

1-1 By: Huberty, et al. (Senate Sponsor - Taylor) H.B. No. 1525
 1-2 (In the Senate - Received from the House April 23, 2021;
 1-3 May 4, 2021, read first time and referred to Committee on
 1-4 Education; May 14, 2021, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 2, one
 1-6 present not voting; May 14, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Taylor	X			
1-9 Lucio	X			
1-10 Bettencourt	X			
1-11 Hall	X			
1-12 Hughes	X			
1-13 Menéndez		X		
1-14 Paxton	X			
1-15 Perry	X			
1-16 Powell		X		
1-17 Schwertner	X			
1-18 West				X

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 1525 By: Taylor

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the public school finance system and public education.
 1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-25 SECTION 1. Section 12.106, Education Code, is amended by
 1-26 adding Subsections (a-5) and (a-6) to read as follows:
 1-27 (a-5) To ensure compliance with the requirements for the
 1-28 maintenance of state financial support for special education under
 1-29 20 U.S.C. Section 1412(a)(18), in determining the funding for an
 1-30 open-enrollment charter school under Subsection (a) for the Section
 1-31 48.102 allotment, the commissioner shall:
 1-32 (1) if necessary, increase the amount of that
 1-33 allotment to an amount equal to the amount the charter holder was
 1-34 entitled to receive for the charter school under the allotment
 1-35 under former Section 42.151, Education Code, for the 2018-2019
 1-36 school year; and
 1-37 (2) reduce the amount of the allotment the charter
 1-38 holder is entitled to receive for the charter school under
 1-39 Subsection (a-2) by the amount of any increase provided for the
 1-40 charter school under Subdivision (1).
 1-41 (a-6) Subsection (a-5) and this subsection expire September
 1-42 1, 2025.
 1-43 SECTION 2. Sections 12.133(b), (b-1), and (c), Education
 1-44 Code, are amended to read as follows:
 1-45 (b) Each school year, ~~using state funds received by the~~
 1-46 ~~charter holder for that purpose under Subsection (d),~~ a charter
 1-47 holder that participated in the program under Chapter 1579,
 1-48 Insurance Code, for the 2005-2006 school year shall provide
 1-49 employees of the charter holder, other than administrators,
 1-50 compensation in the form of annual salaries, incentives, or other
 1-51 compensation determined appropriate by the charter holder that
 1-52 results in an average compensation increase for classroom teachers,
 1-53 full-time librarians, full-time school counselors, and full-time
 1-54 school nurses who are employed by the charter holder and who would
 1-55 be entitled to a minimum salary under Section 21.402 if employed by
 1-56 a school district, in an amount at least equal to \$2,500.
 1-57 (b-1) ~~A [Using state funds received by the charter holder~~
 1-58 ~~for that purpose under Subsection (d-1), a]~~ charter holder that
 1-59 participated in the program under Chapter 1579, Insurance Code, for
 1-60 the 2005-2006 school year shall provide employees of the charter

2-1 holder, other than administrators, compensation in the form of
2-2 annual salaries, incentives, or other compensation determined
2-3 appropriate by the charter holder that results in average
2-4 compensation increases as follows:

2-5 (1) for full-time employees other than employees who
2-6 would be entitled to a minimum salary under Section 21.402 if
2-7 employed by a school district, an average increase at least equal to
2-8 \$500; and

2-9 (2) for part-time employees, an average increase at
2-10 least equal to \$250.

2-11 (c) Each school year, [~~using state funds received by the~~
2-12 ~~charter holder for that purpose under Subsection (e),~~] a charter
2-13 holder that did not participate in the program under Chapter 1579,
2-14 Insurance Code, for the 2005-2006 school year shall provide
2-15 employees of the charter holder, other than administrators,
2-16 compensation in the form of annual salaries, incentives, or other
2-17 compensation determined appropriate by the charter holder that
2-18 results in an average compensation increase for classroom teachers,
2-19 full-time librarians, full-time school counselors, and full-time
2-20 school nurses who are employed by the charter holder and who would
2-21 be entitled to a minimum salary under Section 21.402 if employed by
2-22 a school district, in an amount at least equal to \$2,000.

2-23 SECTION 3. Section 21.3521(a), Education Code, is amended
2-24 to read as follows:

2-25 (a) Subject to Subsection (b), a school district or
2-26 open-enrollment charter school may designate a [~~certified~~]
2-27 classroom teacher as a master, exemplary, or recognized teacher for
2-28 a five-year period based on the results from single year or
2-29 multiyear appraisals that comply with Section 21.351 or 21.352.

2-30 SECTION 4. Section 25.001(h), Education Code, is amended to
2-31 read as follows:

2-32 (h) In addition to the penalty provided by Section 37.10,
2-33 Penal Code, a person who knowingly falsifies information on a form
2-34 required for enrollment of a student in a school district is liable
2-35 to the district if the student is not eligible for enrollment in the
2-36 district but is enrolled on the basis of the false information. The
2-37 person is liable, for the period during which the ineligible
2-38 student is enrolled, for [~~the greater of:~~

2-39 [~~(1) the maximum tuition fee the district may charge~~
2-40 ~~under Section 25.038, or~~

2-41 [~~(2)~~] the amount the district has budgeted for each
2-42 student as maintenance and operating expenses.

