

By: Huberty, VanDeaver, King of Hemphill,
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H.B. No. 1525

Substitute the following for H.B. No. 1525:

By: Dutton

C.S.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:

4 (i) attended a teacher literacy achievement
5 academy developed under Section 21.4552; or

6 (ii) demonstrated proficiency in the
7 science of teaching reading on a certification examination in
8 accordance with rules adopted under Section 21.048(a-2); and

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

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

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

19 (B) has integrated reading instruments used to
20 diagnose reading development and comprehension to support each
21 student in prekindergarten through third grade.

22 SECTION 5. Section 37.108(b-1), Education Code, is amended
23 to read as follows:

24 (b-1) In a school district's safety and security audit
25 required under Subsection (b), the district must certify that the
26 district used the funds provided to the district through the school
27 safety allotment under Section 48.115 [~~42.168~~] only for the

1 purposes provided by that section.

2 SECTION 6. Section 39.0261, Education Code, is amended by
3 adding Subsection (a-1) and amending Subsection (b) to read as
4 follows:

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

10 (b) The agency shall:

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

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

19 SECTION 7. Section 39.053(g-4), Education Code, is amended
20 to read as follows:

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

1 SECTION 8. Section 45.0021, Education Code, is amended by
2 amending Subsection (a) and adding Subsections (c), (d), and (e) to
3 read as follows:

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

8 (c) The agency shall:

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

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

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

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

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

23 (d) The implementation of a corrective action plan under
24 Subsection (c)(3)(B) does not prohibit a school district from
25 increasing the district's total tax rate as necessary to achieve
26 other legal purposes.

27 (e) If a school district fails to take action under a

1 corrective action plan developed under Subsection (c)(3)(B), the
2 commissioner may impose on the district any interventions or
3 sanctions under Chapter 39A the commissioner deems appropriate.
4 Section 39A.003(c)(5) does not apply to a conservator or management
5 team appointed for a school district under this subsection.

6 SECTION 9. Section 48.009, Education Code, is amended by
7 amending Subsection (b) and adding Subsection (b-4) to read as
8 follows:

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

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

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

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

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

25 (5) the total number of students enrolled in the
26 district or school to whom the district or school provided aids,
27 accommodations, or services under Section 504, Rehabilitation Act

1 of 1973 (29 U.S.C. Section 794), at any time during the year for
2 which the report is made;

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

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

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

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

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

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

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

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

25 (b-4) A student reported under Subsection (b)(7) as having
26 enrolled in a high school equivalency program, a dropout recovery
27 school, or an adult education program provided under a high school

1 diploma and industry certification charter school program must be
2 reported through the Public Education Information Management
3 System as having previously dropped out of school.

4 SECTION 10. Section 48.104, Education Code, is amended by
5 adding Subsection (e-1) to read as follows:

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

10 SECTION 11. Section 48.106, Education Code, is amended by
11 amending Subsection (a) and adding Subsection (a-1) to read as
12 follows:

13 (a) For each full-time equivalent student in average daily
14 attendance in an approved career and technology education program
15 in grades 7 through 12, a district is entitled to[+

16 [~~1~~] an annual allotment equal to the basic
17 allotment, or, if applicable, the sum of the basic allotment and the
18 allotment under Section 48.101 to which the district is entitled,
19 multiplied by:

20 (1) 1.0 for a full-time equivalent student in career
21 and technology education courses not in an approved program of
22 study;

23 (2) 1.28 for a full-time equivalent student in levels
24 one and two career and technology education courses in an approved
25 program of study, as identified by the agency [~~a weight of 1.35~~];

26 and

27 (3) 1.48 for a full-time equivalent student in levels

1 three and four career and technology education courses in an
2 approved program of study, as identified by the agency.

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

5 ~~[(2)]~~ \$50 for each of the following in which the
6 student is enrolled:

7 (1) ~~[(A) two or more advanced career and technology~~
8 ~~education classes for a total of three or more credits;~~

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

11 (2) ~~[(C)]~~ a campus that is a member of the New Tech
12 Network and that focuses on project-based learning and work-based
13 education.

14 SECTION 12. Section 48.106(b), Education Code, is amended
15 by amending Subdivision (1) and adding Subdivision (1-a) to read as
16 follows:

17 (1) "Approved [Career and technology education class"
18 and"]career and technology education program":

19 (A) means a sequence of career and technology
20 education courses, including [include] technology applications
21 courses, authorized by the State Board of Education; and

22 (B) includes only courses that qualify for high
23 school credit.

24 (1-a) "Approved program of study" means a course
25 sequence that:

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

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

4 SECTION 13. Section 48.110(f), Education Code, is amended
5 to read as follows:

6 (f) For purposes of this section, an annual graduate
7 demonstrates:

8 (1) college readiness if the annual graduate:

9 (A) both:

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

14 (ii) [~~(B)~~] during a time period established
15 by commissioner rule, enrolls at a postsecondary educational
16 institution; or

17 (B) earns an associate degree while attending
18 high school or during a time period established by commissioner
19 rule;

20 (2) career readiness if the annual graduate:

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

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

27 (3) military readiness if the annual graduate:

1 (A) achieves a passing score set by the
2 applicable military branch on the Armed Services Vocational
3 Aptitude Battery; and

4 (B) during a time period established by
5 commissioner rule, enlists in the armed forces of the United
6 States.

