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H.B. No. 1525

A BILL TO BE ENTITLED

AN ACT

relating to the public school finance system.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.106, Education Code, is amended by adding Subsections (a-5) and (a-6) to read as follows:

(a-5) To ensure compliance with the requirements for the maintenance of state financial support for special education under 20 U.S.C. Section 1412(a)(18), in determining the funding for an open-enrollment charter school under Subsection (a) for the Section 48.102 allotment, the commissioner shall:

(1) if necessary, increase the amount of that allotment to an amount equal to the amount the charter holder was entitled to receive for the charter school under the allotment under former Section 42.151, Education Code, for the 2018-2019 school year; and

(2) reduce the amount of the allotment the charter holder is entitled to receive for the charter school under Subsection (a-2) by the amount of any increase provided for the charter school under Subdivision (1).

(a-6) Subsection (a-5) and this subsection expire September 1, 2025.

SECTION 2. Sections 12.133(b), (b-1), and (c), Education Code, are amended to read as follows:

(b) Each school year, ~~[using state funds received by the~~

1 ~~charter holder for that purpose under Subsection (d),]~~ a charter
2 holder that participated in the program under Chapter 1579,
3 Insurance Code, for the 2005-2006 school year shall provide
4 employees of the charter holder, other than administrators,
5 compensation in the form of annual salaries, incentives, or other
6 compensation determined appropriate by the charter holder that
7 results in an average compensation increase for classroom teachers,
8 full-time librarians, full-time school counselors, and full-time
9 school nurses who are employed by the charter holder and who would
10 be entitled to a minimum salary under Section 21.402 if employed by
11 a school district, in an amount at least equal to \$2,500.

12 (b-1) A ~~[Using state funds received by the charter holder~~
13 ~~for that purpose under Subsection (d-1), a]~~ charter holder that
14 participated in the program under Chapter 1579, Insurance Code, for
15 the 2005-2006 school year shall provide employees of the charter
16 holder, other than administrators, compensation in the form of
17 annual salaries, incentives, or other compensation determined
18 appropriate by the charter holder that results in average
19 compensation increases as follows:

20 (1) for full-time employees other than employees who
21 would be entitled to a minimum salary under Section 21.402 if
22 employed by a school district, an average increase at least equal to
23 \$500; and

24 (2) for part-time employees, an average increase at
25 least equal to \$250.

26 (c) Each school year, ~~[using state funds received by the~~
27 ~~charter holder for that purpose under Subsection (e),]~~ a charter

1 holder that did not participate in the program under Chapter 1579,
2 Insurance Code, for the 2005-2006 school year shall provide
3 employees of the charter holder, other than administrators,
4 compensation in the form of annual salaries, incentives, or other
5 compensation determined appropriate by the charter holder that
6 results in an average compensation increase for classroom teachers,
7 full-time librarians, full-time school counselors, and full-time
8 school nurses who are employed by the charter holder and who would
9 be entitled to a minimum salary under Section 21.402 if employed by
10 a school district, in an amount at least equal to \$2,000.

11 SECTION 3. Section 21.3521(a), Education Code, is amended
12 to read as follows:

13 (a) Subject to Subsection (b), a school district or
14 open-enrollment charter school may designate a [~~certified~~]
15 classroom teacher as a master, exemplary, or recognized teacher for
16 a five-year period based on the results from single year or
17 multiyear appraisals that comply with Section 21.351 or 21.352.

18 SECTION 4. Section 28.0062(a), Education Code, is amended
19 to read as follows:

20 (a) Each school district and open-enrollment charter school
21 shall:

22 (1) provide for the use of a phonics curriculum that
23 uses systematic direct instruction in kindergarten through third
24 grade to ensure all students obtain necessary early literacy
25 skills;

26 (2) ensure that:

27 (A) not later than the 2023-2024 [~~2021-2022~~]

1 school year, each classroom teacher in kindergarten or first,
2 second, or third grade and each principal at a campus with
3 kindergarten or first, second, or third grade has attended a
4 teacher literacy achievement academy developed under Section
5 [21.4552](#); and

6 (B) each classroom teacher and each principal
7 initially employed in a grade level or at a campus described by
8 Paragraph (A) for the 2023-2024 [~~2021-2022~~] school year or a
9 subsequent school year has attended a teacher literacy achievement
10 academy developed under Section [21.4552](#) by the end of [~~before~~] the
11 teacher's or principal's first year of placement in that grade level
12 or campus; and

13 (3) certify to the agency that the district or school:

14 (A) prioritizes placement of highly effective
15 teachers in kindergarten through second grade; and

16 (B) has integrated reading instruments used to
17 diagnose reading development and comprehension to support each
18 student in prekindergarten through third grade.

19 SECTION 5. Section [29.153](#), Education Code, is amended by
20 amending Subsection (d-1) and adding Subsection (d-2) to read as
21 follows:

22 (d-1) A district may not receive an exemption under
23 Subsection (d) unless the district has:

24 (1) solicited [~~and considered at a public meeting~~]
25 proposals for partnerships in accordance with guidance regarding
26 soliciting partnerships provided by the agency; and

27 (2) considered submitted proposals at a public meeting

1 with public or private entities regarding prekindergarten classes
2 required under this section [~~with public or private entities~~
3 ~~regarding prekindergarten classes required under this section~~].

4 (d-2) A decision of the board of trustees regarding a
5 partnership described by Subsection (d-1) [~~this subsection~~] is
6 final.