2-43 SECTION 5. Section 28.0062(a), Education Code, is amended
2-44 to read as follows:

2-45 (a) Each school district and open-enrollment charter school
2-46 shall:

2-47 (1) provide for the use of a phonics curriculum that
2-48 uses systematic direct instruction in kindergarten through third
2-49 grade to ensure all students obtain necessary early literacy
2-50 skills;

2-51 (2) ensure that:

2-52 (A) not later than the 2022-2023 [~~2021-2022~~]
2-53 school year, each classroom teacher in kindergarten or first,
2-54 second, or third grade and each principal at a campus with
2-55 kindergarten or first, second, or third grade has attended a
2-56 teacher literacy achievement academy developed under Section
2-57 21.4552; and

2-58 (B) each classroom teacher and each principal
2-59 initially employed in a grade level or at a campus described by
2-60 Paragraph (A) for the 2022-2023 [~~2021-2022~~] school year or a
2-61 subsequent school year has attended a teacher literacy achievement
2-62 academy developed under Section 21.4552 by the end of [~~before~~]
2-63 the teacher's or principal's first year of placement in that grade level
2-64 or campus; and

2-65 (3) certify to the agency that the district or school:

2-66 (A) prioritizes placement of highly effective
2-67 teachers in kindergarten through second grade; and

2-68 (B) has integrated reading instruments used to
2-69 diagnose reading development and comprehension to support each

3-1 student in prekindergarten through third grade.

3-2 SECTION 6. Section 29.153(d-1), Education Code, is amended
3-3 to read as follows:

3-4 (d-1) A district may not receive an exemption under
3-5 Subsection (d) unless the district has solicited [~~and considered at~~
3-6 ~~a public meeting~~] proposals for partnerships with public or private
3-7 entities regarding prekindergarten classes required under this
3-8 section in accordance with guidance provided by the agency
3-9 regarding soliciting partnerships and considered submitted
3-10 proposals at a public meeting. A decision of the board of trustees
3-11 regarding a partnership described by this subsection is final.

3-12 SECTION 7. Section 31.0211(c), Education Code, is amended
3-13 to read as follows:

3-14 (c) Subject to Subsection (d), funds allotted under this
3-15 section may be used to:

3-16 (1) purchase:

3-17 (A) materials on the list adopted by the
3-18 commissioner, as provided by Section 31.0231;

3-19 (B) instructional materials, regardless of
3-20 whether the instructional materials are on the list adopted under
3-21 Section 31.024;

3-22 (C) consumable instructional materials,
3-23 including workbooks;

3-24 (D) instructional materials for use in bilingual
3-25 education classes, as provided by Section 31.029;

3-26 (E) instructional materials for use in college
3-27 preparatory courses under Section 28.014, as provided by Section
3-28 31.031;

3-29 (F) supplemental instructional materials, as
3-30 provided by Section 31.035;

3-31 (G) state-developed open education resource
3-32 instructional materials, as provided by Subchapter B-1;

3-33 (H) instructional materials and technological
3-34 equipment under any continuing contracts of the district in effect
3-35 on September 1, 2011;

3-36 (I) technological equipment necessary to support
3-37 the use of materials included on the list adopted by the
3-38 commissioner under Section 31.0231 or any instructional materials
3-39 purchased with an allotment under this section; and

3-40 (J) inventory software or systems for storing,
3-41 managing, and accessing instructional materials and analyzing the
3-42 usage and effectiveness of the instructional materials; and

3-43 (2) pay:

3-44 (A) for training educational personnel directly
3-45 involved in student learning in the appropriate use of
3-46 instructional materials and for providing for access to
3-47 technological equipment for instructional use; [~~and~~]

3-48 (B) the salary and other expenses of an employee
3-49 who provides technical support for the use of technological
3-50 equipment directly involved in student learning; and

3-51 (C) for costs associated with distance learning,
3-52 including Wi-Fi, Internet access hotspots, wireless network
3-53 service, broadband service, and other services and technological
3-54 equipment necessary to facilitate Internet access.

3-55 SECTION 8. Section 37.108(b-1), Education Code, is amended
3-56 to read as follows:

3-57 (b-1) In a school district's safety and security audit
3-58 required under Subsection (b), the district must certify that the
3-59 district used the funds provided to the district through the school
3-60 safety allotment under Section 48.115 [~~42.168~~] only for the
3-61 purposes provided by that section.

3-62 SECTION 9. Section 39.0261, Education Code, is amended by
3-63 adding Subsection (a-1) and amending Subsection (b) to read as
3-64 follows:

3-65 (a-1) Notwithstanding Subsection (a)(3), the commissioner
3-66 by rule may allow a student to take at state cost an assessment
3-67 instrument described by that subdivision if circumstances existed
3-68 that prevented the student from taking the assessment instrument
3-69 before the student graduated from high school.

4-1 (b) The agency shall:
 4-2 (1) select and approve vendors of the specific
 4-3 assessment instruments administered under this section and
 4-4 negotiate with each approved vendor a price for each assessment
 4-5 instrument; and
 4-6 (2) provide reimbursement to a school district in the
 4-7 amount negotiated under Subdivision (1) for [all fees associated
 4-8 with] the administration of the assessment instrument from funds
 4-9 appropriated for that purpose.

4-10 SECTION 10. Section 39.053(g-4), Education Code, is amended
 4-11 to read as follows:

4-12 (g-4) For purposes of the computation of dropout and
 4-13 completion rates such as high school graduation rates under
 4-14 Subsection (c)(1)(B)(ix), the commissioner shall exclude a student
 4-15 who was reported as having dropped out of school under Section
 4-16 48.009(b-4) [42.006(a-9)], and the student may not be considered to
 4-17 have dropped out from the school district or campus in which the
 4-18 student was last enrolled.

