By: Huberty H.B. No. 1525

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the public school finance system.
3	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
4	SECTION 1. Section 12.106, Education Code, is amended by
5	adding Subsections (a-5) and (a-6) to read as follows:
6	(a-5) To ensure compliance with the requirements for the
7	maintenance of state financial support for special education under
8	20 U.S.C. Section 1412(a)(18), in determining the funding for an
9	open-enrollment charter school under Subsection (a) for the Section
10	48.102 allotment, the commissioner shall:
11	(1) if necessary, increase the amount of that
12	allotment to an amount equal to the amount the charter holder was
13	entitled to receive for the charter school under the allotment
14	under former Section 42.151, Education Code, for the 2018-2019
15	school year; and
16	(2) reduce the amount of the allotment the charter
17	holder is entitled to receive for the charter school under
18	Subsection (a-2) by the amount of any increase provided for the
19	charter school under Subdivision (1).
20	(a-6) Subsection (a-5) and this subsection expire September
21	<u>1, 2025.</u>
22	SECTION 2. Sections 12.133(b), (b-1), and (c), Education

24

23 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),
- 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),

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- 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 25.001(h), Education Code, is amended to
- 12 read as follows:
- 13 (h) In addition to the penalty provided by Section 37.10,
- 14 Penal Code, a person who knowingly falsifies information on a form
- 15 required for enrollment of a student in a school district is liable
- 16 to the district if the student is not eligible for enrollment in the
- 17 district but is enrolled on the basis of the false information. The
- 18 person is liable, for the period during which the ineligible
- 19 student is enrolled, for [the greater of:
- [(1) the maximum tuition fee the district may charge
- 21 under Section 25.038; or
- [(2)] the amount the district has budgeted for each
- 23 student as maintenance and operating expenses.
- SECTION 4. Section 37.108(b-1), Education Code, is amended
- 25 to read as follows:
- 26 (b-1) In a school district's safety and security audit
- 27 required under Subsection (b), the district must certify that the

- 1 district used the funds provided to the district through the school
- 2 safety allotment under Section 48.115 [42.168] only for the
- 3 purposes provided by that section.
- 4 SECTION 5. Section 39.0261, Education Code, is amended by
- 5 adding Subsection (a-1) and amending Subsection (b) to read as
- 6 follows:
- 7 (a-1) Notwithstanding Subsection (a)(3), the commissioner
- 8 by rule may allow a student to take at state cost an assessment
- 9 instrument described by that subsection if circumstances existed
- 10 that prevented the student from taking the assessment instrument
- 11 before the student graduated from high school.
- 12 (b) The agency shall:
- 13 (1) select and approve vendors of the specific
- 14 assessment instruments administered under this section and
- 15 negotiate with each approved vendor a price for each assessment
- 16 instrument; and
- 17 (2) provide reimbursement to a school district in the
- 18 amount negotiated under Subdivision (1) for [all fees associated
- 19 with] the administration of the assessment instrument from funds
- 20 appropriated for that purpose.
- 21 SECTION 6. Section 39.053(g-4), Education Code, is amended
- 22 to read as follows:
- (g-4) For purposes of the computation of dropout and
- 24 completion rates such as high school graduation rates under
- 25 Subsection (c)(1)(B)(ix), the commissioner shall exclude a student
- 26 who was reported as having dropped out of school under Section
- 48.009(b-4) [42.006(a-9)], and the student may not be considered to

- 1 have dropped out from the school district or campus in which the
- 2 student was last enrolled.
- 3 SECTION 7. Section 45.0021, Education Code, is amended by
- 4 amending Subsection (a) and adding Subsections (c), (d), and (e) to
- 5 read as follows:
- 6 (a) A school district may not <u>impose</u> [<u>increase the rate of</u>]
- 7 the district's maintenance taxes described by Section 45.002 at a
- 8 rate intended to create a surplus in maintenance tax revenue for the
- 9 purpose of paying the district's debt service.
- 10 (c) The agency shall:
- 11 (1) develop a method to identify school districts that
- 12 may have adopted a maintenance tax rate in violation of Subsection
- 13 (a), which must include a review of data over multiple years;
- 14 (2) for each school district identified under the
- 15 method developed under Subdivision (1), investigate as necessary to
- 16 determine whether the district has adopted a maintenance tax rate
- 17 in violation of Subsection (a); and
- 18 (3) if the agency determines that a school district
- 19 has adopted a maintenance tax rate in violation of Subsection (a):
- 20 (A) order the district to comply with Subsection
- 21 (a) not later than three years after the date of the order; and
- (B) assist the district in developing a
- 23 corrective action plan that, to the extent feasible, does not
- 24 result in a net increase in the district's total tax rate.
- 25 (d) The implementation of a corrective action plan under
- 26 Subsection (c)(3)(B) does not prohibit a school district from
- 27 increasing the district's total tax rate as necessary to achieve

