

State Revenue Estimate/Initial House Budget Paint Bleak Picture

Lawmakers were not greeted with good news after the 2011 Legislative Session convened. **Comptroller Susan Combs** estimated that the state will have \$72.2 billion to spend on general purposes during the next two years. When federal funds—and their associated expenditures—are added, Texas will have \$177.8 billion to spend. Unfortunately, this is over \$25 billion short of the amount the state needs to maintain current programs and account for population increases.

The Comptroller did not state that Texas continues to outpace the nation in terms of job creation and has recouped more than half of all the jobs lost during the recent recession. We are expected to regain all lost jobs by 2012. Additionally, Combs predicts that the state economy will grow by 2.6% in fiscal year 2011, by 2.8% in 2012, and by 3.4% in 2013.

While it is not unheard of for the revenue estimate to be revised upward as new information comes to light, expect the legislature to be extremely conservative and operate under the worst-case scenario when crafting the budget. The legislature also has the option of using all or part of the state's \$10 billion "Rainy Day Fund" to fund operations. While Governor Perry and other legislative leaders have indicated that they would like to avoid using any of the fund, several legislators and interest groups have supported the idea.

What does the deficit mean for the Texas public education system? As one of the largest sources of state spending, it means that education will face significant cuts. In the preliminary House budget released this week, education funding was slashed from \$53.7 billion to \$46.7 billion—a decrease of over 13%. Additionally, almost \$2 billion of grant programs—including such things as teacher incentive pay and prekindergarten programs—were left out of the House's draft.

This was not an unexpected event and legislative leaders acknowledge that the initial budget is merely a starting point for debate. However, restoring

funding for the grant programs that TIER has historically supported and ensuring that there will not be delays in implementing the state's new accountability and assessment system will require a lot of work. Reformers must make the case that dollars spent on these programs are a wise investment as they drive student achievement more than other expenditures.

The outlook on the Senate side is brighter. **Lieutenant Governor David Dewhurst** and **Senator Florence Shapiro** have been strong advocates of accountability, incentive pay programs, and other grant programs aimed at improving student achievement. With their leadership, we are hopeful that these programs can be saved.

House Elects Speaker, Senate Preserves 2/3rds Rule

Speaker Joe Straus was elected to his second term as Speaker of the House. While he was challenged by **Rep. Ken Paxton**—who was supported by a faction of members who didn't believe Straus was sufficiently conservative to lead the Republican-dominated House—Straus overwhelmingly won support from the House Republican Caucus and, ultimately, from the full House.

In addition to presiding over the House, the Speaker has the responsibility to appoint chairs and members of the various committees. Most observers expect that he will reappoint **Rep. Rob Eissler** as Chairman of the House Public Education Committee in the coming weeks.

The Senate was not free from controversy as they debated the Senate Rules for the session. Historically, the rules have required that 2/3rds of the Senators vote in favor of debating a bill before it can be brought to the Senate floor. Since neither party controls 2/3rds of the seats, this rule requires that there be some bipartisan support for a bill to be debated. Despite support from some Republicans, an effort to change this rule to require a simple majority—rather than a 2/3rds vote—was rejected. However, an exception allowing the Senate to debate a proposed voter identification bill with a simple majority was included.

TIER to Host Briefings in Fort Worth, Dallas, and San Antonio

TIER will host briefings on public education issues and the outlook for the legislative session in Fort Worth and Dallas on Thursday, January 27th. The event in Fort Worth, hosted by Rice Tilley and Andy Thompson, will be from 12:00 PM to 1:30 PM at the Fort Worth Club. Later that day, TIER will be at a reception at Edgemere from 5:00 PM to 7:00 PM hosted by Bernie Francis, Robert Chereck, Erle Nye, and Steve Banta.

On Thursday, February 17th, we will be in San Antonio for a briefing and luncheon at the Argyle. The event will begin at 11:30 AM and is hosted by Charlie Amato, Randy Cain, Alan Dreeben, Beto Gonzalez, Maria Hernandez Ferrier, Peter Holt, Mark Mays, Chris Patterson, Paul Ruiz, Bartell Zachry.

If you would like to attend or would like more information on any of the events, please contact Amy Kelley (amy.kelley@texaseducationreform.org).

Summary of Filed Legislation

The following are summaries of some of the bills that have been filed affecting public education. Due to time constraints, we have not analyzed all such bills that have been filed, but check future issues of the *TIER Capitol Report* for additional summaries.

HB 511 (Dutton): relating to the closure of a school campus by the board of trustees of a school district.

This bill requires that a school board hold a public hearing before ordering the closure of a school campus. If the board votes to close the campus, the board must send a notice of the vote to the Commissioner of Education. The Commissioner must approve the closure prior to the board taking action to close the campus.

HB 553 (Howard, Donna): relating to the nonpartisan election of members to the State Board of Education.

This bill would require that candidates for the State Board of Education (SBOE) to run as independent candidates. Political parties would not be able to nominate candidates for the SBOE. Instead, candidates would file with the Secretary of State and present a petition or pay a \$300 filing fee.