7 SECTION 6. Section [31.0211\(c\)](#), Education Code, is amended
8 to read as follows:

9 (c) Subject to Subsection (d), funds allotted under this
10 section may be used to:

11 (1) purchase:

12 (A) materials on the list adopted by the
13 commissioner, as provided by Section [31.0231](#);

14 (B) instructional materials, regardless of
15 whether the instructional materials are on the list adopted under
16 Section [31.024](#);

17 (C) consumable instructional materials,
18 including workbooks;

19 (D) instructional materials for use in bilingual
20 education classes, as provided by Section [31.029](#);

21 (E) instructional materials for use in college
22 preparatory courses under Section [28.014](#), as provided by Section
23 [31.031](#);

24 (F) supplemental instructional materials, as
25 provided by Section [31.035](#);

26 (G) state-developed open education resource
27 instructional materials, as provided by Subchapter B-1;

1 (H) instructional materials and technological
2 equipment under any continuing contracts of the district in effect
3 on September 1, 2011;

4 (I) technological equipment necessary to support
5 the use of materials included on the list adopted by the
6 commissioner under Section 31.0231 or any instructional materials
7 purchased with an allotment under this section; and

8 (J) inventory software or systems for storing,
9 managing, and accessing instructional materials and analyzing the
10 usage and effectiveness of the instructional materials; and

11 (2) pay:

12 (A) for training educational personnel directly
13 involved in student learning in the appropriate use of
14 instructional materials and for providing for access to
15 technological equipment for instructional use; ~~and~~

16 (B) the salary and other expenses of an employee
17 who provides technical support for the use of technological
18 equipment directly involved in student learning; and

19 (C) for costs associated with distance learning,
20 including Wi-Fi, Internet access hotspots, wireless network
21 service, broadband service, and other services and technological
22 equipment necessary to facilitate Internet access.

23 SECTION 7. Section 37.108(b-1), Education Code, is amended
24 to read as follows:

25 (b-1) In a school district's safety and security audit
26 required under Subsection (b), the district must certify that the
27 district used the funds provided to the district through the school

1 safety allotment under Section 48.115 [~~42.168~~] only for the
2 purposes provided by that section.

3 SECTION 8. Section 39.0261, Education Code, is amended by
4 adding Subsection (a-1) and amending Subsection (b) to read as
5 follows:

6 (a-1) Notwithstanding Subsection (a)(3), the commissioner
7 by rule may allow a student to take at state cost an assessment
8 instrument described by that subdivision if circumstances existed
9 that prevented the student from taking the assessment instrument
10 before the student graduated from high school.

11 (b) The agency shall:

12 (1) select and approve vendors of the specific
13 assessment instruments administered under this section and
14 negotiate with each approved vendor a price for each assessment
15 instrument; and

16 (2) provide reimbursement to a school district in the
17 amount negotiated under Subdivision (1) for [~~all fees associated~~
18 ~~with~~] the administration of the assessment instrument from funds
19 appropriated for that purpose.

20 SECTION 9. Section 39.053(g-4), Education Code, is amended
21 to read as follows:

22 (g-4) For purposes of the computation of dropout and
23 completion rates such as high school graduation rates under
24 Subsection (c)(1)(B)(ix), the commissioner shall exclude a student
25 who was reported as having dropped out of school under Section
26 48.009(b-4) [~~42.006~~(a-9)], and the student may not be considered to
27 have dropped out from the school district or campus in which the

1 student was last enrolled.

2 SECTION 10. Section 45.0021, Education Code, is amended by
3 amending Subsection (a) and adding Subsections (c), (d), (e), (f),
4 and (g) to read as follows:

5 (a) A school district may not levy [~~increase the rate of~~]
6 the district's maintenance taxes described by Section 45.002 at a
7 rate intended to create a surplus in maintenance tax revenue for the
8 purpose of paying the district's debt service.

9 (c) The agency shall:

10 (1) develop a method to identify school districts that
11 may have adopted a maintenance tax rate in violation of Subsection
12 (a), which must include a review of data over multiple years;

13 (2) for each school district identified under the
14 method developed under Subdivision (1), investigate as necessary to
15 determine whether the district has adopted a maintenance tax rate
16 in violation of Subsection (a); and

17 (3) if the agency determines that a school district
18 has adopted a maintenance tax rate in violation of Subsection (a):

19 (A) order the district to comply with Subsection
20 (a) not later than three years after the date of the order;

21 (B) assist the district in developing a
22 corrective action plan that, to the extent feasible, does not
23 result in a net increase in the district's total tax rate; and

24 (C) post the name of the school district on the
25 agency's Internet website.

26 (d) The implementation of a corrective action plan under
27 Subsection (c)(3)(B) does not prohibit a school district from

1 increasing the district's total tax rate as necessary to achieve
2 other legal purposes.

3 (e) If a school district fails to take action under a
4 corrective action plan developed under Subsection (c)(3)(B), the
5 commissioner may reduce the district's entitlement under Chapter 48
6 by an amount equal to the difference between:

7 (1) the amount of state and local funding the district
8 received as a result of adopting a maintenance tax rate in violation
9 of Subsection (a); and

10 (2) the amount of state and local funding the district
11 would have received if the district had not adopted a maintenance
12 tax rate in violation of Subsection (a).

13 (f) This section does not prohibit a school district from
14 using a surplus in maintenance tax revenue to pay the district's
15 debt service if:

16 (1) the district's interest and sinking fund tax
17 revenue is insufficient to pay the district's debt service due to
18 circumstances beyond the district's control; and

19 (2) the use of the surplus maintenance tax revenue to
20 pay the district's debt service is necessary to prevent a default on
21 the district's debt.

22 (g) This section may not be construed to prohibit a school
23 district from:

24 (1) paying a portion of the district's maintenance tax
25 revenue into the tax increment fund for a reinvestment zone under
26 Chapter 311, Tax Code; or

27 (2) using money disbursed from the tax increment fund

1 for a reinvestment zone under Chapter 311, Tax Code, in accordance
2 with the agreement entered into by the district with the governing
3 body of the municipality or county that designated the zone under
4 Section 311.013(f) of that code.

