

Texas HB2 Article 5: Sections 5.27-5.32 - Incentives and Likely Results

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1 Opinionated Executive Summary: Control Through Complex Distribution Mechanisms

This law creates elaborate funding schemes that appear to support early education but actually increase state control over local decisions through complex distribution formulas and punitive mechanisms. Here are the main unintended results:

1.0.1 State Control Through Funding

The new funding rules for full-day prekindergarten give the state control over how districts use their resources. Schools must follow state-set rules instead of deciding what works best for their students.

1.0.2 Limited Choices for Literacy Programs

The Early Literacy Intervention funding helps pay for reading programs, but it forces schools to use state-approved methods. This limits schools from choosing the best reading programs for their students. Good for publishers, bad for districts.

1.0.3 Third Grade Grants Will Punish Schools

The Third Grade Supplementary Supports rule says that if students who got grants still fail reading tests in third grade, the district loses future funding. This punishes schools for things they often don't control and blames teachers instead of addressing those factors outside teacher control e.g., home environments, discipline, parent preference). This may be the craziest section yet.

1.0.4 WAY Too Much Paperwork

The new rules require schools to track, report, and follow many complicated programs. Schools spend more time filling out forms instead of focusing on teaching. This adds a lot of extra work that takes away from helping students. In the face of all this added bureaucracy, I don't know why anyone will still want to be a teacher. Teaching is becoming a smaller and smaller part of what 'teachers' are expected to do.

1.0.5 Detrimental Focus for Schools

Schools will have to start making decisions based on what brings in the most state money, not what helps students the most. The funding rules push schools to follow certain programs, even if they don't match the needs of local students or communities.

1.0.6 State Control Sneaking In Under the Guise of Support

These funding rules make schools follow state-approved methods. They give the illusion of more support but actually make schools more controlled by the state instead of being able to respond to local needs.

1.0.7 The Real Problem - Central Planning NEVER Improves Anything

These rules change early education funding from a system that schools can manage to one controlled by the state. They promise help but actually make schools more dependent on the state. The result is less control for local schools, more paperwork, and decisions based on rules instead of what students actually need.

2 Detailed Analysis

2.1 Main Table

Search:

Category	Incentive Created	Intended Result
All	All	All
Full-Day Prekindergarten Early Education Allotment Distribution Priority	Agency shall provide funding to districts operating full-day prekindergarten programs based on one-half average daily attendance for each student in program	Provide enhanced districts operating full-day prekindergarten programs with adequate resource instructional time
Full-Day Prekindergarten State-Determined Distribution Mechanism Authority	Agency shall distribute early education allotment money according to state-determined distribution mechanism instead of standard district allocation	Ensure efficient use of early education funds supporting full-day programs through various methods
Full-Day Prekindergarten Proportional District Entitlement Distribution	If funding remains after full-day program distribution agency shall provide proportional amounts based on district entitlement under Section 48.108(a-1)	Maintain equitable distribution of early education funds while providing prior prekindergarten program support
Early Literacy Intervention Annual Student Allotment of \$250 Base Amount	School district entitled to annual allotment of \$250 or greater appropriated amount for each enrolled student receiving reading interventions under Section 28.0064	Provide dedicated reading intervention for students identified for literacy instructional support
Early Literacy Intervention Funding Exclusion for Title I Compensatory Education Recipients	School district may not receive literacy intervention funding for students already receiving allotment under compensatory education Section 48.103	Prevent double funding for districts do not receive intervention mon supported through education program
Early Literacy Intervention District Enrollment Percentage Cap at 10 Percent	School district may receive literacy intervention funding for not more than 10 percent of students enrolled in kindergarten through third grade	Establish reasonable intervention funding sustainability and avoid over-identifying
Third Grade Supplementary Supports Grant Amount \$400 Per Student Eligibility	Student entitled to receive \$400 grant amount for each grant eligibility under Section 28.02111 or greater amount provided by appropriation	Provide financial support to districts for students educational support students achieve

2.2 Supplemental Tables

Title



All

INCENTIVE CATEGORY ANALYSIS

Incentive Category

All

Early Literacy Intervention Annual Student Allotment of \$250 Base Amount
Early Literacy Intervention District Enrollment Percentage Cap at 10 Percent
Early Literacy Intervention Funding Exclusion for Title I Compensatory Education Recipients
Education Code Section 28.006 Multiple Subsection Repeal Elimination
Education Code Section 28.007 Complete Section Repeal Elimination
Education Code Section 7.058 Repeal Elimination
Full-Day Prekindergarten Early Education Allotment Distribution Priority
Full-Day Prekindergarten Proportional District Entitlement Distribution
Full-Day Prekindergarten State-Determined Distribution Mechanism Authority
Funding Sections Immediate September 1 2025 Effect Date
Implementation Timeline 2025-2026 School Year Beginning Date
Implementation Timeline 2027-2028 School Year Beginning Date for Specific Sections
Legislative Article Conflict Resolution Priority Establishment
Third Grade Supplementary Supports Commissioner Final Determination Without Appeal Rights
Third Grade Supplementary Supports District Funding Penalty for Failed Assessment Performance

Title



All

NEGATIVE RESULT CODE FREQUENCY

Negative Result Code

All

C
D
E
F
G
A

Title



All

KEY CODED PATTERN FINDINGS

Finding	Description
All	All
Most Universal Negative Pattern	Codes C, D, F appear in
State Dependency Complete Penetration	Code C (state dependen
Accountability Substitution Universal Impact	Code D (accountability
Administrative Burden Nearly Universal	Code E (administrative
Local Control Complete Elimination	Code F (local control re
People-as-Problem Concentrated Pattern	Code G (people as prob
Extrinsic Motivation Funding Corruption	Code A (extrinsic motiv
Most Problematic Policy Areas	Third Grade Supplemer
Future Punishment Mechanism	Third Grade Supplemer

Title



CODED ANALYSIS SUMMARY STATISTICS

Metric
Total Incentives Analyzed
Most Problematic Code
Most Frequent Code Combination
Policy Categories with Code C
Policy Categories with Code F
Average Codes per Incentive

2.3 Key List of Likely Negative Results

2.3.1 The evaluation codes are based on these axioms:

- Central planning (one size fits all) degrades everyone's performance
 - Makes nearly every district action a legal matter
 - Robs people of pride in their work
- Efforts at 'accountability' will not improve performance of anyone
- Cooperation within an organization is far more effective than competition
- All incentives work; some promote and some pervert the *intention* of the incentive

Search:

Code ♦ Likely_Negative_Result ♦

A	Decreases intrinsic motivation in favor of extrinsic motivation
B	Decreases cooperation within districts in favor of competition for resources
C	Increases dependency on State funding and bureaucracy
D	Substitutes 'accountability' for improvement of the system people work in
E	Increases district administrative burdens
F	Decreases local control and flexibility
G	Treats people as the 'problem', instead of the system they work in

Showing 1 to 7 of 7 entries

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3 Interesting Counter-Intuitive Implications

Counter-Intuitive Pattern

Success Becomes Punishment
Help Creates Future Harm
Support Generates Dependency
Flexibility Eliminates Choice
Assistance Increases Burden