- 1 other legal purposes.
- 2 (e) If a school district fails to take action under a
- 3 corrective action plan developed under Subsection (c)(3)(B), the
- 4 commissioner may impose on the district any interventions or
- 5 sanctions under Chapter 39A the commissioner deems appropriate.
- 6 Section 39A.003(c)(5) does not apply to a conservator or management
- 7 team appointed for a school district under this subsection.
- 8 SECTION 8. Section 48.009, Education Code, is amended by
- 9 amending Subsection (b) and adding Subsection (b-4) to read as
- 10 follows:
- 11 (b) The commissioner by rule shall require each school
- 12 district and open-enrollment charter school to report through the
- 13 Public Education Information Management System information
- 14 regarding:
- 15 (1) the number of students enrolled in the district or
- 16 school who are identified as having dyslexia;
- 17 (2) the availability of school counselors, including
- 18 the number of full-time equivalent school counselors, at each
- 19 campus;
- 20 (3) the availability of expanded learning
- 21 opportunities as described by Section 33.252 at each campus;
- 22 (4) the total number of students, other than students
- 23 described by Subdivision (5), enrolled in the district or school
- 24 with whom the district or school, as applicable, used intervention
- 25 strategies, as that term is defined by Section 26.004, at any time
- 26 during the year for which the report is made; [and]
- 27 (5) the total number of students enrolled in the

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- 1 district or school to whom the district or school provided aids,
- 2 accommodations, or services under Section 504, Rehabilitation Act
- 3 of 1973 (29 U.S.C. Section 794), at any time during the year for
- 4 which the report is made;
- 5 (6) disaggregated by campus and grade, the number of:
- 6 (A) children who are required to attend school
- 7 under Section 25.085, are not exempted under Section 25.086, and
- 8 fail to attend school without excuse for 10 or more days or parts of
- 9 days within a six-month period in the same school year;
- 10 (B) students for whom the district initiates a
- 11 truancy prevention measure under Section 25.0915(a-4); and
- 12 (C) parents of students against whom an
- 13 attendance officer or other appropriate school official has filed a
- 14 complaint under Section 25.093; and
- 15 (7) the number of students who are enrolled in a high
- 16 school equivalency program, a dropout recovery school, or an adult
- 17 education program provided under a high school diploma and industry
- 18 certification charter school program provided by the district or
- 19 school and who:
- 20 (A) are at least 18 years of age and under 26
- 21 years of age;
- (B) have not previously been reported to the
- 23 agency as dropouts; and
- (C) enroll in the program at the district or
- 25 school after not attending school for a period of at least nine
- 26 months.
- 27 (b-4) A student reported under Subsection (b)(7) as having

