

- SUBJECT:** Payment of the instructional materials allotment to school districts
- COMMITTEE:** Public Education — committee substitute recommended
- VOTE:** 9 ayes — Aycock, Allen, Bohac, Deshotel, Galindo, González, Huberty, K. King, VanDeaver
- 0 nays
- 2 absent — Dutton, Farney
- WITNESSES:** For — Susan Lenox, Instructional Material Coordinators’ Association of Texas; Bruce Gearing, Texas Association of Community Schools (TACS); (*Registered, but did not testify*: Kevin Brown, Alamo Heights ISD and TASA; David Anderson, Arlington ISD Board of Trustees; Mike King and Gina Mannino, Bridge City ISD; Julea Johnson, Bryan ISD; John Marez, Corpus Christi ISD; Jodi Duron, Elgin ISD; Mary Whiteker, Hudson ISD; Howell Wright, Huntsville ISD; Abel Villareal, Instructional Material Coordinators’ Association of Texas; Berhl Robertson, Jr., Lubbock ISD; Jimmy Parker, Lubbock Roosevelt ISD; Keith Bryant, Lubbock-Cooper ISD; Sarah Matz, TechAmerica; Theresa Treviño, Texans Advocating for Meaningful Student Assessment; Barry Haenisch and Casey McCreary, Texas Association of School Administrators; Doug Williams, Texas Association of School Administrators; Jennifer Bergland, Texas Computer Education Association; Mark Terry, Texas Elementary Principals and Supervisors Association; Colby Nichols, Texas Rural Education Association; Ray Freeman, The Equity Center; Grover Campbell, Texas Association of School Boards; Becky St John)
- Against — None
- On — Shirley Beaulieu and Von Byer, Texas Education Agency; (*Registered, but did not testify*: Lisa Dawn-Fisher and Monica Martinez, Texas Education Agency)
- BACKGROUND:** SB 6 by Shapiro, enacted by the 82nd Legislature during its first called

session, required the State Board of Education to set aside 50 percent of the annual distribution from the Permanent School Fund to the Available School Fund to fund the instructional materials allotment.

Education Code, sec. 31.0211 establishes a school district's entitlement to an annual allotment from the state instructional materials fund for each student enrolled on a date during the preceding school year.

DIGEST:

CSHB 1474 would entitle school districts to a biennial, instead of an annual, allotment from the state instructional materials fund for each student enrolled in the district on a date during the last year of the preceding biennium. The education commissioner would be required to determine the amount of the allotment per student each biennium on the basis of the amount of money available in the state instructional materials fund.

The bill also would require the commissioner to deposit the allotment amount in districts' accounts in the first year of each biennium. As early as possible each biennium, the commissioner would notify districts and open-enrollment charter schools of the estimated amount of their instructional materials entitlement. Districts and charters could place an order for instructional materials before the beginning of a fiscal biennium and receive materials before payment.

The State Board of Education would be required each biennium to set aside an amount equal to 50 percent of the distribution for that biennium from the Permanent School Fund to the Available School Fund.

The Texas Education Agency would be permitted, to the extent authorized by the General Appropriations Act, to make temporary transfers from the Foundation School Fund for payment of the instructional materials allotment. Temporary transfers could be made earlier than two days before a required installment payment to districts if necessary.

The bill would take effect September 1, 2015.

**SUPPORTERS
SAY:**

CSHB 1474 would help districts and charter schools manage their purchases of textbooks and electronic instructional materials by giving them all of their biennial instructional materials allotment at the start of each biennium. The current system of distributing half of the amount in each year of a biennium can make it difficult for districts to replace large numbers of textbooks at once.

The proposed method of distributing funds could encourage districts to order materials early, allowing teachers to have textbooks ready for the first day of class. Districts, particularly those that are experiencing rapid growth in student enrollment, currently may have to defer purchases or use some of their other funds to purchase instructional materials. A biennial distribution also could give districts more flexibility to manage technology licenses and online subscriptions that come due at different times.

Although the temporary transfer of funds from the Foundation School Fund to the instructional materials allotment in the first year of a biennium could result in lost interest earnings, the benefits of getting money to local districts earlier would be worth the cost. Additionally, the comptroller's office has suggested that the amount of lost interest estimated by the Legislative Budget Board could be cut in half by transferring the instructional materials allotment to districts in March 2016 instead of September 2015.

**OPPONENTS
SAY:**

CSHB 1474's requirement that all instructional materials allotment funding be available in the first year of a biennium would cost an estimated \$4.2 million in lost interest earnings, according to the Legislative Budget Board's fiscal note. This is money that could be used to support public schools.

NOTES:

The Legislative Budget Board's fiscal note estimates that CSHB 1474 would cost an estimated \$4.2 million to general revenue related funds for fiscal 2016-17.