5 SECTION 11. Section 48.009, Education Code, is amended by
6 amending Subsection (b) and adding Subsection (b-4) to read as
7 follows:

8 (b) The commissioner by rule shall require each school
9 district and open-enrollment charter school to report through the
10 Public Education Information Management System information
11 regarding:

12 (1) the number of students enrolled in the district or
13 school who are identified as having dyslexia;

14 (2) the availability of school counselors, including
15 the number of full-time equivalent school counselors, at each
16 campus;

17 (3) the availability of expanded learning
18 opportunities as described by Section 33.252 at each campus;

19 (4) the total number of students, other than students
20 described by Subdivision (5), enrolled in the district or school
21 with whom the district or school, as applicable, used intervention
22 strategies, as that term is defined by Section 26.004, at any time
23 during the year for which the report is made; ~~and~~

24 (5) the total number of students enrolled in the
25 district or school to whom the district or school provided aids,
26 accommodations, or services under Section 504, Rehabilitation Act
27 of 1973 (29 U.S.C. Section 794), at any time during the year for

1 which the report is made;

2 (6) disaggregated by campus and grade, the number of:

3 (A) children who are required to attend school
4 under Section 25.085, are not exempted under Section 25.086, and
5 fail to attend school without excuse for 10 or more days or parts of
6 days within a six-month period in the same school year;

7 (B) students for whom the district initiates a
8 truancy prevention measure under Section 25.0915(a-4); and

9 (C) parents of students against whom an
10 attendance officer or other appropriate school official has filed a
11 complaint under Section 25.093; and

12 (7) the number of students who are enrolled in a high
13 school equivalency program, a dropout recovery school, or an adult
14 education program provided under a high school diploma and industry
15 certification charter school program provided by the district or
16 school and who:

17 (A) are at least 18 years of age and under 26
18 years of age;

19 (B) have not previously been reported to the
20 agency as dropouts; and

21 (C) enroll in the program at the district or
22 school after not attending school for a period of at least nine
23 months.

24 (b-4) A student reported under Subsection (b)(7) as having
25 enrolled in a high school equivalency program, a dropout recovery
26 school, or an adult education program provided under a high school
27 diploma and industry certification charter school program must be

1 reported through the Public Education Information Management
2 System as having previously dropped out of school.

3 SECTION 12. Section 48.051, Education Code, is amended by
4 adding Subsection (c-1) to read as follows:

5 (c-1) A school district employee who received a salary
6 increase under Subsection (c) from a school district for the
7 2019-2020 school year is, as long as the employee remains employed
8 by the same district, entitled to salary that is at least equal to
9 the salary the employee received for the 2019-2020 school year.
10 This subsection does not apply if the board of trustees of the
11 school district at which the employee is employed:

12 (1) complies with Sections 21.4021, 21.4022, and
13 21.4032 in reducing the employee's salary; and

14 (2) has adopted a resolution declaring a financial
15 exigency for the district under Section 44.011.

16 SECTION 13. Section 48.104, Education Code, is amended by
17 adding Subsection (e-1) and amending Subsections (j-1) and (k) to
18 read as follows:

19 (e-1) For each student who is a homeless child or youth as
20 defined by 42 U.S.C. Section 11434a, a school district is entitled
21 to an annual allotment equal to the basic allotment multiplied by
22 the highest weight provided under Subsection (d).

23 (j-1) In addition to other purposes for which funds
24 allocated under this section may be used, those funds may also be
25 used to:

26 (1) provide child-care services or assistance with
27 child-care expenses for students at risk of dropping out of school,

1 as described by Section 29.081(d)(5); ~~[or]~~

2 (2) pay the costs associated with services provided
3 through a life skills program in accordance with Sections
4 29.085(b)(1) and (3)-(7); or

5 (3) pay costs for services provided by an
6 instructional coach to raise student achievement at a campus in
7 which educationally disadvantaged students are enrolled.

8 (k) At least 55 percent of the funds allocated under this
9 section must be used to:

10 (1) fund supplemental programs and services,
11 including services provided by an instructional coach, designed to
12 eliminate any disparity in performance on assessment instruments
13 administered under Subchapter B, Chapter 39, or disparity in the
14 rates of high school completion between:

15 (A) students who are educationally disadvantaged
16 and students who are not educationally disadvantaged; and

17 (B) students at risk of dropping out of school,
18 as defined by Section 29.081, and all other students; or

19 (2) support a program eligible under Title I of the
20 Elementary and Secondary Education Act of 1965, as provided by Pub.
21 L. No. 103-382 and its subsequent amendments, and by federal
22 regulations implementing that Act.

23 SECTION 14. Section 48.106, Education Code, is amended by
24 amending Subsection (a) and adding Subsections (a-1) and (d) to
25 read as follows:

26 (a) For each full-time equivalent student in average daily
27 attendance in an approved career and technology education program

1 in grades 7 through 12, a district is entitled to~~+~~

2 ~~[(1)]~~ an annual allotment equal to the basic
3 allotment, or, if applicable, the sum of the basic allotment and the
4 allotment under Section 48.101 to which the district is entitled,
5 multiplied by:

6 (1) 1.1 for a full-time equivalent student in career
7 and technology education courses not in an approved program of
8 study;

9 (2) 1.28 for a full-time equivalent student in levels
10 one and two career and technology education courses in an approved
11 program of study, as identified by the agency ~~[a weight of 1.35];~~

12 and

13 (3) 1.47 for a full-time equivalent student in levels
14 three and four career and technology education courses in an
15 approved program of study, as identified by the agency.