4-19 SECTION 11. Section 45.0021, Education Code, is amended by
 4-20 amending Subsection (a) and adding Subsections (c), (d), (e), and
 4-21 (f) to read as follows:

4-22 (a) A school district may not levy [increase the rate of]
 4-23 the district's maintenance taxes described by Section 45.002 at a
 4-24 rate intended to create a surplus in maintenance tax revenue for the
 4-25 purpose of paying the district's debt service.

4-26 (c) The agency shall:

4-27 (1) develop a method to identify school districts that
 4-28 may have adopted a maintenance tax rate in violation of Subsection
 4-29 (a), which must include a review of data over multiple years;

4-30 (2) for each school district identified under the
 4-31 method developed under Subdivision (1), investigate as necessary to
 4-32 determine whether the district has adopted a maintenance tax rate
 4-33 in violation of Subsection (a);

4-34 (3) if the agency determines that a school district
 4-35 has adopted a maintenance tax rate in violation of Subsection (a):

4-36 (A) order the district to comply with Subsection
 4-37 (a) not later than three years after the date of the order; and

4-38 (B) assist the district in developing a
 4-39 corrective action plan that, to the extent feasible, does not
 4-40 result in a net increase in the district's total tax rate; and

4-41 (4) post on the agency's Internet website a list of
 4-42 each school district the agency has determined to have adopted a
 4-43 maintenance tax rate in violation of Subsection (a).

4-44 (d) The implementation of a corrective action plan under
 4-45 Subsection (c)(3)(B) does not prohibit a school district from
 4-46 increasing the district's total tax rate as necessary to achieve
 4-47 other legal purposes.

4-48 (e) If a school district fails to take action under a
 4-49 corrective action plan developed under Subsection (c)(3)(B), the
 4-50 commissioner may reduce the district's entitlement under Chapter 48
 4-51 by an amount equal to the difference between:

4-52 (1) the amount of state and local funding the district
 4-53 received as a result of adopting a maintenance tax rate in violation
 4-54 of Subsection (a); and

4-55 (2) the amount of state and local funding the district
 4-56 would have received if the district had not adopted a maintenance
 4-57 tax rate in violation of Subsection (a).

4-58 (f) This section does not prohibit a school district from:

4-59 (1) using a surplus in maintenance tax revenue to pay
 4-60 the district's debt service if:

4-61 (A) the district's interest and sinking fund tax
 4-62 revenue is insufficient to pay the district's debt service due to
 4-63 circumstances beyond the district's control; and

4-64 (B) the use of the surplus maintenance tax
 4-65 revenue to pay the district's debt service is necessary to prevent a
 4-66 default on the district's debt;

4-67 (2) paying a portion of the district's maintenance tax
 4-68 revenue into the tax increment fund for a reinvestment zone under
 4-69 Chapter 311, Tax Code; or

5-1 (3) using money disbursed from the tax increment fund
5-2 for a reinvestment zone under Chapter 311, Tax Code, in accordance
5-3 with the agreement entered into by the district with the governing
5-4 body of the municipality or county that designated the zone under
5-5 Section 311.013(f) of that code.

5-6 SECTION 12. Section 48.009, Education Code, is amended by
5-7 amending Subsection (b) and adding Subsection (b-4) to read as
5-8 follows:

5-9 (b) The commissioner by rule shall require each school
5-10 district and open-enrollment charter school to report through the
5-11 Public Education Information Management System information
5-12 regarding:

5-13 (1) the number of students enrolled in the district or
5-14 school who are identified as having dyslexia;

5-15 (2) the availability of school counselors, including
5-16 the number of full-time equivalent school counselors, at each
5-17 campus;

5-18 (3) the availability of expanded learning
5-19 opportunities as described by Section 33.252 at each campus;

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

5-25 (5) the total number of students enrolled in the
5-26 district or school to whom the district or school provided aids,
5-27 accommodations, or services under Section 504, Rehabilitation Act
5-28 of 1973 (29 U.S.C. Section 794), at any time during the year for
5-29 which the report is made;

5-30 (6) disaggregated by campus and grade, the number of:

5-31 (A) children who are required to attend school
5-32 under Section 25.085, are not exempted under Section 25.086, and
5-33 fail to attend school without excuse for 10 or more days or parts of
5-34 days within a six-month period in the same school year;

5-35 (B) students for whom the district initiates a
5-36 truancy prevention measure under Section 25.0915(a-4); and

5-37 (C) parents of students against whom an
5-38 attendance officer or other appropriate school official has filed a
5-39 complaint under Section 25.093; and

5-40 (7) the number of students who are enrolled in a high
5-41 school equivalency program, a dropout recovery school, or an adult
5-42 education program provided under a high school diploma and industry
5-43 certification charter school program provided by the district or
5-44 school and who:

5-45 (A) are at least 18 years of age and under 26
5-46 years of age;

5-47 (B) have not previously been reported to the
5-48 agency as dropouts; and

5-49 (C) enroll in the program at the district or
5-50 school after not attending school for a period of at least nine
5-51 months.

5-52 (b-4) A student reported under Subsection (b)(7) as having
5-53 enrolled in a high school equivalency program, a dropout recovery
5-54 school, or an adult education program provided under a high school
5-55 diploma and industry certification charter school program must be
5-56 reported through the Public Education Information Management
5-57 System as having previously dropped out of school.

