## **BILL ANALYSIS**

Senate Research Center 80R18008 SLO-F C.S.H.B. 188
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Education
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Committee Report (Substituted)

## **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the State Board of Education (SBOE) uses the same cycle for purchasing textbooks for particular subjects as it uses for making revisions in those subjects' curriculum. Smaller publishers would like the opportunity to enter the textbook market to introduce new books. However, the full proclamation process is very costly and publishers may have supplemental or niche materials that do not cover a subject's entire curriculum or were not ready or available when the subject's textbooks were purchased. Of further issue, the proclamations issued by SBOE after reviewing and adopting textbooks are titled by the year the proclamation was released, rather than by the school year in which the textbooks are intended to be made available.

Additionally, after SBOE approves textbooks for purchasing, the state pays for most of the textbooks. SBOE sets the maximum price of the textbooks in order for school districts to make purchases. However, since SBOE sets the maximum price and pays the publisher directly, there is no market incentive for textbook publishers to set lower prices. Therefore, most textbooks cost at or near the maximum amount. The 77th Legislature, Regular Session, 2001, established a textbook credit program to determine whether market forces would drive down the cost of textbooks. Participating school districts did achieve some savings, but the limited scope of the pilot program limited its benefits.

C.S.H.B. 188 authorizes SBOE to adopt textbooks during mid-cycle and adopt supplemental textbooks. This bill provides access to the complete replacement purchasing cycle for those participating in the regular proclamation process and allows small publishers to introduce new books "off-cycle" with less risk, while providing access to a smaller add-ons market. Furthermore, C.S.H.B. 188 requires proclamations to be designated by the school year in which the textbooks are intended to be made available. This bill requires SBOE to consult with the Legislative Budget Board and the governor's office to consider cost factors and to limit the cycle to those textbooks that can be purchased with available funds before releasing a proclamation.

Additionally, C.S.H.B. 188 expands the textbook credit program statewide and allows school districts to use textbook credits to order supplemental materials adopted by SBOE. This bill provides school districts with the flexibility to group supplemental materials together to use in place of the regular textbook if the combination of supplemental materials contains the entire essential knowledge and skills required for all students and is within the maximum cost of the regular textbook or if the school district makes up the cost difference with textbook credits. This bill also allows the state to appropriate additional funds for credits to facilitate the cost savings process. Finally, C.S.H.B. 188 repeals the moratorium put in place during the 79th Legislature, 3rd Called Session, 2005, on proclamations so that the legislature would have more time to work on the issues addressed in this bill.

## **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the State Board of Education in SECTION 3 (Section 31.0221, Education Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Provides that it is the intent of the legislature that Section 31.1011, Education Code, as enacted by this Act, is reflective of Section 31.1011, Education Code, as enacted by Section 3, Chapter 805, Acts of the 77th Legislature, Regular Session, 2001.