16 (a-1) In addition to the amounts under Subsection (a), for
17 each student in average daily attendance, a district is entitled to

18 ~~[(2)]~~ \$50 for each of the following in which the
19 student is enrolled:

20 (1) [(A) two or more advanced career and technology
21 education classes for a total of three or more credits,

22 ~~[(B)]~~ a campus designated as a P-TECH school
23 under Section 29.556; or

24 (2) [(C)] a campus that is a member of the New Tech
25 Network and that focuses on project-based learning and work-based
26 education.

27 (d) The agency shall annually publish a list of career and

1 technology courses that qualify for an allotment under Subsection
2 (a), disaggregated by the weight for which the course qualifies.

3 SECTION 15. Section 48.106(b), Education Code, is amended
4 by amending Subdivision (1) and adding Subdivision (1-a) to read as
5 follows:

6 (1) "Approved [~~Career and technology education class~~
7 and"]career and technology education program":

8 (A) means a sequence of career and technology
9 education courses, including [~~include~~] technology applications
10 courses, authorized by the State Board of Education; and

11 (B) includes only courses that qualify for high
12 school credit.

13 (1-a) "Approved program of study" means a course
14 sequence that:

15 (A) provides students with the knowledge and
16 skills necessary for success in the students' chosen careers; and

17 (B) is approved by the agency for purposes of the
18 Strengthening Career and Technical Education for the 21st Century
19 Act (Pub. L. No. 115-224).

20 SECTION 16. Section 48.110(f), Education Code, is amended
21 to read as follows:

22 (f) For purposes of this section, an annual graduate
23 demonstrates:

24 (1) college readiness if the annual graduate:

25 (A) both:

26 (i) achieves college readiness standards
27 used for accountability purposes under Chapter 39 on the ACT, the

1 SAT, or an assessment instrument designated by the Texas Higher
2 Education Coordinating Board under Section 51.334; and

3 (ii) [~~(B)~~] during a time period established
4 by commissioner rule, enrolls at a postsecondary educational
5 institution; or

6 (B) earns an associate degree from a
7 postsecondary educational institution approved by the Texas Higher
8 Education Coordinating Board while attending high school or during
9 a time period established by commissioner rule;

10 (2) career readiness if the annual graduate:

11 (A) achieves college readiness standards used
12 for accountability purposes under Chapter 39 on the ACT, the SAT, or
13 an assessment instrument designated by the Texas Higher Education
14 Coordinating Board under Section 51.334; and

15 (B) during a time period established by
16 commissioner rule, earns an industry-accepted certificate; and

17 (3) military readiness if the annual graduate:

18 (A) achieves a passing score set by the
19 applicable military branch on the Armed Services Vocational
20 Aptitude Battery; and

21 (B) during a time period established by
22 commissioner rule, enlists in the armed forces of the United
23 States.

24 SECTION 17. Section 48.111, Education Code, is amended to
25 read as follows:

26 Sec. 48.111. FAST GROWTH ALLOTMENT. (a) Except as provided
27 by Subsection (b), a [A] school district [~~in which the growth in~~

1 ~~student enrollment in the district over the preceding three school~~
2 ~~years is in the top quartile of student enrollment growth in school~~
3 ~~districts in the state for that period, as determined by the~~
4 ~~commissioner,~~] is entitled to an annual allotment equal to the
5 basic allotment multiplied by 0.35 [~~0.04~~] for each enrolled student
6 equal to the difference, if the difference is greater than zero,
7 that results from subtracting 250 from the difference between the
8 number of students enrolled in the district during the school year
9 immediately preceding the current school year and the number of
10 students enrolled in the district during the school year six years
11 preceding the current school year [~~in average daily attendance~~].

12 (a-1) For purposes of Subsection (a), in determining the
13 number of students enrolled in a school district, the commissioner
14 shall exclude students enrolled in the district who receive
15 full-time instruction through the state virtual school network
16 under Chapter 30A.

17 (a-2) Notwithstanding Subsection (a), instead of using the
18 weight of "0.35" in Subsection (a), the agency shall substitute the
19 following weights:

20 (1) for the 2021-2022 school year, "0.30"; and

21 (2) for the 2022-2023 school year, "0.348".

22 (a-3) Subsection (a-2) and this subsection expire September
23 1, 2024.

24 (b) Notwithstanding Subsection (a), the total amount that
25 may be used to provide allotments under Subsection (a) may not
26 exceed \$320 million. If the total amount of allotments to which
27 districts are entitled under Subsection (a) for a school year

1 exceeds the amount permitted under this subsection, the
2 commissioner shall reduce each district's allotment under this
3 section in the manner provided by Section 48.266(f).

4 (b-1) Notwithstanding Subsection (b), the total amount that
5 may be used to provide allotments under Subsection (a) may not
6 exceed:

7 (1) for the 2021-2022 school year, \$270 million;

8 (2) for the 2022-2023 school year, \$310 million; and

9 (3) for the 2023-2024 school year, \$315 million.

10 (b-2) Subsection (b-1) and this subsection expire September
11 1, 2025.

12 (c) For the 2021-2022 school year, the agency shall provide
13 to each school district that received an allotment under this
14 section for the 2019-2020 school year but is not entitled to an
15 allotment for the 2021-2022 school year an amount equal to the
16 amount of the allotment provided to the district under this section
17 for the 2019-2020 school year.

18 (c-1) The total amount that may be used to provide funding
19 under Subsection (c) may not exceed \$40 million. If the total amount
20 of funding to which districts are entitled under Subsection (c) for
21 a school year exceeds the amount permitted under this subsection,
22 the commissioner shall reduce each district's amount under
23 Subsection (c) in the manner provided by Section 48.266(f).

24 (c-2) The amounts to which school districts are entitled
25 under Subsection (c) are not subject to the amount limitations
26 described by Subsections (b) and (b-1).

