

BILL ANALYSIS

Senate Research Center
84R3446 JSL-F

S.B. 324
By: Nichols
Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 324 creates an equal cost based-multiplier of (.0004) in the small schools formula adjustment, under the Foundation School Program, for all small school districts with an average daily attendance (ADA) of 1,600 or less.

Over 30 years ago, the state adopted a formula to recognize the additional cost of educating children in a small school district. These additional costs include the cost to hire and retain teachers, added costs for small class sizes, et cetera.

A second multiplier of .00025 was put into place to penalize small schools which have an ADA of 1,600 or less and which are 300 square miles or less in size. The original bill was passed to encourage small districts to consolidate. However, many have chosen not to consolidate.

This unequal funding has created hardships for smaller schools in being able to provide the necessary resources for their students.

Current law funds a school district with an ADA of 1,600 and with less than 300 square miles with a multiplier of .00025. A school with an ADA of 1,600 and which covers more than 300 square miles uses a multiplier of .0004.

S.B. 324 repeals the cost-based multiplier of .00025 and creates an equal multiplier of .0004 for all small schools, no matter the size of their district.

As proposed, S.B. 324 amends current law relating to the small-sized district adjustment under the Foundation School Program.

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 Sections 42.103(b) and (d), Education Code, as follows:

(b) Provides that the basic allotment of a school district that has not more than 1,600 students in average daily attendance, rather than a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance, is adjusted by applying a certain formula as set forth.

(d) Provides that the basic allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1) the formula in Subsection (b), if the district is eligible for that formula, rather than the formula in Subsection (b) or (c) for which the district is eligible; or

(2) makes no change to this subdivision.

SECTION 2. Repealer: Section 42.103(c) (relating to the formula for the basic allotment of a school district that contains less than 300 square miles and has not more than 1,600 students), Education Code.

SECTION 3. Effective date: September 1, 2015.