- SECTION 2. Amends Section 31.022, Education Code, by adding Subsection (e), to require the State Board of Education (SBOE) to designate a request for production of textbooks in a subject area and grade level by the school year in which the textbooks are intended to be made available in classrooms and not by the school year in which SBOE makes the request for production.
- SECTION 3. Amends Subchapter B, Chapter 31, Education Code, by adding Sections 31.0221 and 31.0222, as follows:
  - Sec. 31.0221. MIDCYCLE REVIEW AND ADOPTION OF TEXTBOOKS. (a) Requires the SBOE to adopt rules for the midcycle review and adoption of a textbook for a subject for which textbooks are not currently under review by SBOE under Section 31.022 (Textbook Review and Adoption). Requires the rules to include certain requirements.
    - (b) Provides that Sections 31.023 (Textbook Lists) and 31.024 (Adoption by State Board of Education) apply to a textbook adopted under this section and Section 31.027 (Information to School District; Sample Copies) does not apply to a textbook adopted under this section.
  - Sec. 31.0222. BUDGET-BALANCED CYCLE. Sets forth certain requirements for SBOE to follow for budget purposes in determining the review and adoption cycle of textbooks under Section 31.022.
- SECTION 4. Amends Section 31.023(a), Education Code, to provide that the conforming list includes each textbook submitted for the subject and grade level that meets applicable physical specifications adopted by SBOE and contains material covering each element of the essential knowledge and skills of the subject and grade level in the student version of the textbook, as well as in the teacher version of the textbook, as determined by SBOE under Section 28.002 (Required Curriculum) and adopted under Section 31.024. Makes a conforming change.
- SECTION 5. Amends Subchapter B, Chapter 31, Education Code, by adding Section 31.035, as follows:
  - Sec. 31.035. SUPPLEMENTAL TEXTBOOKS. (a) Authorizes SBOE to adopt certain supplemental textbooks that are not on the conforming or nonconforming list under Section 31.023. Provides that SBOE may adopt a supplemental textbook under this section only if certain requirements are met.
    - (b) Requires SBOE to identify the essential knowledge and skills identified under Section 28.002 that are covered by a supplemental textbook adopted by SBOE under this section.
    - (c) Provides that a supplemental textbook is subject to the review and adoption cycle provisions, including the midcycle review and adoption cycle provisions, of this subchapter (State Funding, Adoption, and Purpose).
    - (d) Authorizes a school district or open-enrollment charter school to requisition a supplemental textbook adopted under this section only if the district or school meets certain conditions.
    - (e) Entitles a school district or open-enrollment charter school to receive credit under Section 31.1011 in the same manner as if the single textbook were selected if the total cost for the supplemental textbooks requisitioned by the district or school under Subsection (d)(2) for a course is less than the limit on the cost under Section 31.025(a) for a single textbook on the conforming list for the course. Entitles a school district or open-enrollment charter school to apply credits received under Section 31.1011 toward the difference for the supplemental textbooks if the total cost for the supplemental textbooks requisitioned by the district or school under Subsection (d)(2) for a course is greater than the limit on the cost under Section 31.025(a) for a single textbook on the conforming list for the course.

- (f) Requires a school district or open-enrollment charter school that requisitions supplemental textbooks under Subsection (d)(2) to certify to the Texas Education Agency that the supplemental textbooks, in combination with any other textbooks or supplemental textbooks used by the district or school, cover the essential knowledge and skills identified under Section 28.002 by SBOE for the subject and grade level for which the district or school is requisitioning the supplemental textbooks.
- (g) Provides that Sections 31.101(b) and (c) (relating to the selection and purchase of textbooks by school districts) do not apply to supplemental textbooks requisitioned under this section.

SECTION 6. Amends Subchapter C, Chapter 31, Education Code, by adding Section 31.1011, as follows:

- Sec. 31.1011. TEXTBOOK CREDITS. (a) Entitles a school district or open-enrollment charter school to receive credit for textbooks purchased at a cost below the cost limit established under Section 31.025(a) (regarding limitation on cost).
  - (b) Sets forth the calculation for this credit.
  - (c) Requires 50 percent of the total textbook credit of a school district or openenrollment charter school to be credited to the state textbook fund, and requires 50 percent of the credit to be credited to the district or school to apply toward the requisition of additional textbooks or electronic textbooks that are on the conforming or nonconforming list under Section 31.023 or the components of such textbooks, including any electronic components, or toward the requisition of supplemental textbooks as provided by Section 31.035.
  - (d) Authorizes the legislature to appropriate funds for the purpose of increasing the number of textbook credits available for distribution to school districts and open-enrollment charter schools under this section. Authorizes the appropriation to be designated for certain purposes. Requires the appropriation to be provided in an equitable manner.
- SECTION 7. Repealer: Section 13.04 (providing that the legislature will implement reforms to the system by which the state and school districts procure and purchase textbooks), Chapter 5, Acts of the 79th Legislature, 3rd Called Session, 2006.
- SECTION 8. Makes application of Section 31.023, Education Code, as amended by this Act, prospective.
- SECTION 9. Makes application of Section 31.1011, Education Code, as added by this Act, prospective to the 2007-2008 school year.
- SECTION 10. Effective date: upon passage or September 1, 2007.