27 (c-3) Subsections (c), (c-1), (c-2), and this subsection

1 expire September 1, 2023.

2 SECTION 18. Section 48.112, Education Code, is amended by
3 adding Subsection (j) to read as follows:

4 (j) The Texas School for the Deaf and the Texas School for
5 the Blind and Visually Impaired are entitled to an allotment under
6 this section. If the commissioner determines that assigning point
7 values under Subsections (e) and (f) to students enrolled in the
8 Texas School for the Deaf or the Texas School for the Blind and
9 Visually Impaired is impractical, the commissioner may use the
10 average point value assigned for those students' home districts for
11 purposes of calculating the high needs and rural factor.

12 SECTION 19. Section 42.168, Education Code, as added by
13 Chapter 464 (S.B. 11), Acts of the 86th Legislature, Regular
14 Session, 2019, is transferred to Subchapter C, Chapter 48,
15 Education Code, redesignated as Section 48.115, Education Code, and
16 amended to read as follows:

17 Sec. 48.115 [~~42.168~~]. SCHOOL SAFETY ALLOTMENT. (a) From
18 funds appropriated for that purpose, the commissioner shall provide
19 to a school district an annual allotment in the amount provided by
20 appropriation for each student in average daily attendance.

21 (b) Funds allocated under this section must be used to
22 improve school safety and security, including costs associated
23 with:

- 24 (1) securing school facilities, including:
25 (A) improvements to school infrastructure;
26 (B) the use or installation of physical barriers;

27 and

- 1 (C) the purchase and maintenance of:
- 2 (i) security cameras or other security
- 3 equipment; and
- 4 (ii) technology, including communications
- 5 systems or devices, that facilitates communication and information
- 6 sharing between students, school personnel, and first responders in
- 7 an emergency;
- 8 (2) providing security for the district, including:
- 9 (A) employing school district peace officers,
- 10 private security officers, and school marshals; and
- 11 (B) collaborating with local law enforcement
- 12 agencies, such as entering into a memorandum of understanding for
- 13 the assignment of school resource officers to schools in the
- 14 district;
- 15 (3) school safety and security training and planning,
- 16 including:
- 17 (A) active shooter and emergency response
- 18 training;
- 19 (B) prevention and treatment programs relating
- 20 to addressing adverse childhood experiences; and
- 21 (C) the prevention, identification, and
- 22 management of emergencies and threats, including:
- 23 (i) providing mental health personnel and
- 24 support;
- 25 (ii) providing behavioral health services;
- 26 and
- 27 (iii) establishing threat reporting

1 systems; and

2 (4) providing programs related to suicide prevention,
3 intervention, and postvention.

4 (c) A school district may use funds allocated under this
5 section for equipment or software that is used for a school safety
6 and security purpose and an instructional purpose, provided that
7 the instructional use does not compromise the safety and security
8 purpose of the equipment or software.

9 ~~[(d) A school district that is required to take action under
10 Chapter 41 to reduce its wealth per student to the equalized wealth
11 level is entitled to a credit, in the amount of the allotments to
12 which the district is to receive as provided by appropriation,
13 against the total amount required under Section 41.093 for the
14 district to purchase attendance credits.~~

15 ~~[(e) The commissioner may adopt rules to implement this
16 section.]~~

17 SECTION 20. Section 48.2551, Education Code, is amended by
18 amending Subsections (a) and (c) and adding Subsections (d-1) and
19 (d-2) to read as follows:

20 (a) In this section:

21 (1) "DPV" is the taxable value of property in the
22 school district, as determined by the agency by rule, using locally
23 determined property values adjusted in accordance with Section
24 403.302(d), Government Code ~~[has the meaning assigned by Section~~
25 ~~48.256];~~

26 (2) "E" is the expiration of the exclusion of
27 appraised property value for the preceding tax year that is

1 recognized as taxable property value for the current tax year,
2 which is the sum of the following:

3 (A) property value that is no longer subject to a
4 limitation on appraised value under Chapter 313, Tax Code; and

5 (B) property value under Section 311.013(n), Tax
6 Code, that is no longer excluded from the calculation of "DPV" from
7 the preceding year because of refinancing or renewal after
8 September 1, 2019;

9 (3) "MCR" is the district's maximum compressed rate,
10 which is the tax rate for the current tax year per \$100 of valuation
11 of taxable property at which the district must levy a maintenance
12 and operations tax to receive the full amount of the tier one
13 allotment to which the district is entitled under this chapter;

14 (4) "PYDPV" is the district's value of "DPV" for the
15 preceding tax year; and

16 (5) "PYMCR" is the district's value of "MCR" for the
17 preceding tax year.

18 (c) Notwithstanding Subsection (b), for a district to which
19 Section 48.2552(b) applies, the district's maximum compressed rate
20 is the value calculated in accordance with Section 48.2552(b) [~~for~~
21 ~~"MCR" under Subsection (b)(1)(B)~~].

22 (d-1) Local appraisal districts, school districts, and the
23 comptroller shall provide any information necessary to the agency
24 to implement this section.

25 (d-2) A school district may appeal to the commissioner the
26 district's taxable property value as determined by the agency under
27 this section. A decision by the commissioner is final and may not be

1 appealed.

2 SECTION 21. Section 48.2552(b), Education Code, is amended
3 to read as follows:

4 (b) If a school district's [~~district has a~~] maximum
5 compressed rate as calculated under Section 48.2551(b) would be
6 [~~that is~~] less than 90 percent of another school district's maximum
7 compressed rate, the district's maximum compressed rate is the
8 value at which the district's maximum compressed rate would be
9 equal to 90 percent of the other district's maximum compressed rate
10 [~~calculated under Section 48.2551(c) until the agency determines~~
11 ~~that the difference between the district's and another district's~~
12 ~~maximum compressed rates is not more than 10 percent~~].

