

Instructional Materials Funding Request and Recommendation

TEA Request 2012-13 Biennium, LAR (adjusted)	
Proclamation 2011	English, Language Arts, Reading, Part 2 \$460.7
Supplemental Science Materials	\$60.0
Continuing Contracts	\$393.1
Total, 2012-13 Funding Request	\$913.8
Senate Bill 1, Introduced, 2012-13	
Continuing Contracts	\$393.1
Assumes use of estimated \$85 million State Textbook Fund balance in FY2011 to purchase 2012-13 Continuing Contracts materials	(\$85.0)
Total Appropriation, SB 1, Introduced	\$308.1
TEA LAR Request less SB 1, Introduced	(\$605.7)
TEA Priorities for Restoration	
Proclamation 2011	Excludes Prek and ESL K-8 \$314.6

Proclamation 2011 Cost Adjustments and Agency Prioritization for Funding Restoration

In the fall, the SBOE asked that publishers that submitted bids for Proclamation 2011 materials consider revising prices and resubmit a "best price" bid for SBOE consideration. Those bids were available for the SBOE's consideration at the January 2011 meeting; and TEA reported that based on an average cost methodology, the revised bids could bring the cost of Proclamation 2011 materials down by \$30 million. The cost identified in the table above reflects that revision. Note that the actual cost of Proclamation 2011 materials will depend on which materials are selected by school districts; so reductions attributable to revised bids will vary based on the degree to which school districts select materials for which revised prices were submitted.

After the beginning of the 82nd Legislative Session, TEA was asked to submit a prioritization of items for restoration. The agency included partial funding of \$314.6 million for Proclamation 2011 in its revised request. The funding level identified by the agency excludes \$45.6 million for Prekindergarten materials and \$99.8 million for English as a Second Language K-8 materials.

Supplemental Science

In May 2010, the State Board of Education (SBOE) indefinitely postponed Proclamation 2012, originally scheduled to enter classrooms in FY2013, which would have added \$347 million for Science materials to the 2012-13 request for funding. Texas students will be held accountable for the revised Science Texas Essential Skills and Knowledge (TEKS) in state assessments beginning with the 2011-12 school year.

The new TEKS are significantly more rigorous, and the new assessment program, which shifts high school students to the End of Course regime, is also more rigorous. Because of concern regarding the potential long-term delay in delivering TEKS-aligned Science materials to districts and in light of the assessments requirements, the SBOE issued a limited call for supplemental science materials in digital format only. The call was issued without a maximum cost and without a budget and indicates that bids for materials should contemplate addressing the changes to the TEKS only, aiming to coordinate with existing materials to provide full coverage.

Overview of the Recommendation and LAR Request

The recommendation includes \$308.1 million in General Revenue for Continuing Contracts and assumes that TEA will spend an estimated \$85 million fund balance in the State Textbook Fund (Fund 3) in FY2011 to fund a portion of the 2012-13 Continuing Contracts costs. TEA typically maintains a balance in Fund 3 in order to mitigate potential prompt pay and cash flow issues resulting from the timing of textbook orders in the spring of the prior fiscal year and the availability of appropriation for those materials in the following September. That balance has grown as a result of lower than anticipated costs in FY2009. State Textbook Fund monies do not lapse to General Revenue (they remain in Fund 3 indefinitely), and the Recommendation contemplates directing the agency, through the supplemental appropriations bill, to spend down the entire balance.

TEA's total funding request for 2012-13 includes \$393 million for continuing contracts, \$460.7 million for Proclamation 2011, which includes the second half of the English Language Arts and Reading (ELAR) materials (first half is in Proclamation 2010, funded in the current biennium), and \$60 million for supplemental science materials—for a total of \$913.8 million and a difference of \$605.7 million compared to the funding included in the recommendation.