- 1 enrolled in a high school equivalency program, a dropout recovery
- 2 school, or an adult education program provided under a high school
- 3 diploma and industry certification charter school program must be
- 4 reported through the Public Education Information Management
- 5 System as having previously dropped out of school.
- 6 SECTION 9. Section 48.101(a), Education Code, is amended to
- 7 read as follows:
- 8 (a) Small and mid-sized districts are entitled to an annual
- 9 allotment in accordance with this section. In this section:
- 10 (1) "AA" is the district's annual allotment per
- 11 student in average daily attendance;
- 12 (2) "ADA" is the number of students in average daily
- 13 attendance determined [for which the district is entitled to an
- 15 (3) "BA" is the basic allotment determined under
- 16 Section 48.051.
- 17 SECTION 10. Section 48.104, Education Code, is amended by
- 18 adding Subsection (e-1) to 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).
- SECTION 11. Section 48.106, Education Code, is amended by
- 24 amending Subsection (a) and adding Subsection (a-1) to read as
- 25 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 allotment
- 3 multiplied by a weight of 1.35; and
- 4 (2) \$50 if [for each of the following in which] the
- 5 student is enrolled in[÷
- 6 [(A)] two or more advanced career and technology
- 7 education classes for a total of three or more credits.
- 8 <u>(a-1)</u> In addition to the amounts under Subsection (a), a
- 9 district is entitled to \$50 for each student in average daily
- 10 <u>attendance enrolled at:</u>
- 11 (1) [+
- 12 [(B)] a campus designated as a P-TECH school under
- 13 Section 29.556; or
- (2) $[\frac{(C)}{C}]$ a campus that is a member of the New Tech
- 15 Network and that focuses on project-based learning and work-based
- 16 education.
- SECTION 12. Section 48.106(b)(1), Education Code, is
- 18 amended to read as follows:
- 19 (1) "Career and technology education class" and
- 20 "career and technology education program" include:
- 21 (A) technology applications courses; and
- 22 (B) only courses or programs designed for the
- 23 <u>high school level</u>.
- SECTION 13. Section 48.110(f), Education Code, is amended
- 25 to read as follows:
- 26 (f) For purposes of this section, an annual graduate
- 27 demonstrates:

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1
               (1)
                    college readiness if the annual graduate:
                    (A)
 2
                         both:
 3
                         (i) achieves college readiness standards
   used for accountability purposes under Chapter 39 on the ACT, the
 4
 5
   SAT, or an assessment instrument designated by the Texas Higher
   Education Coordinating Board under Section 51.334; and
 6
 7
                         (ii) [(B)] during a time period established
8
   by commissioner rule, enrolls at a postsecondary educational
   institution; or
 9
10
                    (B) earns an associate degree while attending
   high school or during a time period established by commissioner
11
12
   rule;
                    career readiness if the annual graduate:
13
               (2)
14
                         achieves college readiness standards used
15
   for accountability purposes under Chapter 39 on the ACT, the SAT, or
   an assessment instrument designated by the Texas Higher Education
16
17
   Coordinating Board under Section 51.334; and
                    (B) during a time
18
                                            period
                                                     established
                                                                   by
19
    commissioner rule, earns an industry-accepted certificate; and
                    military readiness if the annual graduate:
20
21
                    (A)
                         achieves a passing score set by
    applicable military branch on the Armed Services Vocational
22
23
   Aptitude Battery; and
24
                    (B)
                         during
                                  а
                                     time
                                            period established
                                                                   bу
   commissioner rule, enlists in the armed forces of the United
25
26
   States.
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SECTION 14. Section 48.111, Education Code, is amended to

1 read as follows:

Sec. 48.111. FAST GROWTH ALLOTMENT. (a) A school district 2 3 in which the growth in student enrollment in the district over the [preceding] three school years preceding the current school year is 4 5 in the top quartile of student enrollment growth in school districts in the state for that period, as determined by the 6 commissioner, is entitled to an annual allotment equal to the basic 7 8 allotment multiplied by the weight assigned to the district's growth category under Subsection (b) [0.04] for each student in 9 10 average daily attendance.

- (b) The agency shall identify each school district that 11 qualifies for an allotment under this section and rank those 12 districts, from fastest to least fastest growth, based on student 13 14 enrollment growth, during the period described by Subsection (a). 15 Based on the rankings determined under this section, the agency shall divide the districts into four growth categories according to 16 17 relative student enrollment growth. Each growth category must be of approximately equal student enrollments. If, based on student 18 19 enrollment, a district is between two growth categories, the agency shall assign the district to the faster growth category. The weight 20 for each growth category is assigned as follows: 21
- 22 (1) 0.064 for the fastest growth category;
- 23 (2) 0.048 for the second fastest growth category;
- 24 (3) 0.032 for the third fastest growth category; and
- 25 (4) 0.016 for the least fastest growth category.
- SECTION 15. Section 42.168, Education Code, as added by Chapter 464 (S.B. 11), Acts of the 86th Legislature, Regular