13 SECTION 22. Section 48.257(c), Education Code, is amended
14 to read as follows:

15 (c) For purposes of Subsection (a), state aid to which a
16 district is entitled under this chapter that is not described by
17 Section 48.266(a)(3) [~~48.266(a)(1), (2), or (3)~~] may offset the
18 amount by which a district must reduce the district's [~~tier one~~]
19 revenue level under this section [~~Subsection (a)~~]. Any amount of
20 state aid used as an offset under this subsection shall reduce the
21 amount of state aid to which the district is entitled.

22 SECTION 23. Subchapter F, Chapter 48, Education Code, is
23 amended by adding Section 48.2721 to read as follows:

24 Sec. 48.2721. RECOVERY OF FUNDS FROM EXCESSIVE TAXATION.
25 The commissioner shall reduce state aid or adjust the limit on local
26 revenue under Section 48.257 in an amount equal to the amount of
27 revenue generated by a school district's tax effort that is not in

1 compliance with Section 45.003 or this chapter.

2 SECTION 24. Subchapter F, Chapter 48, Education Code, is
3 amended by adding Section 48.280 to read as follows:

4 Sec. 48.280. ADJUSTMENT FOR CERTAIN DISTRICTS FOR TEACHER
5 INCENTIVE ALLOTMENT FUNDING. (a) If Section 48.257(b) applies to a
6 school district and the adjustment provided under that subsection
7 for the reduction of the district's tier one revenue level is less
8 than the amount to which the district is entitled under Section
9 48.112, the commissioner shall make adjustments to the district's
10 funding to ensure that the district receives the total amount to
11 which the district is entitled under Section 48.112.

12 (b) An adjustment to a district's funding under this section
13 is excluded for purposes of calculating the district's maintenance
14 and operations revenue under Section 48.277. This subsection
15 expires September 1, 2025.

16 SECTION 25. Section 48.302(b), Education Code, is amended
17 to read as follows:

18 (b) The agency shall enter into a memorandum of
19 understanding with the commission for the agency to transfer funds
20 to the commission [~~funds specifically appropriated to the agency~~]
21 for the commission to provide to an individual who is 21 years of
22 age or older a subsidy in an amount equal to the cost of taking one
23 high school equivalency examination administered under Section
24 7.111.

25 SECTION 26. Subchapter G, Chapter 48, Education Code, is
26 amended by adding Section 48.303 to read as follows:

27 Sec. 48.303. ADDITIONAL STATE AID FOR REGIONAL EDUCATION

1 SERVICE CENTER STAFF SALARY INCREASES. (a) A regional education
2 service center is entitled to state aid in an amount equal to the
3 sum of:

4 (1) the product of \$500 multiplied by the number of
5 full-time center employees, other than administrators or classroom
6 teachers, full-time librarians, full-time school counselors
7 certified under Subchapter B, Chapter 21, or full-time school
8 nurses; and

9 (2) the product of \$250 multiplied by the number of
10 part-time center employees, other than administrators or teachers,
11 librarians, school counselors certified under Subchapter B,
12 Chapter 21, or school nurses.

13 (b) A determination by the commissioner under Subsection
14 (a) is final and may not be appealed.

15 SECTION 27. Subchapter A, Chapter 49, Education Code, is
16 amended by adding Section 49.0041 to read as follows:

17 Sec. 49.0041. LOCAL REVENUE LEVEL IN EXCESS OF ENTITLEMENT
18 AFTER REVIEW NOTIFICATION. If the commissioner determines that a
19 school district has a local revenue level in excess of entitlement
20 after the date the commissioner sends notification for the school
21 year under Section 49.004(a), the commissioner shall include the
22 amount of the district's local revenue level that exceeded the
23 level established under Section 48.257 for that school year in the
24 annual review for the following school year of the district's local
25 revenue levels under Section 49.004(a).

26 SECTION 28. Section 49.054(b), Education Code, is amended
27 to read as follows:

1 (b) A consolidated [~~Except as provided by Subsection (c), a~~
2 district under this subchapter [~~receiving incentive aid payments~~
3 ~~under this section~~] is [~~not~~] entitled to incentive aid under
4 Subchapter G, Chapter 13.

5 SECTION 29. Section 822.201(b), Government Code, is amended
6 to read as follows:

7 (b) "Salary and wages" as used in Subsection (a) means:

8 (1) normal periodic payments of money for service the
9 right to which accrues on a regular basis in proportion to the
10 service performed;

11 (2) amounts by which the member's salary is reduced
12 under a salary reduction agreement authorized by Chapter 610;

13 (3) amounts that would otherwise qualify as salary and
14 wages under Subdivision (1) but are not received directly by the
15 member pursuant to a good faith, voluntary written salary reduction
16 agreement in order to finance payments to a deferred compensation
17 or tax sheltered annuity program specifically authorized by state
18 law or to finance benefit options under a cafeteria plan qualifying
19 under Section 125 of the Internal Revenue Code of 1986, if:

20 (A) the program or benefit options are made
21 available to all employees of the employer; and

22 (B) the benefit options in the cafeteria plan are
23 limited to one or more options that provide deferred compensation,
24 group health and disability insurance, group term life insurance,
25 dependent care assistance programs, or group legal services plans;

26 (4) performance pay awarded to an employee by a school
27 district as part of a total compensation plan approved by the board

1 of trustees of the district and meeting the requirements of
2 Subsection (e);

3 (5) the benefit replacement pay a person earns under
4 Subchapter H, Chapter 659, except as provided by Subsection (c);

5 (6) stipends paid to teachers in accordance with
6 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;

7 (7) amounts by which the member's salary is reduced or
8 that are deducted from the member's salary as authorized by
9 Subchapter J, Chapter 659;