5-58 SECTION 13. Section 48.104, Education Code, is amended by
5-59 adding Subsection (e-1) and amending Subsections (j-1) and (k) to
5-60 read as follows:

5-61 (e-1) For each student who is a homeless child or youth as
5-62 defined by 42 U.S.C. Section 11434a, a school district is entitled
5-63 to an annual allotment equal to the basic allotment multiplied by
5-64 the highest weight provided under Subsection (d).

5-65 (j-1) In addition to other purposes for which funds
5-66 allocated under this section may be used, those funds may also be
5-67 used to:

5-68 (1) provide child-care services or assistance with
5-69 child-care expenses for students at risk of dropping out of school,

6-1 as described by Section 29.081(d)(5); ~~or~~
6-2 (2) pay the costs associated with services provided
6-3 through a life skills program in accordance with Sections
6-4 29.085(b)(1) and (3)-(7); or

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

6-8 (k) At least 55 percent of the funds allocated under this
6-9 section must be used to:

6-10 (1) fund supplemental programs and services,
6-11 including services provided by an instructional coach, designed to
6-12 eliminate any disparity in performance on assessment instruments
6-13 administered under Subchapter B, Chapter 39, or disparity in the
6-14 rates of high school completion between:

6-15 (A) students who are educationally disadvantaged
6-16 and students who are not educationally disadvantaged; and

6-17 (B) students at risk of dropping out of school,
6-18 as defined by Section 29.081, and all other students; or

6-19 (2) support a program eligible under Title I of the
6-20 Elementary and Secondary Education Act of 1965, as provided by Pub.
6-21 L. No. 103-382 and its subsequent amendments, and by federal
6-22 regulations implementing that Act.

6-23 SECTION 14. Section 48.106, Education Code, is amended by
6-24 amending Subsection (a) and adding Subsections (a-1) and (d) to
6-25 read as follows:

6-26 (a) For each full-time equivalent student in average daily
6-27 attendance in an approved career and technology education program
6-28 in grades 7 through 12, a district is entitled to ~~+~~

6-29 ~~[(1)]~~ an annual allotment equal to the basic
6-30 allotment, or, if applicable, the sum of the basic allotment and the
6-31 allotment under Section 48.101 to which the district is entitled,
6-32 multiplied by:

6-33 (1) 1.1 for a full-time equivalent student in career
6-34 and technology education courses not in an approved program of
6-35 study;

6-36 (2) 1.28 for a full-time equivalent student in levels
6-37 one and two career and technology education courses in an approved
6-38 program of study, as identified by the agency ~~[a weight of 1.35]~~;
6-39 and

6-40 (3) 1.47 for a full-time equivalent student in levels
6-41 three and four career and technology education courses in an
6-42 approved program of study, as identified by the agency.

6-43 (a-1) In addition to the amounts under Subsection (a), for
6-44 each student in average daily attendance, a district is entitled to

6-45 ~~[(2)]~~ \$50 for each of the following in which the
6-46 student is enrolled:

6-47 (1) ~~[(A)]~~ two or more advanced career and technology
6-48 education classes for a total of three or more credits;

6-49 ~~[(B)]~~ a campus designated as a P-TECH school
6-50 under Section 29.556; or

6-51 (2) ~~[(C)]~~ a campus that is a member of the New Tech
6-52 Network and that focuses on project-based learning and work-based
6-53 education.

6-54 (d) The agency shall annually publish a list of career and
6-55 technology courses that qualify for an allotment under Subsection
6-56 (a), disaggregated by the weight for which the course qualifies.

6-57 SECTION 15. Section 48.106(b), Education Code, is amended
6-58 by amending Subdivision (1) and adding Subdivision (1-a) to read as
6-59 follows:

6-60 (1) "Approved ~~[Career and technology education class~~
6-61 ~~and]~~ career and technology education program":

6-62 (A) means a sequence of career and technology
6-63 education courses, including ~~[include]~~ technology applications
6-64 courses, authorized by the State Board of Education; and

6-65 (B) includes only courses that qualify for high
6-66 school credit.

6-67 (1-a) "Approved program of study" means a course
6-68 sequence that:

6-69 (A) provides students with the knowledge and

7-1 skills necessary for success in the students' chosen careers; and
 7-2 (B) is approved by the agency for purposes of the
 7-3 Strengthening Career and Technical Education for the 21st Century
 7-4 Act (Pub. L. No. 115-224).

7-5 SECTION 16. Section 48.110(f), Education Code, is amended
 7-6 to read as follows:

7-7 (f) For purposes of this section, an annual graduate
 7-8 demonstrates:

7-9 (1) college readiness if the annual graduate:

7-10 (A) both:
 7-11 (i) achieves college readiness standards
 7-12 used for accountability purposes under Chapter 39 on the ACT, the
 7-13 SAT, or an assessment instrument designated by the Texas Higher
 7-14 Education Coordinating Board under Section 51.334; and

7-15 (ii) ~~[(B)]~~ during a time period established
 7-16 by commissioner rule, enrolls at a postsecondary educational
 7-17 institution; or

7-18 (B) earns an associate degree from a
 7-19 postsecondary educational institution approved by the Texas Higher
 7-20 Education Coordinating Board while attending high school or during
 7-21 a time period established by commissioner rule;

7-22 (2) career readiness if the annual graduate:

7-23 (A) achieves college readiness standards used
 7-24 for accountability purposes under Chapter 39 on the ACT, the SAT, or
 7-25 an assessment instrument designated by the Texas Higher Education
 7-26 Coordinating Board under Section 51.334; and

7-27 (B) during a time period established by
 7-28 commissioner rule, earns an industry-accepted certificate; and

7-29 (3) military readiness if the annual graduate:

7-30 (A) achieves a passing score set by the
 7-31 applicable military branch on the Armed Services Vocational
 7-32 Aptitude Battery; and

7-33 (B) during a time period established by
 7-34 commissioner rule, enlists in the armed forces of the United
 7-35 States.

