funding to be restored as TEA does not believe this is one-time)
- **Rider 79. Civics Training Program.** Added an additional \$14,625,000 on top of the \$29,250,000 biennialized amount included in our base, per LBB.
- **Rider 80. Texas 1836 Project.** And **Rider 81. Texas 1836 Project Pamphlet.** Combined Rider 80 and 81. Eliminated the administrative funding per LBB directions. TEA does not agree that these administrative funds were one-time.
- **Rider 82. Space Planning and Utilization.** Updated rider language for new report.
- **Rider 89. College Career and Military Readiness.** Deleted rider for one-time evaluation requirement.
- **Rider 90. Interactive Online Learning Grant Programs.** Added up to \$300,000 in administrative and technical support for the program.
- **Rider 92. Financial Aid for SWIFT Transfer.** Added a reporting requirement from TEA to LBB on amount transferred to THECB to increase transparency.
- **Rider 93. Property Tax Relief.** Deleted subsections (c), (d), and (e) as they are no longer applicable, they were contingencies for additional tax compression in the previous biennium.
- **Rider 94. Contingency for Public Education Funding.** Original rider (a & b) has been incorporated into pre-existing riders where appropriate per LBB instructions. Original Rider (c) is removed as there are no FSP funds in this new rider.
- **Rider 95. Contingency for House Bill 1225.** Consolidated this rider into Rider 12.