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- 1 Session, 2019, is transferred to Subchapter C, Chapter 48,
- 2 Education Code, redesignated as Section 48.115, Education Code, and
- 3 amended to read as follows:
- 4 Sec. 48.115 [42.168]. SCHOOL SAFETY ALLOTMENT. (a) From
- 5 funds appropriated for that purpose, the commissioner shall provide
- 6 to a school district an annual allotment in the amount provided by
- 7 appropriation for each student in average daily attendance.
- 8 (b) Funds allocated under this section must be used to
- 9 improve school safety and security, including costs associated
- 10 with:
- 11 (1) securing school facilities, including:
- 12 (A) improvements to school infrastructure;
- 13 (B) the use or installation of physical barriers;
- 14 and
- 15 (C) the purchase and maintenance of:
- 16 (i) security cameras or other security
- 17 equipment; and
- 18 (ii) technology, including communications
- 19 systems or devices, that facilitates communication and information
- 20 sharing between students, school personnel, and first responders in
- 21 an emergency;
- 22 (2) providing security for the district, including:
- 23 (A) employing school district peace officers,
- 24 private security officers, and school marshals; and
- 25 (B) collaborating with local law enforcement
- 26 agencies, such as entering into a memorandum of understanding for
- 27 the assignment of school resource officers to schools in the

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1 district;
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- 2 (3) school safety and security training and planning,
- 3 including:
- 4 (A) active shooter and emergency response
- 5 training;
- 6 (B) prevention and treatment programs relating
- 7 to addressing adverse childhood experiences; and
- 8 (C) the prevention, identification, and
- 9 management of emergencies and threats, including:
- 10 (i) providing mental health personnel and
- 11 support;
- 12 (ii) providing behavioral health services;
- 13 and
- 14 (iii) establishing threat reporting
- 15 systems; and
- 16 (4) providing programs related to suicide prevention,
- 17 intervention, and postvention.
- 18 (c) A school district may use funds allocated under this
- 19 section for equipment or software that is used for a school safety
- 20 and security purpose and an instructional purpose, provided that
- 21 the instructional use does not compromise the safety and security
- 22 purpose of the equipment or software.
- 23 [(d) A school district that is required to take action under
- 24 Chapter 41 to reduce its wealth per student to the equalized wealth
- 25 level is entitled to a credit, in the amount of the allotments to
- 26 which the district is to receive as provided by appropriation,
- 27 against the total amount required under Section 41.093 for the

- 1 district to purchase attendance credits.
- 2 [(e) The commissioner may adopt rules to implement this
- 3 section.
- 4 SECTION 16. Section 48.2551, Education Code, is amended by
- 5 amending Subsections (a) and (c) and adding Subsections (d-1) and
- 6 (d-2) to read as follows:
- 7 (a) In this section:
- 8 (1) "DPV" is the taxable value of property in the
- 9 school district, as determined by the agency by rule, using locally
- 10 determined property values adjusted in accordance with Section
- 11 403.302(d), Government Code [has the meaning assigned by Section
- 12 48.256];
- 13 (2) "E" is the expiration of the exclusion of
- 14 appraised property value for the preceding tax year that is
- 15 recognized as taxable property value for the current tax year,
- 16 which is the sum of the following:
- 17 (A) property value that is no longer subject to a
- 18 limitation on appraised value under Chapter 313, Tax Code; and
- 19 (B) property value under Section 311.013(n), Tax
- 20 Code, that is no longer excluded from the calculation of "DPV" from
- 21 the preceding year because of refinancing or renewal after
- 22 September 1, 2019;
- 23 (3) "MCR" is the district's maximum compressed rate,
- 24 which is the tax rate for the current tax year per \$100 of valuation
- 25 of taxable property at which the district must levy a maintenance
- 26 and operations tax to receive the full amount of the tier one
- 27 allotment to which the district is entitled under this chapter;

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- 1 (4) "PYDPV" is the district's value of "DPV" for the
- 2 preceding tax year; and
- 3 (5) "PYMCR" is the district's value of "MCR" for the
- 4 preceding tax year.
- 5 (c) Notwithstanding Subsection (b), for a district to which
- 6 Section 48.2552(b) applies, the district's maximum compressed rate
- 7 is the value calculated <u>in accordance with Section 48.2552(b)</u> [for
- 8 "MCR" under Subsection (b)(1)(B)].
- 9 (d-1) Local appraisal districts, school districts, and the
- 10 comptroller shall provide any information necessary to the agency
- 11 to implement this section.
- 12 <u>(d-2)</u> A school district may appeal to the commissioner the
- 13 district's taxable property value as determined by the agency under
- 14 this section. A decision by the commissioner is final and may not be
- 15 <u>appealed</u>.
- SECTION 17. Section 48.2552(b), Education Code, is amended
- 17 to read as follows:
- 18 (b) If a school <u>district's</u> [<u>district has a</u>] maximum
- 19 compressed rate as calculated under Section 48.2551(b) would be
- 20 [that is] less than 90 percent of another school district's maximum
- 21 compressed rate, the district's maximum compressed rate is the
- 22 value at which the district's maximum compressed rate would be
- 23 equal to 90 percent of the other district's maximum compressed rate
- 24 [calculated under Section 48.2551(c) until the agency determines
- 25 that the difference between the district's and another district's
- 26 maximum compressed rates is not more than 10 percent].
- 27 SECTION 18. Section 48.257(c), Education Code, is amended

