

Overview of Regional Education Service Center Formula Funding

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Regional Education Service Center Funding

Regional Education Service Centers (RESCs) receive funding from state, federal, and local sources. State funding can generally be broken into:

- Texas Education Agency (TEA) grants; and
- Formula funding distributed by TEA as directed by Rider 39 in TEA's bill pattern.

TEA grants relate to programs funded by TEA and distributed to the RESCs for implementaton, including School Readiness Integration and Services to Students who are Blind or Visually Impaired. Federal funding includes funds associated with various programs, the largest being Head Start (early childhood school readiness). Local funds are generally received by RESCs for products sold or services provided to local school districts.

Region	State	Federal	Local
1 Edinburg	36.79%	21.29%	41.93%
2 Corpus Christi	48.96%	22.75%	28.29%
3 Victoria	28.87%	33.87%	37.26%
4 Houston	46.45%	26.30%	27.25%
5 Beaumont	45.79%	24.77%	29.44%
6 Huntsville	31.65%	31.36%	36.99%
7 Kilgore	31.32%	14.82%	53.86%
8 Mt. Pleasant	50.81%	23.15%	26.04%
9 Wichita Falls	22.72%	20.76%	56.52%
10 Richardson	29.23%	14.09%	56.69%
11 Ft. Worth	49.67%	18.81%	31.52%
12 Waco	46.24%	20.92%	32.83%
13 Austin	42.57%	27.81%	29.62%
14 Abilene	16.12%	16.28%	67.60%
15 San Angelo	46.12%	25.61%	28.28%
16 Amarillo	19.68%	11.21%	69.10%
17 Lubbock	54.15%	17.92%	27.93%
18 Midland	31.07%	18.74%	50.19%
19 El Paso	8.61%	8.98%	82.41%
20 San Antonio	50.12%	14.86%	35.02%
Statewide	35.09%	19.11%	45.80%

Regional Education Service Center State Formula Funding

RESC formula funding is determined statewide by appropriation and allocated according to a formula that includes a base funding amount and additional amounts based on geographic region and size of school districts served. Statewide formula funding for RESC core services was reduced by the Eighty-second Legislature from \$21,375,000 annually in 2010-11 to \$12,500,000 annually in 2012-13. **Figure 2** shows the historical funding for the statewide formula from the 2002-03 biennium to the 2012-13 biennium.

Figure 2: Biennial Formula Funding for RESCs

Biennium	2002-03	2004-05	2006-07	2008-09	2010-11	2012-13
Biennial Appropriation	\$74,948,550	\$45,000,000	\$42,750,000	\$42,750,000	\$42,750,000	\$25,000,000

Rider 39, Funding for Regional Education Service Centers, of TEA's bill pattern was modified by the Eighty-second Legislature to require the Commissioner of Education to develop a new formula which placed a greater emphasis on directing funding to RESCs that served small and rural school districts. Rider 39 was also modified to require each RESC to report annually on: 1) the savings provided to school districts through RESC products and services; 2) the services provided by each RESC and a cost comparison to other providers; and 3) the number of full-time equivalent (FTE) positions for each RESC including the corresponding salaries and method of finance for each FTE.

Figure 3 compares the previous allocation, which had been in place since fiscal year 2003, and the modified formula.

Figure 3: Statewide Formula Funding Variable Weight			
Fiscal Year	Base Allocation	Geographic	Small Schools
2011	70%	15%	15%
2012	20%	40%	40%

The base allocation is divided equally among all RESCs. The geographic-based allocation is made on the basis of the number of students per square mile and flows proportionally more funding to districts with lower population density. The small schools-based allocation is made by allocating more funding to RESCs that serve school districts with average daily attendance (ADA) of 1,600 or less.

Figure 4 provides a comparison of formula funding by RESC for fiscal years 2011 and 2012 and a comparison of actual funding in fiscal year 2012 to what funding levels in fiscal year 2012 would have been if the formula had not been modified. The figure also provides the percentage increase or decrease due to the formula change.

Figure 4: Regional Educational Service Center Formula Funding

Region	Fiscal Year 2011	Actual Fiscal Year 2012	Difference	Fiscal Year 2012 Funding Under Old Formula	Actual Fiscal Year 2012 Compared to Old Formula	Percent Increase/ (Decrease) Due to Formula Change
1 Edinburg	\$ 840,759	\$ 260,133	\$ (580,626)	\$ 488,175	\$ (228,042)	-46.7%
2 Corpus Christi	\$ 988,734	\$ 514,330	\$ (474,404)	\$ 583,498	\$ (69,168)	-11.9%
3 Victoria	\$ 1,085,020	\$ 657,934	\$ (427,086)	\$ 637,349	\$ 20,585	3.2%
4 Houston	\$ 978,495	\$ 463,175	\$ (515,320)	\$ 564,322	\$ (101,147)	-17.9%
5 Beaumont	\$ 893,236	\$ 339,338	\$ (553,898)	\$ 517,876	\$ (178,538)	-34.5%
6 Huntsville	\$ 979,738	\$ 482,069	\$ (497,669)	\$ 571,401	\$ (89,332)	-15.6%
7 Kilgore	\$ 1,077,305	\$ 645,504	\$ (431,801)	\$ 632,689	\$ 12,815	2.0%
8 Mt. Pleasant	\$ 996,041	\$ 518,311	\$ (477,730)	\$ 584,990	\$ (66,679)	-11.4%
9 Wichita Falls	\$ 1,180,552	\$ 802,619	\$ (377,933)	\$ 691,606	\$ 111,013	16.1%
10 Richardson	\$ 984,975	\$ 502,128	\$ (482,847)	\$ 578,922	\$ (76,794)	-13.3%
11 Ft. Worth	\$ 965,255	\$ 466,543	\$ (498,712)	\$ 565,578	\$ (99,035)	-17.5%
12 Waco	\$ 1,091,478	\$ 646,460	\$ (445,018)	\$ 633,047	\$ 13,413	2.1%
13 Austin	\$ 962,897	\$ 439,823	\$ (523,074)	\$ 555,558	\$ (115,735)	-20.8%
14 Abilene	\$ 1,162,484	\$ 767,482	\$ (395,002)	\$ 678,430	\$ 89,052	13.1%
15 San Angelo	\$ 1,480,129	\$ 1,267,467	\$ (212,662)	\$ 865,925	\$ 401,542	46.4%
16 Amarillo	\$ 1,319,997	\$ 1,020,716	\$ (299,281)	\$ 773,393	\$ 247,323	32.0%
17 Lubbock	\$ 1,207,583	\$ 845,628	\$ (361,955)	\$ 707,735	\$ 137,893	19.5%
18 Midland	\$ 1,376,082	\$ 1,114,016	\$ (262,066)	\$ 808,380	\$ 305,636	37.8%
19 El Paso	\$ 822,045	\$ 237,846	\$ (584,199)	\$ 479,823	\$ (241,977)	-50.4%
20 San Antonio	\$ 982,195	\$ 508,478	\$ (473,717)	\$ 581,303	\$ (72,825)	-12.5%
	\$ 21,375,000	\$ 12,500,000	\$ (8,875,000)	\$ 12,500,000		