10 (8) a merit salary increase made under Section 51.962,
11 Education Code;

12 (9) amounts received under the relevant parts of the
13 educator excellence awards program under Subchapter O, Chapter 21,
14 Education Code, or a mentoring program under Section 21.458,
15 Education Code, that authorize compensation for service;

16 (10) salary amounts designated as health care
17 supplementation by an employee under Subchapter D, Chapter 22,
18 Education Code; ~~and~~

19 (11) to the extent required by Sections 3401(h) and
20 414(u)(12), Internal Revenue Code of 1986, differential wage
21 payments received by an individual from an employer on or after
22 January 1, 2009, while the individual is performing qualified
23 military service as defined by Section 414(u), Internal Revenue
24 Code of 1986; and

25 (12) increased compensation paid to a teacher by a
26 school district using funds received by the district under the
27 teacher incentive allotment under Section 48.112, Education Code.

1 SECTION 30. Section 11.26, Tax Code, is amended by adding
2 Subsections (a-4), (a-5), (a-6), (a-7), (a-8), and (a-9) to read as
3 follows:

4 (a-4) In this section, "maximum compressed rate" means the
5 maximum compressed rate of a school district as calculated under
6 Section 48.2551, Education Code.

7 (a-5) Notwithstanding the other provisions of this section,
8 if in the 2022 tax year an individual qualifies for a limitation on
9 tax increases provided by this section on the individual's
10 residence homestead and the first tax year the individual or the
11 individual's spouse qualified for an exemption under Section
12 11.13(c) for the same homestead was a tax year before the 2019 tax
13 year, the amount of the limitation provided by this section on the
14 homestead in the 2022 tax year is equal to the amount computed by:

15 (1) multiplying the taxable value of the homestead in
16 the 2018 tax year by a tax rate equal to the difference between the
17 school district's tier one maintenance and operations rate for the
18 2018 tax year and the district's maximum compressed rate for the
19 2019 tax year;

20 (2) subtracting the greater of zero or the amount
21 computed under Subdivision (1) from the amount of tax the district
22 imposed on the homestead in the 2018 tax year;

23 (3) adding any tax imposed in the 2019 tax year
24 attributable to improvements made in the 2018 tax year as provided
25 by Subsection (b) to the amount computed under Subdivision (2);

26 (4) multiplying the taxable value of the homestead in
27 the 2019 tax year by a tax rate equal to the difference between the

1 district's maximum compressed rate for the 2019 tax year and the
2 district's maximum compressed rate for the 2020 tax year;

3 (5) subtracting the amount computed under Subdivision
4 (4) from the amount computed under Subdivision (3);

5 (6) adding any tax imposed in the 2020 tax year
6 attributable to improvements made in the 2019 tax year as provided
7 by Subsection (b) to the amount computed under Subdivision (5);

8 (7) multiplying the taxable value of the homestead in
9 the 2020 tax year by a tax rate equal to the difference between the
10 district's maximum compressed rate for the 2020 tax year and the
11 district's maximum compressed rate for the 2021 tax year;

12 (8) subtracting the amount computed under Subdivision
13 (7) from the amount computed under Subdivision (6);

14 (9) adding any tax imposed in the 2021 tax year
15 attributable to improvements made in the 2020 tax year as provided
16 by Subsection (b) to the amount computed under Subdivision (8);

17 (10) multiplying the taxable value of the homestead in
18 the 2021 tax year by a tax rate equal to the difference between the
19 district's maximum compressed rate for the 2021 tax year and the
20 district's maximum compressed rate for the 2022 tax year;

21 (11) subtracting the amount computed under
22 Subdivision (10) from the amount computed under Subdivision (9);

23 and

24 (12) adding any tax imposed in the 2022 tax year
25 attributable to improvements made in the 2021 tax year as provided
26 by Subsection (b) to the amount computed under Subdivision (11).

27 (a-6) Notwithstanding the other provisions of this section,

1 if in the 2022 tax year an individual qualifies for a limitation on
2 tax increases provided by this section on the individual's
3 residence homestead and the first tax year the individual or the
4 individual's spouse qualified for an exemption under Section
5 11.13(c) for the same homestead was the 2019 tax year, the amount of
6 the limitation provided by this section on the homestead in the 2022
7 tax year is equal to the amount computed by:

8 (1) multiplying the taxable value of the homestead in
9 the 2019 tax year by a tax rate equal to the difference between the
10 school district's maximum compressed rate for the 2019 tax year and
11 the district's maximum compressed rate for the 2020 tax year;

12 (2) subtracting the amount computed under Subdivision
13 (1) from the amount of tax the district imposed on the homestead in
14 the 2019 tax year;

15 (3) adding any tax imposed in the 2020 tax year
16 attributable to improvements made in the 2019 tax year as provided
17 by Subsection (b) to the amount computed under Subdivision (2);

18 (4) multiplying the taxable value of the homestead in
19 the 2020 tax year by a tax rate equal to the difference between the
20 district's maximum compressed rate for the 2020 tax year and the
21 district's maximum compressed rate for the 2021 tax year;

22 (5) subtracting the amount computed under Subdivision
23 (4) from the amount computed under Subdivision (3);

24 (6) adding any tax imposed in the 2021 tax year
25 attributable to improvements made in the 2020 tax year as provided
26 by Subsection (b) to the amount computed under Subdivision (5);

27 (7) multiplying the taxable value of the homestead in

1 the 2021 tax year by a tax rate equal to the difference between the
2 district's maximum compressed rate for the 2021 tax year and the
3 district's maximum compressed rate for the 2022 tax year;

4 (8) subtracting the amount computed under Subdivision
5 (7) from the amount computed under Subdivision (6); and

6 (9) adding any tax imposed in the 2022 tax year
7 attributable to improvements made in the 2021 tax year as provided
8 by Subsection (b) to the amount computed under Subdivision (8).