- 1 to read as follows:
- 2 (c) For purposes of Subsection (a), state aid to which a
- 3 district is entitled under this chapter [that is not described by
- 4 Section 48.266(a)(1), (2), or (3)] may offset the amount by which a
- 5 district must reduce the district's [tier one] revenue level under
- 6 this section [Subsection (a)]. Any amount of state aid used as an
- 7 offset under this subsection shall reduce the amount of state aid to
- 8 which the district is entitled.
- 9 SECTION 19. Subchapter F, Chapter 48, Education Code, is
- 10 amended by adding Section 48.2721 to read as follows:
- 11 Sec. 48.2721. RECOVERY OF FUNDS FROM EXCESSIVE TAXATION.
- 12 The commissioner shall reduce state aid or adjust the limit on local
- 13 revenue under Section 48.257 in an amount equal to the amount of
- 14 revenue generated by a school district's tax effort that is not in
- 15 compliance with Section 45.003 or this chapter.
- 16 SECTION 20. Subchapter G, Chapter 48, Education Code, is
- 17 amended by adding Section 48.303 to read as follows:
- 18 Sec. 48.303. ADDITIONAL STATE AID FOR REGIONAL EDUCATION
- 19 SERVICE CENTER STAFF SALARY INCREASES. (a) A regional education
- 20 service center is entitled to state aid in an amount equal to the
- 21 <u>sum of:</u>
- 22 (1) the product of \$500 multiplied by the number of
- 23 <u>full-time center employees</u>, other than administrators or classroom
- 24 teachers, full-time librarians, full-time school counselors
- 25 <u>certified under Subchapter B, Chapter 21, or full-time school</u>
- 26 nurses; and
- 27 (2) the product of \$250 multiplied by the number of

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- 1 part-time center employees, other than administrators or teachers,
- 2 librarians, school counselors certified under Subchapter B,
- 3 Chapter 21, or school nurses.
- 4 (b) A determination by the commissioner under Subsection
- 5 (a) is final and may not be appealed.
- 6 SECTION 21. Subchapter A, Chapter 49, Education Code, is
- 7 amended by adding Section 49.0041 to read as follows:
- 8 Sec. 49.0041. LOCAL REVENUE LEVEL IN EXCESS OF ENTITLEMENT
- 9 AFTER REVIEW NOTIFICATION. If the commissioner determines that a
- 10 school district has a local revenue level in excess of entitlement
- 11 after the date the commissioner sends notification for the school
- 12 year under Section 49.004(a), the commissioner shall include the
- 13 amount of the district's local revenue level that exceeded the
- 14 level established under Section 48.257 for that school year in the
- 15 annual review for the following school year of the district's local
- 16 <u>revenue levels under Section 49.004(a).</u>
- 17 SECTION 22. Section 49.054(b), Education Code, is amended
- 18 to read as follows:
- 19 (b) A consolidated [Except as provided by Subsection (c), a]
- 20 district under this subchapter [receiving incentive aid payments
- 21 under this section] is [not] entitled to incentive aid under
- 22 Subchapter G, Chapter 13.
- 23 SECTION 23. Section 48.302, Education Code, is transferred
- 24 to Subchapter J, Chapter 301, Labor Code, redesignated as Section
- 25 301.172, Labor Code, and amended to read as follows:
- Sec. 301.172 [48.302]. SUBSIDY FOR HIGH SCHOOL EQUIVALENCY
- 27 EXAMINATION FOR CERTAIN INDIVIDUALS. (a) From funds appropriated

