

BILL ANALYSIS

H.B. 1572
By: Dutton
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Public charter schools were first authorized in 1995 but did not receive any facilities funding until 2017. Only charter holders rated "academically acceptable" qualify for this funding, which is set at a cap of \$60 million per year divided by qualifying schools' average daily attendance. There are limited purposes for which the funds may be used, and if a charter is ever revoked, the properties revert to the state in the charter school liquidation fund. According to the Texas Education Agency's January 2023 Report on Public Education State Funding Transparency (Rider 65), charter schools received an average of \$966 less than districts in per pupil funding in state fiscal year 2022. Most of this gap is driven by facilities funding—districts receive local funding while charters receive from a fixed pot provided by the state. This is because districts have local taxing authority for facilities' needs, and charters do not. Instead, charters have a \$60 million cap on the statutory formula that would otherwise determine their funding. This cap is split among all academically acceptable charters, has not been increased since 2017, and has lost a lot of value due to changes in enrollment and inflation. Due to this, public charter schools are having to divert their regular maintenance and operations entitlements to cover costs associated with their facilities. This means that valuable dollars that could and should be used for teachers and instructional materials are instead being used to update facilities to meet school safety standards. H.B. 1572 seeks to address this issue by eliminating the cap on facility funding for open-enrollment charter schools.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1572 amends the Education Code to eliminate the cap on instructional facilities funding for eligible open-enrollment charter holders by removing the rate that would result in a total amount of \$60 million in instructional facilities funding for all charter holders as a potential multiplier for purposes of calculating such funding.

EFFECTIVE DATE

September 1, 2023.