9 (a-7) Notwithstanding the other provisions of this section,
10 if in the 2022 tax year an individual qualifies for a limitation on
11 tax increases provided by this section on the individual's
12 residence homestead and the first tax year the individual or the
13 individual's spouse qualified for an exemption under Section
14 11.13(c) for the same homestead was the 2020 tax year, the amount of
15 the limitation provided by this section on the homestead in the 2022
16 tax year is equal to the amount computed by:

17 (1) multiplying the taxable value of the homestead in
18 the 2020 tax year by a tax rate equal to the difference between the
19 school district's maximum compressed rate for the 2020 tax year and
20 the district's maximum compressed rate for the 2021 tax year;

21 (2) subtracting the amount computed under Subdivision
22 (1) from the amount of tax the district imposed on the homestead in
23 the 2020 tax year;

24 (3) adding any tax imposed in the 2021 tax year
25 attributable to improvements made in the 2020 tax year as provided
26 by Subsection (b) to the amount computed under Subdivision (2);

27 (4) multiplying the taxable value of the homestead in

1 the 2021 tax year by a tax rate equal to the difference between the
2 district's maximum compressed rate for the 2021 tax year and the
3 district's maximum compressed rate for the 2022 tax year;

4 (5) subtracting the amount computed under Subdivision
5 (4) from the amount computed under Subdivision (3); and

6 (6) adding any tax imposed in the 2022 tax year
7 attributable to improvements made in the 2021 tax year as provided
8 by Subsection (b) to the amount computed under Subdivision (5).

9 (a-8) Notwithstanding the other provisions of this section,
10 if in the 2022 tax year an individual qualifies for a limitation on
11 tax increases provided by this section on the individual's
12 residence homestead and the first tax year the individual or the
13 individual's spouse qualified for an exemption under Section
14 11.13(c) for the same homestead was the 2021 tax year, the amount of
15 the limitation provided by this section on the homestead in the 2022
16 tax year is equal to the amount computed by:

17 (1) multiplying the taxable value of the homestead in
18 the 2021 tax year by a tax rate equal to the difference between the
19 school district's maximum compressed rate for the 2021 tax year and
20 the district's maximum compressed rate for the 2022 tax year;

21 (2) subtracting the amount computed under Subdivision
22 (1) from the amount of tax the district imposed on the homestead in
23 the 2021 tax year; and

24 (3) adding any tax imposed in the 2022 tax year
25 attributable to improvements made in the 2021 tax year as provided
26 by Subsection (b) to the amount computed under Subdivision (2).

27 (a-9) Notwithstanding the other provisions of this section,

1 if in the 2023 or a subsequent tax year an individual qualifies for
2 a limitation on tax increases provided by this section on the
3 individual's residence homestead, the amount of the limitation
4 provided by this section on the homestead is equal to the amount
5 computed by:

6 (1) multiplying the taxable value of the homestead in
7 the preceding tax year by a tax rate equal to the difference between
8 the school district's maximum compressed rate for the preceding tax
9 year and the district's maximum compressed rate for the current tax
10 year;

11 (2) subtracting the amount computed under Subdivision
12 (1) from the amount of tax the district imposed on the homestead in
13 the preceding tax year; and

14 (3) adding any tax imposed in the current tax year
15 attributable to improvements made in the preceding tax year as
16 provided by Subsection (b) to the amount computed under Subdivision
17 (2).

18 SECTION 31. (a) The following provisions of the Education
19 Code are repealed:

20 (1) Sections 12.133(d), (d-1), and (e);

21 (2) Section 48.0051(a-1); and

22 (3) Sections 49.054(a) and (c).

23 (b) The following provisions, which amended Section 42.006,
24 Education Code, are repealed:

25 (1) Section 2, Chapter 1036 (H.B. 548), Acts of the
26 86th Legislature, Regular Session, 2019; and

27 (2) Section 8, Chapter 1060 (H.B. 1051), Acts of the

1 86th Legislature, Regular Session, 2019.

2 SECTION 32. To the extent of any conflict, this Act prevails
3 over another Act of the 87th Legislature, Regular Session, 2021,
4 relating to nonsubstantive additions to and corrections in enacted
5 codes.

6 SECTION 33. Section 11.26, Tax Code, as amended by this Act,
7 applies only to ad valorem taxes imposed for a tax year beginning on
8 or after January 1, 2022.

9 SECTION 34. (a) Except as otherwise provided by this
10 section, this Act takes effect September 1, 2021.

11 (b) Section 31.0211(c), Education Code, as amended by this
12 Act, takes effect immediately if this Act receives a vote of
13 two-thirds of all the members elected to each house, as provided by
14 Section 39, Article III, Texas Constitution. If this Act does not
15 receive the vote necessary for immediate effect, Section
16 31.0211(c), Education Code, as amended by this Act, takes effect
17 September 1, 2021.

18 (c) Section 11.26, Tax Code, as amended by this Act, takes
19 effect January 1, 2022, but only if the constitutional amendment
20 proposed by the 87th Legislature, Regular Session, 2021,
21 authorizing the legislature to provide for the reduction of the
22 amount of a limitation on the total amount of ad valorem taxes that
23 may be imposed for general elementary and secondary public school
24 purposes on the residence homestead of a person who is elderly or
25 disabled to reflect any statutory reduction from the preceding tax
26 year in the maximum compressed rate of the maintenance and
27 operations taxes imposed for those purposes on the homestead is

1 approved by the voters. If that amendment is not approved by the
2 voters, Section [11.26](#), Tax Code, as amended by this Act, has no
3 effect.