- 1 for this purpose, the commission [In this section, "commission"
- 2 means the Texas Workforce Commission.
- 3 [(b) The agency] shall [enter into a memorandum of
- 4 understanding with the commission for the agency to transfer to the
- 5 commission funds specifically appropriated to the agency for the
- 6 commission to] provide to an individual who is 21 years of age or
- 7 older a subsidy in an amount equal to the cost of taking one high
- 8 school equivalency examination administered under Section 7.111,
- 9 Education Code.
- 10 (b) $\frac{\text{(b)}}{\text{(c)}}$ The commission shall adopt rules to implement the
- 11 subsidy program described by Subsection (a) (b), including rules
- 12 regarding eligibility requirements.
- SECTION 24. Section 822.201(b), Government Code, is amended
- 14 to read as follows:
- 15 (b) "Salary and wages" as used in Subsection (a) means:
- 16 (1) normal periodic payments of money for service the
- 17 right to which accrues on a regular basis in proportion to the
- 18 service performed;
- 19 (2) amounts by which the member's salary is reduced
- 20 under a salary reduction agreement authorized by Chapter 610;
- 21 (3) amounts that would otherwise qualify as salary and
- 22 wages under Subdivision (1) but are not received directly by the
- 23 member pursuant to a good faith, voluntary written salary reduction
- 24 agreement in order to finance payments to a deferred compensation
- 25 or tax sheltered annuity program specifically authorized by state
- 26 law or to finance benefit options under a cafeteria plan qualifying
- 27 under Section 125 of the Internal Revenue Code of 1986, if:

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- 1 (A) the program or benefit options are made
- 2 available to all employees of the employer; and
- 3 (B) the benefit options in the cafeteria plan are
- 4 limited to one or more options that provide deferred compensation,
- 5 group health and disability insurance, group term life insurance,
- 6 dependent care assistance programs, or group legal services plans;
- 7 (4) performance pay awarded to an employee by a school
- 8 district as part of a total compensation plan approved by the board
- 9 of trustees of the district and meeting the requirements of
- 10 Subsection (e);
- 11 (5) the benefit replacement pay a person earns under
- 12 Subchapter H, Chapter 659, except as provided by Subsection (c);
- 13 (6) stipends paid to teachers in accordance with
- 14 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;
- 15 (7) amounts by which the member's salary is reduced or
- 16 that are deducted from the member's salary as authorized by
- 17 Subchapter J, Chapter 659;
- 18 (8) a merit salary increase made under Section 51.962,
- 19 Education Code;
- 20 (9) amounts received under the relevant parts of the
- 21 educator excellence awards program under Subchapter O, Chapter 21,
- 22 Education Code, or a mentoring program under Section 21.458,
- 23 Education Code, that authorize compensation for service;
- 24 (10) salary amounts designated as health care
- 25 supplementation by an employee under Subchapter D, Chapter 22,
- 26 Education Code; [and]
- 27 (11) to the extent required by Sections 3401(h) and

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- 1 414(u)(12), Internal Revenue Code of 1986, differential wage
- 2 payments received by an individual from an employer on or after
- 3 January 1, 2009, while the individual is performing qualified
- 4 military service as defined by Section 414(u), Internal Revenue
- 5 Code of 1986; and
- 6 (12) increased compensation paid to a teacher by a
- 7 school district using funds received by the district under the
- 8 <u>teacher incentive allotment under Section 48.112, Education Code</u>.
- 9 SECTION 25. (a) The following provisions of the Education
- 10 Code are repealed:
- 11 (1) Sections 12.133(d), (d-1), and (e);
- 12 (2) Section 25.038;
- 13 (3) Sections 25.039(b) and (c);
- 14 (4) Section 48.154; and
- 15 (5) Sections 49.054(a) and (c).
- 16 (b) The following provisions, which amended Section 42.006,
- 17 Education Code, are repealed:
- 18 (1) Section 2, Chapter 1036 (H.B. 548), Acts of the
- 19 86th Legislature, Regular Session, 2019; and
- 20 (2) Section 8, Chapter 1060 (H.B. 1051), Acts of the
- 21 86th Legislature, Regular Session, 2019.
- 22 SECTION 26. To the extent of any conflict, this Act prevails
- 23 over another Act of the 87th Legislature, Regular Session, 2021,
- 24 relating to nonsubstantive additions to and corrections in enacted
- 25 codes.
- 26 SECTION 27. This Act takes effect September 1, 2021.