



Texas Legislative Update 2011

82nd Leg. Session

Escamilla, Poneck & Cruz L.L.P.

82nd First Called Special Session

The special session will consider the following issues:

- Legislation relating to **fiscal matters** necessary for the implementation of **House Bill No. 1** as passed by the 82nd Legislature, Regular Session, **including measures that will allow school districts to operate more efficiently.**
- Legislation relating to healthcare cost containment, access to services through managed care, and the creation of economic and structural incentives to improve the quality of Medicaid services.

State Budget – HB 1 signed by Governor

- **\$172B** (cuts **\$15B** from last budget)
 - Reduces public education by \$4B
- **No new taxes or fees raised**
- **Leaves over \$6B in Rainy Day Fund**
- **The following agencies were cut:**
 - Natural resources budget was cut by 25%
 - General govt operations by 19%
 - Judiciary by 13%
 - Higher Education by 9%
 - The Legislature by 9%
 - Public safety and criminal justice by 5%

SB 1 Fiscal Matters

- Raises \$3.6 B in non-tax revenue
- State savings realized with a **\$2.3B FSP deferral**
- Will head to conference committee
- **Amendments:**
 - Sunsets Reg. Program Adjustment Factor (RPAF) in 2 yrs. (puts pressure on interim committee to find long-term solution)
 - “Settle up” amendment
 - “Smooths cuts” for ISDs on formula over the biennium
 - Authorized TRS to issue 13th check to retirees

Other SB 1 Amendments

- PSF guarantee for charters
- Expanding the flexible day
- Extending Comp Ed funds to JJAEPs
- 2 year moratorium on standardized testing

- Pre-K amendment (did not pass)
- Allowing private schools into UIL
- (did not pass)

SB 2 Other Fiscal Matters

- Restores \$34B to the budget
- Rep. Howard amendment would have allowed any surplus above projected **\$6.5B** Rainy Day Fund to cover enrollment growth.
- Rainy Day Fund will have estimated **\$6.5B** after \$3.1B used for current FY.
- Will Rep. Howard amend $\frac{2}{3}$ from both chambers and avoid a veto? **No**

SB 8 Mandate Relief


- Allows ISDs to reduce salaries (admin. must receive same reduction)
- Furloughs up to 6 non-instructional days
- Eliminates seniority in RIFs (contin contract)
- Moved 45-day to 10 days before last day
- RIF hearings will go before board or designee
- Good cause is now a conclusion of law
- Class size waiver can be granted if funding reduced

SB 6 – New Instructional Materials Allotment

- Allows ISDs to flexibility to buy technology or textbooks to satisfy TEKS.
- Permanent School Fund distribution will be 50% next biennium
- IMA can be used for tech support personnel
- Technology grant available to low wealth ISDs
- Adds HB 500 (high school grad flexibility)

Public Ed Spending Side by Side

Programs and Grants	Current Spending	2012-2013 Spending
Foundation School Program (FSP)	\$40 Billion	\$36.9B
Textbooks (Instructional Materials Allotment)	\$802.8 Million	\$792M
TEA Grants	\$1.3 Billion	\$107M
Educ. Service Centers	\$42 Million	\$25M
DATE	\$394 Million	\$40M
Communities In Schools (CIS)	\$30 Million	\$20M
Student Success Initiative (SSI)	\$302 Million	\$23.5M



Governance

- **SB 738** – Allows parents and board to provide input to commissioner on sanctions after 5 years low performance.
- **SB 773** – Allows ISDs to continue to receive telecom discount on internet service for 4 years.
- **SB 1543** – Allows ISDs to invest in corporate bonds rated AA/ AAA.
- **SB 100** – Counties not required to provide election services for May elections in even-numbered years.

Assessment & Administration

- **HB 2135** – 5th and 8th graders are exempt from STAAR if enrolled in a course for high school credit that requires an end-of-course test.
- **HB 734** – Truancy cases may be prosecuted in constitutional county court (applies to Bexar and Tarrant)
- **HB 2380** – Allows ISDs to issue a probationary contract when an employee is in a new position

Dates of Interest

- **Monday, May 30, 2011** (140th day)
Last day of 82nd Regular Session;
- **Tuesday, May 31** – Special Session (ends June 29)
- **Sunday, June 19, 2011** (20th day after session ends)
Last day Gov. can sign or veto bills passed during the regular legislative session
- **Monday, August 29, 2011** (91st day after last day)
Date that bills without specific effective dates, which could not be effective immediately, become law



The End

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