

BILL ANALYSIS

Senate Research Center
84R14298 CAE-D

H.B. 2251
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Education
5/19/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that the current payment schedule for state education funding places a significant burden on open-enrollment charter schools. According to the parties, all open enrollment charter schools, regardless of size or rate of growth, are issued equal payments once a month. For those schools that begin classes mid-summer, the July and August payments are calculated using the previous school year's enrollment. As a result, these schools begin the first two months of the school year with funding based on an outdated student count, which encumbers fast-growth charter schools. Conversely, the parties continue, some school districts operate on a payment schedule that provides the bulk of a school's funding early in the school year, providing much needed support for the purchases, hires, and operational costs that come with a new school year in a fast-growth district. H.B. 2251 seeks to allow a charter school with increased enrollment from the previous year to request an alternative payment schedule that frontloads the percentage of yearly entitlement payments in order to better manage growth while maintaining strict quality standards.

H.B. 2251 amends current law relating to an established schedule of payments from the foundation school fund of the yearly entitlement of certain open-enrollment charter schools.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2591, as follows:

Sec. 42.2591. FOUNDATION SCHOOL FUND TRANSFERS TO CERTAIN CHARTER SCHOOLS. (a) Requires the commissioner of education (commissioner), on the request of an open-enrollment charter school, to compare the student enrollment of the open-enrollment charter school for the current school year to the student enrollment of the school during the preceding school year. Authorizes the open-enrollment charter school, if the number of students enrolled at the open-enrollment charter school for the current school year has increased by 10 percent or more from the number of students enrolled during the preceding school year, to request that payments from the foundation school fund to the school for the following school year and each subsequent school year, subject to Subsection (b), be made according to the schedule provided under Subsection (c).

(b) Entitles an open-enrollment charter school that qualifies to receive funding as provided by this section to receive funding in that manner for three school years. Requires the commissioner, on the expiration of that period, to determine the eligibility of the open-enrollment charter school to continue receiving payments from the foundation school fund under this section for an additional three school years. Requires the open-enrollment charter school, subsequently, to reestablish eligibility in the manner provided by this subsection every three school years.

(c) Requires that payments from the foundation school fund to an open-enrollment charter school under this section be made as follows:

(1) 22 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;

(2) 18 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of October;

(3) 9.5 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of November;

(4) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of December;

(5) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of January;

(6) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of February;

(7) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of March;

(8) 7.5 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of April;

(9) five percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of May;

(10) seven percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of June;

(11) seven percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of July; and

(12) eight percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of August.

(d) Provides that the amount of any installment required by this section may be modified to provide an open-enrollment charter school with the proper amount to which the school may be entitled by law and to correct errors in the allocation or distribution of funds.

(e) Requires that previously unpaid additional funds from prior fiscal years owed to an open-enrollment charter school shall be paid to the school together with the September payment of the current fiscal year entitlement.

SECTION 2. (a) Provides that Section 42.2591, Education Code, as added by this Act, applies only to a payment from the foundation school fund that is made on or after September 1, 2015. Provides that a payment to an open-enrollment charter school from the foundation school fund that is made before September 1, 2015, is governed by the law in effect on the date the payment was made, and the former law is continued in effect for that purpose.

(b) Requires the commissioner to determine the eligibility of an open-enrollment charter school to receive payments under Section 42.2591, Education Code, as added by this Act, for the 2015-2016 school year based on the growth in the school's enrollment between the 2013-2014 and 2014-2015 school years.

SECTION 3. Effective date: upon passage or September 1, 2015.