

Fast Growth in Rainy Day Fund Seems Set to Continue

A new report from the Texas Taxpayers and Research Association (TTARA), a pro-business group, projects big bucks will keep flowing into the state's Rainy Day Fund (RDF) as far as the eye can see, thanks to the ongoing surge in oil and gas production in Texas.

The Rainy Day Fund (formally known as the Economic Stabilization Fund) receives 75 percent of all state oil and gas production taxes above the level collected in 1987. That means billions of dollars are coming into the RDF every biennium, up to a cap equaling 10 percent of the state's general revenue fund. During the 2013 legislative session, Texas AFT urged lawmakers to use this reserve to help restore education funding levels, which were cut by \$5.4 billion in 2011.

But legislative leaders and the governor said the Rainy Day revenue should not be used for anything but one-time expenditures. Hence, they contended, it would be inappropriate to use the RDF for ongoing operating costs of public schools. Then they turned right around and said it was perfectly okay to use Rainy Day Fund money for ongoing expenses of water development and highways, but not for education. The upshot was that the legislature fell significantly short of fully restoring the education funding levels cut two years earlier. Texas AFT's view has been that the use of the RDF for physical infrastructure, including water and highway projects, is reasonable—but the same goes for human infrastructure needs, including education. In fact, one key

proposal we backed would have provided \$2 billion apiece for water, transportation, and education. The legislature now has put \$2 billion for water projects from the RDF up for a constitutional-amendment vote on November 5, and additional billions of dollars for highways would be authorized by another constitutional amendment if approved by the voters in November 2014. But legislative majorities blocked any comparable investment of the RDF in our public schools. Here is where the new projections of future revenue flowing into the RDF become important.

According to TTARA, even if both the water and highway funding from the RDF are approved by the voters, the RDF will refill so fast that the next legislature will have \$11.6 billion in RDF funds available for use. That sum would more than suffice to finish the job of restoring funding that was cut from public education in 2011. In fact, it would be enough to lift average per-pupil funding in fiscal 2016-2017 by \$600-plus, taking us all the way back up to the pre-recession, pre-cuts funding level achieved in 2008. The state could do that and still leave nearly half the Rainy Day Fund untouched, if TTARA's projections pan out.

As candidates come forward to run for the legislature in 2014, Texas AFT will be asking them if they will vote to use the RDF for public education. With RDF funding for water and highways already addressed before the next legislative

In this issue:

Fast Growth 1

Education Needs 1

San Antonio 2

Austin 2





McAllen AFT
1500 Dove Avenue
McAllen, TX 78504



session starts, 2015 should be the year when the Rainy Day Fund comes to the aid of Texas public education.

VARIED INFORMATION

Texas school districts plan ratings without STAAR

Despite the governor's veto, a coalition of Texas school districts is trying to create an accountability system that doesn't depend on STAAR. Members of the Texas High Performance Schools Consortium are set to meet in Dallas on Thursday (October 17, 2013) to consider the framework of the new system. It would be voluntary and run parallel to the state ratings.

Texas merit pay plan for teachers quietly disappears

AUSTIN — It was the largest program of its type in the nation just a few years ago.. But Texas' once-vaunted teacher merit pay plan is no more. What remained of the plan after massive funding cuts in 2011 has been converted this fall into a new state grant program that will pay for innovative education in a few dozen poor schools. Nearly half of Texas teachers — about 180,000 educators — received bonuses under the incentive pay plan two years ago for higher test scores and student achievement. That was slashed after legislators made unprecedented funding cuts in

education to ease a budget crunch. Funding for bonuses was cut 90 percent.

Tutoring Company in Texas Draws Fire as State Pulls Back Services

When two of Marcos Sifuentes's children received free laptops from a tutoring program through their San Antonio middle school, the family signed up for wireless access at home for the first time. Mr. Sifuentes added an internet hot spot to his cell phone plan so they could continue their lessons. But when his son and his daughter tried to log on to the online tutoring program, they received an error message. He called Tutors With Computers, the company that offered the program, and was told his school district would no longer pay for the service.

Corpus Christi ISD School Board Names High School

CORPUS CHRISTI - Corpus Christi ISD school board members voted to name the new southside high school Veterans Memorial. The campus is already under construction on Cimarron Boulevard. The other four finalists included: Chris and Robert Adler, General Marc Cisneros Memorial High School, Joe A. Gonzalez and Loyd Neal High School.

More Change for Texas Constitution

As faithfully as the Texas Legislature meets in each odd-numbered year, its members adopt at least a handful of measures that can only be put into effect with changes in the state constitution. Since the constitution was adopted in 1876, Texas voters have approved 474 amendments, according to the Legislative Reference Library. Another 179 amendments have been approved by the Legislature but rejected by voters, and an untold number died somewhere.

School sign: Please be aware that the staff at Shamrock ISD is armed

Since the Sandy Hook Elementary School shooting, schools all across the United States have been putting emphasis and more money into security.

Alice: AISD Board approves plan for improvement required

campuses— Two public hearings were held at the Alice Independent School District Board of Trustees regular meeting Monday night. The board opened up the first meeting to discuss AISD state financial accountability rating, schools Financial Integrity Rating Systems of Texas (FIRST) and then the second hearing targeted improvement plans for IR (improvement required).