7-36 SECTION 17. Section 48.111, Education Code, is amended to
 7-37 read as follows:

7-38 Sec. 48.111. FAST GROWTH ALLOTMENT. (a) Except as provided
 7-39 by Subsection (c), a [A] school district [~~in which the growth in~~
 7-40 ~~student enrollment in the district over the preceding three school~~
 7-41 ~~years is in the top quartile of student enrollment growth in school~~
 7-42 ~~districts in the state for that period, as determined by the~~
 7-43 ~~commissioner,~~] is entitled to an annual allotment equal to the
 7-44 basic allotment multiplied by 0.35 [~~0.04~~] for each enrolled student
 7-45 equal to the difference, if the difference is greater than zero,
 7-46 that results from subtracting 250 from the difference between the
 7-47 number of students enrolled in the district during the school year
 7-48 immediately preceding the current school year and the number of
 7-49 students enrolled in the district during the school year six years
 7-50 preceding the current school year [~~in average daily attendance~~].

7-51 (a-1) Notwithstanding Subsection (a), instead of using the
 7-52 weight of "0.35" in Subsection (a), the agency shall substitute the
 7-53 following weights:

7-54 (1) for the 2021-2022 school year, "0.30"; and
 7-55 (2) for the 2022-2023 school year, "0.348".

7-56 (a-2) Subsection (a-1) and this subsection expire September
 7-57 1, 2024.

7-58 (b) For purposes of Subsection (a), in determining the
 7-59 number of students enrolled in a school district, the commissioner
 7-60 shall exclude students enrolled in the district who receive
 7-61 full-time instruction through the state virtual school network
 7-62 under Chapter 30A.

7-63 (c) Notwithstanding Subsection (a), the total amount that
 7-64 may be used to provide allotments under Subsection (a) may not
 7-65 exceed \$320 million. If the total amount of allotments to which
 7-66 districts are entitled under Subsection (a) for a school year
 7-67 exceeds the amount permitted under this subsection, the
 7-68 commissioner shall reduce each district's allotment under this
 7-69 section in the manner provided by Section 48.266(f).

8-1 (c-1) Notwithstanding Subsection (c), the total amount that
8-2 may be used to provide allotments under Subsection (a) may not
8-3 exceed:

- 8-4 (1) for the 2021-2022 school year, \$270 million;
- 8-5 (2) for the 2022-2023 school year, \$310 million; and
- 8-6 (3) for the 2023-2024 school year, \$315 million.

8-7 (c-2) Subsection (c-1) and this subsection expire September
8-8 1, 2025.

8-9 (d) For the 2021-2022 school year, the agency shall provide
8-10 to each school district that received an allotment under this
8-11 section for the 2019-2020 school year but is not entitled to an
8-12 allotment for the 2021-2022 school year an amount equal to the
8-13 amount of the allotment provided to the district under this section
8-14 for the 2019-2020 school year.

8-15 (d-1) The total amount that may be used to provide funding
8-16 under Subsection (d) may not exceed \$40 million. If the total amount
8-17 of funding to which districts are entitled under Subsection (d) for
8-18 a school year exceeds the amount permitted under this subsection,
8-19 the commissioner shall reduce each district's amount under
8-20 Subsection (d) in the manner provided by Section 48.266(f).

8-21 (d-2) The amounts to which school districts are entitled
8-22 under Subsection (d) are not subject to the amount limitations
8-23 described by Subsections (c) and (c-1).

8-24 (d-3) Subsections (d), (d-1), (d-2), and this subsection
8-25 expire September 1, 2023.

8-26 SECTION 18. Section 48.112, Education Code, is amended by
8-27 adding Subsection (j) to read as follows:

8-28 (j) The Texas School for the Deaf and the Texas School for
8-29 the Blind and Visually Impaired are entitled to an allotment under
8-30 this section. If the commissioner determines that assigning point
8-31 values under Subsections (e) and (f) to students enrolled in the
8-32 Texas School for the Deaf or the Texas School for the Blind and
8-33 Visually Impaired is impractical, the commissioner may use the
8-34 average point value assigned for those students' home districts for
8-35 purposes of calculating the high needs and rural factor.

8-36 SECTION 19. Section 42.168, Education Code, as added by
8-37 Chapter 464 (S.B. 11), Acts of the 86th Legislature, Regular
8-38 Session, 2019, is transferred to Subchapter C, Chapter 48,
8-39 Education Code, redesignated as Section 48.115, Education Code, and
8-40 amended to read as follows:

8-41 Sec. 48.115 [42.168]. SCHOOL SAFETY ALLOTMENT. (a) From
8-42 funds appropriated for that purpose, the commissioner shall provide
8-43 to a school district an annual allotment in the amount provided by
8-44 appropriation for each student in average daily attendance.