7 SECTION 14. Section 48.111, Education Code, is amended to
8 read as follows:

9 Sec. 48.111. FAST GROWTH ALLOTMENT. (a) Except as provided
10 by Subsection (b), a [A] school district [~~in which the growth in~~
11 ~~student enrollment in the district over the preceding three school~~
12 ~~years is in the top quartile of student enrollment growth in school~~
13 ~~districts in the state for that period, as determined by the~~
14 ~~commissioner,~~] is entitled to an annual allotment equal to the
15 basic allotment multiplied by 0.86 [~~0.04~~] for each enrolled student
16 equal to the difference, if the difference is greater than zero,
17 that results from subtracting 50 from the difference between the
18 number of students enrolled in the district during the school year
19 immediately preceding the current school year and the number of
20 students enrolled in the district during the school year three
21 years preceding the current school year [~~in average daily~~
22 ~~attendance~~].

23 (a-1) Notwithstanding Subsection (a), instead of using the
24 weight of "0.86" in Subsection (a), the agency shall substitute the
25 following weights:

26 (1) for the 2021-2022 school year, "0.72";

27 (2) for the 2022-2023 school year, "0.84"; and

1 (3) for the 2023-2024 school year, "0.85".

2 (a-2) Subsection (a-1) and this subsection expire September
3 1, 2025.

4 (b) Notwithstanding Subsection (a), the total amount that
5 may be used to provide allotments under Subsection (a) may not
6 exceed \$320 million. If the total amount of allotments to which
7 districts are entitled under Subsection (a) for a school year
8 exceeds the amount permitted under this subsection, the
9 commissioner shall reduce each district's allotment under this
10 section in the manner provided by Section 48.266(f).

11 (b-1) Notwithstanding Subsection (b), the total amount that
12 may be used to provide allotments under Subsection (a) may not
13 exceed:

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

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

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

17 (b-2) Subsection (b-1) and this subsection expire September
18 1, 2025.

19 (c) For the 2021-2022 school year, the agency shall provide
20 to each school district that received an allotment under this
21 section for the 2019-2020 school year but is not entitled to an
22 allotment for the 2021-2022 school year an amount equal to the
23 amount of the allotment provided to the district under this section
24 for the 2019-2020 school year.

25 (c-1) The total amount that may be used to provide funding
26 under Subsection (c) may not exceed \$40 million. If the total amount
27 of funding to which districts are entitled under Subsection (c) for

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

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

7 (c-3) Subsections (c), (c-1), (c-2), and this subsection
8 expire September 1, 2023.

9 SECTION 15. Section 48.112, Education Code, is amended by
10 adding Subsection (j) to read as follows:

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

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

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

1 (b) Funds allocated under this section must be used to
2 improve school safety and security, including costs associated
3 with:

4 (1) securing school facilities, including:

5 (A) improvements to school infrastructure;

6 (B) the use or installation of physical barriers;

7 and

8 (C) the purchase and maintenance of:

9 (i) security cameras or other security
10 equipment; and

11 (ii) technology, including communications
12 systems or devices, that facilitates communication and information
13 sharing between students, school personnel, and first responders in
14 an emergency;

15 (2) providing security for the district, including:

16 (A) employing school district peace officers,
17 private security officers, and school marshals; and

18 (B) collaborating with local law enforcement
19 agencies, such as entering into a memorandum of understanding for
20 the assignment of school resource officers to schools in the
21 district;

22 (3) school safety and security training and planning,
23 including:

24 (A) active shooter and emergency response
25 training;

26 (B) prevention and treatment programs relating
27 to addressing adverse childhood experiences; and

1 (C) the prevention, identification, and
2 management of emergencies and threats, including:

3 (i) providing mental health personnel and
4 support;

5 (ii) providing behavioral health services;
6 and

7 (iii) establishing threat reporting
8 systems; and

9 (4) providing programs related to suicide prevention,
10 intervention, and postvention.

11 (c) A school district may use funds allocated under this
12 section for equipment or software that is used for a school safety
13 and security purpose and an instructional purpose, provided that
14 the instructional use does not compromise the safety and security
15 purpose of the equipment or software.

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

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

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

27 (a) In this section:

1 (1) "DPV" is the taxable value of property in the
2 school district, as determined by the agency by rule, using locally
3 determined property values adjusted in accordance with Section
4 403.302(d), Government Code [~~has the meaning assigned by Section~~
5 ~~48.256~~];

6 (2) "E" is the expiration of the exclusion of
7 appraised property value for the preceding tax year that is
8 recognized as taxable property value for the current tax year,
9 which is the sum of the following:

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

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

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

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

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

25 (c) Notwithstanding Subsection (b), for a district to which
26 Section 48.2552(b) applies, the district's maximum compressed rate
27 is the value calculated in accordance with Section 48.2552(b) [~~for~~

1 ~~"MCR" under Subsection (b)(1)(B)].~~

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

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

9 SECTION 18. Section 48.2552(b), Education Code, is amended
10 to read as follows:

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

20 SECTION 19. Section 48.257(c), Education Code, is amended
21 to read as follows:

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

1 amount of state aid to which the district is entitled.

