

Statewide Impact of Senate Bill 1

In 2008-09, prior to the 82nd Legislative Session, Texas ranked 43rd in per-student operating expenditures for public education, spending an average of \$8,562 per student compared to a national average of \$10,591ⁱ. Last session, to deal with a significant budget shortfall, Texas cut core formula program spending by \$2 billion per year compared to current law, plus reduced state grant funds for things like providing pre-kindergarten programs and accelerated instruction for at risk students by an additional \$650 million per year. These cuts will mean that school districts will have, on average, an estimated \$560 per student in average daily attendance less to spend each year over the next two years, compared to current law.ⁱⁱ

The formula reductions will hit all districts in the first year of the biennium, through a reduction of roughly 5.6 percent compared to current law. In the second year of the biennium, districts that currently receive hold-harmless funding will receive additional funding reductions beyond the original 5.6 percent, while formula districts will regain a portion their prior year funding cuts.

Reductions to the grant programs were also significant and are in addition to the formula reductions. The most significant programs eliminated or significantly reduced include the Technology Allotment (\$271 million), the Pre-kindergarten Grant Program which served to provide full-day prekindergarten services to economically disadvantaged four year olds (\$223 million), the Student Success Initiative which provided accelerated instruction for at-risk students (\$270 million), the DATE program which provided incentive funding for high-performing teachers (\$345 million), and the New Instructional Facilities Allotment which assisted districts with the start-up costs associated with opening new schools (\$50 million). Other programs that were eliminated include grants programs for: building science labs, providing improved physical education programs in middle school, extending the school year, equipping more school busses with seatbelts, and temporarily protecting districts from the full economic effects of rapid losses in students or property values.

These reductions come at a particularly difficult time for school districts, which are in the process of implementing a new and more rigorous testing program that includes new end-of-course assessments that high school students must pass in order to graduate.

ⁱ National Center for Education Statistics “Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2008-09”

ⁱⁱ These figures do not include the impact of federal jobs funds that flow outside the funding formulas. Districts will lose federal stimulus dollars that were flowing through Title I and IDEA, but will gain jobs funding for one year next year.