8-45 (b) Funds allocated under this section must be used to
8-46 improve school safety and security, including costs associated
8-47 with:

- 8-48 (1) securing school facilities, including:
 - 8-49 (A) improvements to school infrastructure;
 - 8-50 (B) the use or installation of physical barriers;

8-51 and

- 8-52 (C) the purchase and maintenance of:
 - 8-53 (i) security cameras or other security
 - 8-54 equipment; and

8-55 (ii) technology, including communications
8-56 systems or devices, that facilitates communication and information
8-57 sharing between students, school personnel, and first responders in
8-58 an emergency;

- 8-59 (2) providing security for the district, including:
 - 8-60 (A) employing school district peace officers,
 - 8-61 private security officers, and school marshals; and
 - 8-62 (B) collaborating with local law enforcement

8-63 agencies, such as entering into a memorandum of understanding for
8-64 the assignment of school resource officers to schools in the
8-65 district;

- 8-66 (3) school safety and security training and planning,
8-67 including:
 - 8-68 (A) active shooter and emergency response
 - 8-69 training;

9-1 (B) prevention and treatment programs relating
 9-2 to addressing adverse childhood experiences; and
 9-3 (C) the prevention, identification, and
 9-4 management of emergencies and threats, including:
 9-5 (i) providing mental health personnel and
 9-6 support;
 9-7 (ii) providing behavioral health services;
 9-8 and
 9-9 (iii) establishing threat reporting
 9-10 systems; and
 9-11 (4) providing programs related to suicide prevention,
 9-12 intervention, and postvention.

9-13 (c) A school district may use funds allocated under this
 9-14 section for equipment or software that is used for a school safety
 9-15 and security purpose and an instructional purpose, provided that
 9-16 the instructional use does not compromise the safety and security
 9-17 purpose of the equipment or software.

9-18 ~~[(d) A school district that is required to take action under
 9-19 Chapter 41 to reduce its wealth per student to the equalized wealth
 9-20 level is entitled to a credit, in the amount of the allotments to
 9-21 which the district is to receive as provided by appropriation,
 9-22 against the total amount required under Section 41.093 for the
 9-23 district to purchase attendance credits.~~

9-24 ~~[(e) The commissioner may adopt rules to implement this
 9-25 section.]~~

9-26 SECTION 20. Section 48.2551, Education Code, is amended by
 9-27 amending Subsections (a) and (c) and adding Subsections (d-1) and
 9-28 (d-2) to read as follows:

9-29 (a) In this section:

9-30 (1) "DPV" is the taxable value of property in the
 9-31 school district, as determined by the agency by rule, using locally
 9-32 determined property values adjusted in accordance with Section
 9-33 403.302(d), Government Code [has the meaning assigned by Section
 9-34 48.256];

9-35 (2) "E" is the expiration of the exclusion of
 9-36 appraised property value for the preceding tax year that is
 9-37 recognized as taxable property value for the current tax year,
 9-38 which is the sum of the following:

9-39 (A) property value that is no longer subject to a
 9-40 limitation on appraised value under Chapter 313, Tax Code; and

9-41 (B) property value under Section 311.013(n), Tax
 9-42 Code, that is no longer excluded from the calculation of "DPV" from
 9-43 the preceding year because of refinancing or renewal after
 9-44 September 1, 2019;

9-45 (3) "MCR" is the district's maximum compressed rate,
 9-46 which is the tax rate for the current tax year per \$100 of valuation
 9-47 of taxable property at which the district must levy a maintenance
 9-48 and operations tax to receive the full amount of the tier one
 9-49 allotment to which the district is entitled under this chapter;

9-50 (4) "PYDPV" is the district's value of "DPV" for the
 9-51 preceding tax year; and

9-52 (5) "PYMCR" is the district's value of "MCR" for the
 9-53 preceding tax year.

9-54 (c) Notwithstanding Subsection (b), for a district to which
 9-55 Section 48.2552(b) applies, the district's maximum compressed rate
 9-56 is the value calculated in accordance with Section 48.2552(b) ~~[for~~
 9-57 ~~"MCR" under Subsection (b)(1)(B)].~~

9-58 (d-1) Local appraisal districts, school districts, and the
 9-59 comptroller shall provide any information necessary to the agency
 9-60 to implement this section.

9-61 (d-2) A school district may appeal to the commissioner the
 9-62 district's taxable property value as determined by the agency under
 9-63 this section. A decision by the commissioner is final and may not be
 9-64 appealed.

9-65 SECTION 21. Section 48.2552(b), Education Code, is amended
 9-66 to read as follows:

9-67 (b) If a school district's ~~[district has a]~~ maximum
 9-68 compressed rate as calculated under Section 48.2551(b) would be
 9-69 ~~[that is]~~ less than 90 percent of another school district's maximum

10-1 compressed rate, the district's maximum compressed rate is the
10-2 value at which the district's maximum compressed rate would be
10-3 equal to 90 percent of the other district's maximum compressed rate
10-4 [calculated under Section 48.2551(c) until the agency determines
10-5 that the difference between the district's and another district's
10-6 maximum compressed rates is not more than 10 percent].

10-7 SECTION 22. Section 48.257(c), Education Code, is amended
10-8 to read as follows:

10-9 (c) For purposes of Subsection (a), state aid to which a
10-10 district is entitled under this chapter that is not described by
10-11 Section 48.266(a)(3) [~~48.266(a)(1), (2), or (3)~~] may offset the
10-12 amount by which a district must reduce the district's [~~tier one~~]
10-13 revenue level under this section [~~Subsection (a)~~]. Any amount of
10-14 state aid used as an offset under this subsection shall reduce the
10-15 amount of state aid to which the district is entitled.

10-16 SECTION 23. Subchapter F, Chapter 48, Education Code, is
10-17 amended by adding Section 48.2721 to read as follows:

10-18 Sec. 48.2721. RECOVERY OF FUNDS FROM EXCESSIVE TAXATION.
10-19 The commissioner shall reduce state aid or adjust the limit on local
10-20 revenue under Section 48.257 in an amount equal to the amount of
10-21 revenue generated by a school district's tax effort that is not in
10-22 compliance with Section 45.003 or this chapter.

