

Adjustment to the Regular Program Adjustment Factor: “Smoothing” Provision in Senate Bill 1

Texas Education Code (TEC) Reference and Language

TEC, §42.101(c-2), as added by Senate Bill 1 (SB 1), 82nd Texas Legislature, First Called Session, 2011 (82-1):

For a school district that does not receive funding under Section 42.2516 for the 2011–2012 school year, the commissioner may set the regular program adjustment factor ("RPAF") at 0.95195 for the 2011–2012 and 2012–2013 school years if the district demonstrates that funding reductions as a result of adjustments to the regular program allotment made by S.B. No. 1, Acts of the 82nd Legislature, 1st Called Session, 2011, will result in a hardship to the district in the 2011–2012 school year. Notwithstanding any other provision of this subsection, the commissioner shall adjust the regular program adjustment factor ("RPAF") for the 2012–2013 school year for a school district whose regular program adjustment factor is set in accordance with this subsection to ensure that the total amount of state and local revenue in the combined 2011–2012 and 2012–2013 school years does not differ from the amount the district would have received if the district's regular program adjustment factor had not been set in accordance with this subsection. A determination by the commissioner under this subsection is final and may not be appealed.

History/Relevant Background Information

With the passage of SB 1 (82-1), the Texas Legislature made several changes to school finance formulas. One of these changes codified the calculation of the regular program allotment, which is equal to a district's number of students in average daily attendance¹ multiplied by the adjusted basic allotment and then by what is known as the **regular program adjustment factor (RPAF)**. The RPAF has the effect of reducing the amount of funding school districts receive.

The RPAF is set at 0.9239 for the 2011–2012 school year and 0.98 for the 2012–2013 school year. However, statutory provisions allow certain districts to request that the percentage reduction in funding be made the same ("smoothed") for both of these school years by having the RPAF changed to 0.95195 for both years, subject to a biennial limit on total funding.

Eligibility for Adjustment

Only school districts that do not receive funding for Additional State Aid for Tax Reduction (ASATR) as authorized by the Texas Education Code (TEC), §42.2516, are eligible for this adjustment. Eligibility is determined by the Foundation School Program funding that is produced by the legislative payment estimates (LPEs) on a school district's 2012–2013 *Summary of Finances* in September 2011.

¹ not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs

Procedure for Requesting an Adjustment

School districts may request that the commissioner adjust their RPAF under the RPAF adjustment provisions by completing and submitting a form. The form is available from a link on the Adjustment to the Regular Program Adjustment Factor (RPAF) web page at <http://www.tea.state.tx.us/index2.aspx?id=2147503513>.

Note: Statutory provisions require that the commissioner ensure that school districts that receive this adjustment will not receive more funding for the biennium than they would have otherwise received. To comply with this provision, the agency will make any necessary adjustments to the funding received by these districts for the 2012–2013 school year, including adjustments to the amount of recapture paid. Districts will be notified of the adjustment amount no later than April 30, 2012.

Contact for More Information

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