2 SECTION 20. Subchapter F, Chapter 48, Education Code, is
3 amended by adding Section 48.2721 to read as follows:

4 Sec. 48.2721. RECOVERY OF FUNDS FROM EXCESSIVE TAXATION.
5 The commissioner shall reduce state aid or adjust the limit on local
6 revenue under Section 48.257 in an amount equal to the amount of
7 revenue generated by a school district's tax effort that is not in
8 compliance with Section 45.003 or this chapter.

9 SECTION 21. Subchapter F, Chapter 48, Education Code, is
10 amended by adding Section 48.280 to read as follows:

11 Sec. 48.280. ADJUSTMENT FOR CERTAIN DISTRICTS FOR TEACHER
12 INCENTIVE ALLOTMENT FUNDING. (a) If Section 48.257(b) applies to a
13 school district and the adjustment provided under that subsection
14 for the reduction of the district's tier one revenue level is less
15 than the amount to which the district is entitled under Section
16 48.112, the commissioner shall make adjustments to the district's
17 funding to ensure that the district receives the total amount to
18 which the district is entitled under Section 48.112.

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

23 SECTION 22. Subchapter G, Chapter 48, Education Code, is
24 amended by adding Section 48.303 to read as follows:

25 Sec. 48.303. ADDITIONAL STATE AID FOR REGIONAL EDUCATION
26 SERVICE CENTER STAFF SALARY INCREASES. (a) A regional education
27 service center is entitled to state aid in an amount equal to the

1 sum of:

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

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

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

13 SECTION 23. Subchapter A, Chapter 49, Education Code, is
14 amended by adding Section 49.0041 to read as follows:

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

24 SECTION 24. Section 49.054(b), Education Code, is amended
25 to read as follows:

26 (b) A consolidated [~~Except as provided by Subsection (c), a~~]
27 district under this subchapter [~~receiving incentive aid payments~~

1 ~~under this section~~] is [~~not~~] entitled to incentive aid under
2 Subchapter G, Chapter 13.

3 SECTION 25. Section 48.302, Education Code, is transferred
4 to Subchapter J, Chapter 301, Labor Code, redesignated as Section
5 301.172, Labor Code, and amended to read as follows:

6 Sec. 301.172 [~~48.302~~]. SUBSIDY FOR HIGH SCHOOL EQUIVALENCY
7 EXAMINATION FOR CERTAIN INDIVIDUALS. (a) From funds appropriated
8 for this purpose, the commission [~~In this section, "commission"~~
9 ~~means the Texas Workforce Commission.~~

10 [~~(b) The agency~~] shall [~~enter into a memorandum of~~
11 ~~understanding with the commission for the agency to transfer to the~~
12 ~~commission funds specifically appropriated to the agency for the~~
13 ~~commission to~~] provide to an individual who is 21 years of age or
14 older a subsidy in an amount equal to the cost of taking one high
15 school equivalency examination administered under Section 7.111,
16 Education Code.

17 (b) [~~(c)~~] The commission shall adopt rules to implement the
18 subsidy program described by Subsection (a) [~~(b)~~], including rules
19 regarding eligibility requirements.

20 SECTION 26. Section 822.201(b), Government Code, is amended
21 to read as follows:

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

23 (1) normal periodic payments of money for service the
24 right to which accrues on a regular basis in proportion to the
25 service performed;

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

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

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

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

14 (4) performance pay awarded to an employee by a school
15 district as part of a total compensation plan approved by the board
16 of trustees of the district and meeting the requirements of
17 Subsection (e);

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

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

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

25 (8) a merit salary increase made under Section 51.962,
26 Education Code;

27 (9) amounts received under the relevant parts of the

1 educator excellence awards program under Subchapter O, Chapter 21,
2 Education Code, or a mentoring program under Section 21.458,
3 Education Code, that authorize compensation for service;

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

7 (11) to the extent required by Sections 3401(h) and
8 414(u)(12), Internal Revenue Code of 1986, differential wage
9 payments received by an individual from an employer on or after
10 January 1, 2009, while the individual is performing qualified
11 military service as defined by Section 414(u), Internal Revenue
12 Code of 1986; and

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

16 SECTION 27. (a) The following provisions of the Education
17 Code are repealed:

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

19 (2) Sections 49.054(a) and (c).

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

22 (1) Section 2, Chapter 1036 (H.B. 548), Acts of the
23 86th Legislature, Regular Session, 2019; and

24 (2) Section 8, Chapter 1060 (H.B. 1051), Acts of the
25 86th Legislature, Regular Session, 2019.

26 SECTION 28. To the extent of any conflict, this Act prevails
27 over another Act of the 87th Legislature, Regular Session, 2021,

C.S.H.B. No. 1525

1 relating to nonsubstantive additions to and corrections in enacted
2 codes.

3 SECTION 29. This Act takes effect September 1, 2021.