10-23 SECTION 24. Section 48.277, Education Code, is amended by
10-24 adding Subsection (c-1) to read as follows:

10-25 (c-1) Notwithstanding any other provision of this chapter,
10-26 beginning with the 2021-2022 school year, if the total amount of
10-27 allotments to which school districts and open-enrollment charter
10-28 schools are entitled under this section for a school year exceeds
10-29 \$400 million, the commissioner shall reduce each district's or
10-30 school's allotment under this section in the manner provided by
10-31 Section 48.266(f). The reduction in the amount to which a district
10-32 or school is entitled under this section may not result in an amount
10-33 that is less than zero.

10-34 SECTION 25. Subchapter F, Chapter 48, Education Code, is
10-35 amended by adding Sections 48.281 and 48.282 to read as follows:

10-36 Sec. 48.281. MAINTENANCE OF EFFORT AND EQUITY FOR FEDERAL
10-37 MONEY RELATED TO COVID-19 PANDEMIC. (a) Subject to Subsection (b),
10-38 the commissioner may adjust a school district's or open-enrollment
10-39 charter school's entitlement under this chapter as necessary to
10-40 ensure compliance with requirements regarding maintenance of
10-41 effort and maintenance of equity under Section 317, Coronavirus
10-42 Response and Relief Supplemental Appropriations Act, 2021 (Div. M,
10-43 Pub. L. No. 116-260, reprinted in note, 20 U.S.C. Section 3401),
10-44 and Section 2001, American Rescue Plan Act of 2021 (Pub. L.
10-45 No. 117-2, reprinted in note, 20 U.S.C. Section 3401).

10-46 (b) Before making an adjustment under Subsection (a), the
10-47 commissioner shall notify the Legislative Budget Board and the
10-48 governor of the proposed adjustment. The adjustment is considered
10-49 to be approved unless the Legislative Budget Board or the governor
10-50 issues a written disapproval of the adjustment not later than the
10-51 30th day after the date on which the commissioner provides notice
10-52 under this subsection.

10-53 (c) If the total amount of money available to the
10-54 commissioner for purposes of making adjustments under this section
10-55 for a state fiscal year is insufficient to make an adjustment the
10-56 commissioner determines necessary under Subsection (a), the
10-57 commissioner shall submit to the legislature an estimate of the
10-58 amount of funding needed to make the adjustment for that state
10-59 fiscal year.

10-60 (d) This section expires September 1, 2025.

10-61 Sec. 48.282. SPENDING LIMITATIONS TO EXTEND INTERVENTIONS
10-62 PREVENTING GENERATIONAL EDUCATIONAL DECLINE. (a) Notwithstanding
10-63 any other provision of this code and except as provided by
10-64 Subsection (e), beginning with the 2021-2022 school year, each
10-65 school district or open-enrollment charter school shall reserve, in
10-66 an amount determined by the agency under Subsection (b), state and
10-67 local funds made available to the district or school through the
10-68 Foundation School Program under Chapter 12, 48, or 49.

10-69 (b) The agency shall determine the amount of funds a school

11-1 district or open-enrollment charter school must reserve under
 11-2 Subsection (a) by:

11-3 (1) calculating the amount of total funding received
 11-4 by the school district or open-enrollment charter school under
 11-5 Section 2001, American Rescue Plan Act of 2021 (Pub. L. No. 117-2,
 11-6 reprinted in note, 20 U.S.C. Section 3401) minus a fixed amount
 11-7 identified by appropriation; and

11-8 (2) multiplying the amount under Subdivision (1) by a
 11-9 percentage set by appropriation.

11-10 (c) Beginning with the 2021-2022 school year, a school
 11-11 district or open-enrollment charter school may reserve the amount
 11-12 of funds required under Subsection (a):

11-13 (1) in a lump sum; or

11-14 (2) on a schedule established by the district or
 11-15 school not to exceed three years, reserving the total required
 11-16 amount of funds by the end of the 2023-2024 school year.

11-17 (d) Beginning with the 2024-2025 school year, a school
 11-18 district or open-enrollment charter school may use the funds
 11-19 reserved under Subsection (a).

11-20 (e) The commissioner may grant a waiver of the requirement
 11-21 that a school district or open-enrollment charter school reserve
 11-22 funds under Subsection (a) if the district or school:

11-23 (1) demonstrates that complying with the requirement
 11-24 under Subsection (a) would cause the district or school to not be in
 11-25 compliance with a federal maintenance of effort or maintenance of
 11-26 equity requirement; or

11-27 (2) submits a plan to the agency that provides for the
 11-28 acceleration of all students who are not performing at grade level
 11-29 by the 2023-2024 school year.

11-30 (f) If the commissioner provides a waiver to a school
 11-31 district or open-enrollment charter school under Subsection
 11-32 (e)(1), the commissioner may:

11-33 (1) set a lower amount of funds that the district or
 11-34 school must reserve under Subsection (a) that allows the district
 11-35 or school to comply with federal maintenance of effort and
 11-36 maintenance of equity requirements; or

11-37 (2) fully waive the requirement under Subsection (a)
 11-38 that the district or school reserve funds.

