

82<sup>nd</sup> Legislative Session

Frequently Asked Questions (FAQ)

1) In the state budget for the 2012–13 biennium, does the state provide funding for:

• **Student Growth?**

Districts will receive funding for *all* students enrolled in our public schools—new and previously enrolled students—just at a reduced amount. The Legislature did not appropriate enough to maintain *current* per student funding levels through the next two years, given the estimated growth in student enrollment (180,000 new students). Consequently, districts will receive less state funding *per student* during the next two school years than they received during the prior two years.

• **Facilities Programs?**

NIFA: The New Instructional Facilities Allotment (NIFA) provided districts with \$250 per student in average daily attendance (ADA) at a newly opened campus during the first year of the campus' operation and \$250 per additional ADA at that campus during its second year of operation. Funding for NIFA has been eliminated.

IFA: Funds have been provided to continue state support for Instructional Facilities Allotments (IFA) issued during prior years. But the Legislature did not provide funding for new IFA grants.

EDA: State funding for the Existing Debt Allotment (EDA) will continue for all eligible bonds.

• **High School Allotment?**

Funding continues at the same level. Districts will continue to receive \$275 for every student in grades 9–12.

• **Accelerated Instruction?**

State support for accelerated instruction is provided through the state's Student Success Initiative (SSI), which encompasses a number of programs. SSI funding for the 2012–13 biennium has been reduced to \$23.5 million (a 92 percent decrease from the 2010–11 biennium) for the general purpose of "preventing academic failure."

2) Did the Legislature eliminate the target revenue system?

Senate Bill 1 (SB 1), passed during the special session, reduces target revenue to 92.35 percent of its current level during the 2012–13 school year and repeals target revenue as of September 1, 2017. However, it is unclear how target revenue will be further reduced beginning with the 2013–14 school year until its presumed repeal. SB 1 simply contains a nonbinding statement of intent that the Legislature will continue to reduce target revenue. A future Legislature may, therefore, continue to reduce target revenue, may repeal it immediately, may restore it, or may even increase it.

3) Did the Legislature "fix" the school finance system?

No. The school finance system remains both inequitable and inadequately funded.

**4) How can some legislators claim that the Legislature added \$1.6 billion, or 5.6 percent, more funding for public education in the upcoming two-year budget than the previous biennium when school districts across the state will be receiving less funding during the next two years than they received during the last two years?**

In 2009, the Legislature used \$3.4 billion in *one-time* federal stimulus money to fund the Foundation School Program (FSP) in the state's 2010–11 budget. In 2011, the Legislature attempted to fill that \$3.4 billion funding gap in the 2012–13 budget by adding \$1.6 billion more state general revenue than was used in the 2010–11 budget. As a result, some people are claiming that the 82<sup>nd</sup> Legislature increased funding for public education by \$1.6 billion over the last biennium. What they fail to mention, however, is the remaining \$1.8 billion hole in FSP funding resulting from the loss of the federal stimulus funds. And, they fail to mention that approximately 160,000 more students will enroll in Texas public schools during the next two years, which will increase the cost of public education by approximately \$2.2 billion. Adding the \$1.8 billion loss of federal funds and the \$2.2 billion cost for enrollment growth, the 82<sup>nd</sup> Legislature actually underfunded public education by \$4 billion in the 2012–13 state budget, as compared to the prior biennium.

**5) What does the change to funding through the appropriations process mean for the future of school finance?**

Early drafts of the school finance legislation would have allowed school finance decisions to be determined by the state's appropriations process rather than through the House and Senate education committees. This would have substantially increased the likelihood that funding for schools would be based on how much revenue the state has to spend, rather than on how much the school finance formulas calculate the state needs to spend on public education. However, the school finance bill (SB 1), which ultimately passed, does not contain provisions allowing decisions about school finance to be set through the appropriations process. Therefore, school finance decisions will continue to be made by the education committees.

**6) Is there a chance that public education will receive additional funding through a constitutional amendment?**

As a result of House Joint Resolution 109, voters will have to affirm or reject a constitutional amendment on the ballot for the November general election. The constitutional amendment is described as follows:

The constitutional amendment clarifying references to the permanent school fund, allowing the General Land Office to distribute revenue from permanent school fund land or other properties to the available school fund *to provide additional funding for public education*, and providing an increase in the market value of the permanent school fund for the purposes of allowing increased distributions from the available school fund.

If this constitutional amendment succeeds, Senate Bill 2 appropriates \$150 million each of the next two school years from the available school fund to public education. However, these additional funds will be offset by a matching reduction in state general revenue funding. Thus, passage of this amendment will not result in any additional funding for public education.