HB 560 (Christian): relating to electronic textbooks, state-developed open-source textbooks, and other instructional materials for public schools.

Under current law, the State Board of Education (SBOE) and the Commissioner of Education have responsibilities for certifying and adopting instructional materials. This bill would remove certain authorities from the Commissioner and grant them exclusively to the SBOE, including:

- 1) Adopting a list of electronic textbooks and instructional materials,
- 2) Adopting criteria for instructional materials,
- 3) Updating the list of approved materials,
- 4) Adopting administrative rules regarding materials,
- 5) Purchasing state-developed open-source textbooks,
- 6) Distribution of textbooks and other instructional material,
- 7) Provision of licenses to each school and district in the state, and
- 8) Developing a schedule for the adoption of new instructional materials

Current rules remain in effect until they are amended or repealed by the SBOE.

HB 619 (Dutton): relating to the provision of courses in behavioral modification by disciplinary alternative education programs and juvenile justice alternative education programs.

This bill requires schools to offer a course in behavioral modification as part of their disciplinary alternative education program. This course must be taught by a person who has at least a bachelor's degree in behavioral science.

HB 622 (Hochberg): relating to disciplinary action taken against certain public school students on the basis of serious and persistent misbehavior.

This bill requires a district's student code of conduct to include the circumstances under which a student in a disciplinary alternative education program may be expelled. The bill also defines the actions that constitute "serious and persistent misbehavior", including aggressive action toward others, extortion, coercion, public lewdness, indecent exposure, criminal mischief, personal hazing, or harassment. A student in a disciplinary alternative education program may be expelled if the student has three instances of "serious and persistent misbehavior" in an academic year.

HB 692 (Farias): relating to high school graduation requirements for a student who is unable to participate in physical activity due to disability or illness.

Under current law, students must complete one credit in physical education in order to graduate. This bill would allow students who are unable to participate in physical activity due to disability or illness to substitute a credit in one or the core subject areas or an academic elective course for the required physical education credit. Credit in the course substituted for physical education may not be used to satisfy any other graduation requirement.

HB 733 (Patrick, Diane): relating to the numbers of charters the State Board of Education may grant for open-enrollment charter schools.

Under current law, the State Board of Education may only grant 215 total charters for open-enrollment charter schools. This bill would allow the Board to grant up to 10 additional charters per year.

HB 761 (Lozano): relating to the availability of free prekindergarten programs in public schools.

Under current law, a school district with 15 or more eligible children must offer prekindergarten classes. To be eligible, children must be at least 4 years of age and, (1) be unable to speak and comprehend English, (2) be educationally disadvantaged, (3) be homeless, (4) be a child or an active duty member of the armed services, (5) be a child of a member of the armed services who was killed or injured while on active duty, or (6) be or was in the conservatorship of the Department of Family and Protective Services. This bill would require school districts to offer prekindergarten classes if the district identifies at least 15 children who are at least 4 years of age—regardless of the conditions in existing law.

HB 775 (Anchia): relating to the adoption of energy efficiency, conservation, and indoor air quality standards for the design, construction, and renovation of public school instructional facilities.

This bill would apply to school districts that construct a new instructional facility or conduct a major renovation of an existing facility. The bill would require such facilities to be designed and constructed so that the building achieves certification under recognized standards for energy efficiency, energy and water conservation, and indoor air quality.

HCR 31 (Dutton):

This concurrent resolution requests that the Texas Education Agency develop a rating system for local school boards with the following provisions:

1. Each school board will receive a rating every two years,
2. The system will include a measurement to assess the allocation of personnel to low-performing schools,

3. The system will include a measurement to assess the allocation of financial resources to low-performing schools, and
4. Ratings will be forwarded to the Legislature by September of each even-numbered year.

HCR 37 (Guillen):

This concurrent resolution would ask the U.S. Congress to revise the No Child Left Behind Act of 2001 so that Texas may exclude the assessment scores of recently-arrived limited English proficiency students from federal AYP (adequate yearly progress) determinations for a period of three years after the students' initial enrollment.

SB 345 (Gallegos): relating to staff development training for certain public school administrators regarding student discipline management.

This bill requires school administrators who oversee student discipline to attend staff development training every three years. Training will include the distinction between a teacher sending a student to the principal for disciplinary purposes and a teacher removing a student from class for repeated disruptive behavior.

SB 346 (Gallegos): relating to the curriculum that must be provided by a disciplinary alternative education program.

Under current law, disciplinary alternative education programs must focus on English language arts, math, science, history, and self-discipline. This bill would require these programs to provide structured courses in these subjects that are equivalent in content and rigor with regular classes. It also requires these programs to adopt a curriculum that keeps students on schedule for regular promotion to the next grade and graduation.

TIER welcomes your questions and comments. Please visit the “contact us” section of our website, www.texaseducationreform.org and let us know what you think.

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