



Center for Education Policy: Review of the 82nd Session of the Texas Legislature

By James Golsan, Education Policy Analyst

SCHOOL FINANCE

- ★ Texas did not manage to pass a school finance plan during the regular session. However, many of the provisions in the plan that nearly passed, SB 1581, can be seen in the school finance measures of SB 1 in the special session. The plan did not make many structural changes to public education. The Foundation School Program would have distributed around \$17 billion annually. Texas would have seen cost savings reductions in the manner it funds the Teacher Retirement System, Early Graduation Programs, tuition exemptions, and the Advanced Placement program, but few outright eliminations.
 - ★ SB 1581, the central piece of school finance legislation, would have changed the payment period for the installment of the Foundation School Fund totaling 15 percent of the yearly entitlement of a category 2 school district from on or before the 25th day of August to after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the 22 percent installment payment made to the district on or before the 25th day of September of a fiscal year.
 - ★ Another important component of the new school finance formula was to reduce the state's obligation to cover gaps school districts might generate for themselves in the event that they created a maintenance and operations (M&O) tax rate that was below the rate equal to the product of the state compression percentage multiplied by the M&O tax rate adopted by the district for the 2005 tax year. This would have reduced the district's entitlement to additional state aid to local revenue losses resulting from prior tax rate reductions.
 - ★ Determining how to allocate available money to our public schools is still being determined in the special session.
- However, what is likely is that the school finance formula will look very much like what almost went through on what was originally SB 1581, and then SB 1811. The final plan was a “hybrid” model between two competing school finance approaches, those of the House and those of the Senate.
- ★ There were two ideological differences in the approaches. The House favored “proration,” which would have been a short term fix for the budget and would have necessitated another school finance formula in 2013. The Senate approach was long term, and created a sustainable school finance formula.
 - ★ The second split between the two approaches was how to distribute a budget reduction that totaled at around \$4 billion. The House approach would have distributed the cuts evenly, making every school district take a 6 percent funding cut. The Senate plan would have placed more of the burden on property rich school districts, shielding less well funded school districts from the worst of the cuts.
 - ★ The hybrid approach that nearly passed would have resulted in a 6 percent cut to all schools during 2012. This would have covered \$2 billion of the shortfall. In 2013, The Senate model would have gone into effect. 1.5 of the final \$2 billion would have been covered by wealthier school districts, with smaller districts only covering the final half billion.

SCHOOL CHOICE

- ★ During the 82nd Legislative Session, several strong bills were filed with the aim of improving school choice. Currently, Texas has a hard cap of 215 charter schools in the state. The proposal that made it the farthest was SB 127, which addressed not only the existing charter cap, but

also charter schools for students with special needs, and accountability concerns over the creation of new charter schools. SB 127 would have raised the charter cap at a rate of 10 new charters per year. Under the law, two additional charters could have been granted specifically for students with special needs that would not have counted against the charter school cap. The new accountability measures included a lengthy vetting process for new charters, as well as a number of ways to improve, or if necessary revoke the charters of schools that were failing to meet the performance standards mandatory in Texas for retaining one's charter.

- ★ Unfortunately, SB 127, despite successful trips through the Senate and House Public Ed, did not reach the House floor in time for a vote.

VIRTUAL EDUCATION

During the 82nd Legislative session, three bills—with three highly different approaches—were filed with the aim of expanding digital learning in Texas. Those were:

- ★ HB 2843 would have expanded the existing TxVSN, and greatly increased the flexibility options for participating students.
- ★ HB 3280 would have allowed school districts to run their own virtual shops, with minimal state over-site. The principle behind the bill was to allow schools to address the specific needs of their student body at a minimal cost to the state.
- ★ SB 1483, which was written in conjunction with Governor Rick Perry's Texas Virtual High School initiative. SB 1483 represented the most drastic and most expensive means of expanding virtual education in Texas. Senator Shapiro's bill would have greatly increased the existing technological infrastructure for Texas virtual schools, and brought the funding for such programs under the umbrella of the Foundation School Program, rather than have them funded through a specific line item in the budget.

None of these bills made it to the governor's desk, although virtual education expansion remains possible in the special session.

INCREASING EFFICIENCY

- ★ The most aggressive approach to increasing public school efficiency was embodied by HB 400, which affected unfunded mandates such as class size and the teacher salary schedule. HB 400 reached the House floor, but was repeatedly shot down on the House floor on points of order, and failed to move through the House.
- ★ SB 8 was filed to create greater flexibility for the board of trustees for a school district, with a similar goal of reducing mandate burdens and creating an environment in which school districts could control their financial situation more aggressively. The bill was unable to progress through House Public Education.

PRE-KINDERGARTEN & TESTING

- ★ Perhaps the positive byproducts of the budget shortfall were the things that it prevented from occurring. As the state sought to cut education funding rather than enhance it, no legislation made it any sort of meaningful distance through the legislature in regards to expanding pre-kindergarten in Texas.
- ★ Further, the landmark gains of HB 3 from the 81st Texas Legislature, a bill that shifted the state away from our traditional testing measures and toward high accountability end of course exams (The STAAR Test) were successfully defended against HB 500. Though the stated aim of HB 500 was to ease the transition process into the end of course exams, it would have been a step backwards regarding student accountability, and defeating it was a strong victory for those eager to see a more college and workforce ready student body in Texas.