11-39 (g) Notwithstanding any other provision of this chapter,
 11-40 during the time period in which a school district or
 11-41 open-enrollment charter school must reserve funds to comply with
 11-42 this section, the commissioner may reduce or waive a spending
 11-43 requirement, or consider other expenditures for purposes of
 11-44 complying with a spending requirement, under any of the following
 11-45 provisions:

- 11-46 (1) Section 48.103;
- 11-47 (2) Section 48.104(k);
- 11-48 (3) Section 48.105(b);
- 11-49 (4) Section 48.106(c);
- 11-50 (5) Section 48.108(b);
- 11-51 (6) Section 48.110(i); or
- 11-52 (7) Section 48.112(i).

11-53 (h) This section expires September 1, 2026.

11-54 SECTION 26. Section 48.302(b), Education Code, is amended
 11-55 to read as follows:

11-56 (b) The agency shall enter into a memorandum of
 11-57 understanding with the commission for the agency to transfer funds
 11-58 to the commission [~~funds specifically appropriated to the agency~~]
 11-59 for the commission to provide to an individual who is 21 years of
 11-60 age or older a subsidy in an amount equal to the cost of taking one
 11-61 high school equivalency examination administered under Section
 11-62 7.111.

11-63 SECTION 27. Subchapter G, Chapter 48, Education Code, is
 11-64 amended by adding Section 48.303 to read as follows:

11-65 Sec. 48.303. ADDITIONAL STATE AID FOR REGIONAL EDUCATION
 11-66 SERVICE CENTER STAFF SALARY INCREASES. (a) A regional education
 11-67 service center is entitled to state aid in an amount equal to the
 11-68 sum of:

- 11-69 (1) the product of \$500 multiplied by the number of

12-1 full-time center employees, other than administrators or classroom
12-2 teachers, full-time librarians, full-time school counselors
12-3 certified under Subchapter B, Chapter 21, or full-time school
12-4 nurses; and

12-5 (2) the product of \$250 multiplied by the number of
12-6 part-time center employees, other than administrators or teachers,
12-7 librarians, school counselors certified under Subchapter B,
12-8 Chapter 21, or school nurses.

12-9 (b) A determination by the commissioner under Subsection
12-10 (a) is final and may not be appealed.

12-11 SECTION 28. Subchapter A, Chapter 49, Education Code, is
12-12 amended by adding Section 49.0041 to read as follows:

12-13 Sec. 49.0041. LOCAL REVENUE LEVEL IN EXCESS OF ENTITLEMENT
12-14 AFTER REVIEW NOTIFICATION. If the commissioner determines that a
12-15 school district has a local revenue level in excess of entitlement
12-16 after the date the commissioner sends notification for the school
12-17 year under Section 49.004(a), the commissioner shall include the
12-18 amount of the district's local revenue level that exceeded the
12-19 level established under Section 48.257 for that school year in the
12-20 annual review for the following school year of the district's local
12-21 revenue levels under Section 49.004(a).

12-22 SECTION 29. Section 49.054(b), Education Code, is amended
12-23 to read as follows:

12-24 (b) A consolidated [Except as provided by Subsection (c), a]
12-25 district under this subchapter [receiving incentive aid payments
12-26 under this section] is [not] entitled to incentive aid under
12-27 Subchapter G, Chapter 13.

12-28 SECTION 30. Section 822.201(b), Government Code, is amended
12-29 to read as follows:

12-30 (b) "Salary and wages" as used in Subsection (a) means:

12-31 (1) normal periodic payments of money for service the
12-32 right to which accrues on a regular basis in proportion to the
12-33 service performed;

12-34 (2) amounts by which the member's salary is reduced
12-35 under a salary reduction agreement authorized by Chapter 610;

12-36 (3) amounts that would otherwise qualify as salary and
12-37 wages under Subdivision (1) but are not received directly by the
12-38 member pursuant to a good faith, voluntary written salary reduction
12-39 agreement in order to finance payments to a deferred compensation
12-40 or tax sheltered annuity program specifically authorized by state
12-41 law or to finance benefit options under a cafeteria plan qualifying
12-42 under Section 125 of the Internal Revenue Code of 1986, if:

12-43 (A) the program or benefit options are made
12-44 available to all employees of the employer; and

12-45 (B) the benefit options in the cafeteria plan are
12-46 limited to one or more options that provide deferred compensation,
12-47 group health and disability insurance, group term life insurance,
12-48 dependent care assistance programs, or group legal services plans;

12-49 (4) performance pay awarded to an employee by a school
12-50 district as part of a total compensation plan approved by the board
12-51 of trustees of the district and meeting the requirements of
12-52 Subsection (e);

12-53 (5) the benefit replacement pay a person earns under
12-54 Subchapter H, Chapter 659, except as provided by Subsection (c);

12-55 (6) stipends paid to teachers in accordance with
12-56 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;

12-57 (7) amounts by which the member's salary is reduced or
12-58 that are deducted from the member's salary as authorized by
12-59 Subchapter J, Chapter 659;

12-60 (8) a merit salary increase made under Section 51.962,
12-61 Education Code;

12-62 (9) amounts received under the relevant parts of the
12-63 educator excellence awards program under Subchapter O, Chapter 21,
12-64 Education Code, or a mentoring program under Section 21.458,
12-65 Education Code, that authorize compensation for service;

12-66 (10) salary amounts designated as health care
12-67 supplementation by an employee under Subchapter D, Chapter 22,
12-68 Education Code; ~~and~~

12-69 (11) to the extent required by Sections 3401(h) and

13-1 414(u)(12), Internal Revenue Code of 1986, differential wage
13-2 payments received by an individual from an employer on or after
13-3 January 1, 2009, while the individual is performing qualified
13-4 military service as defined by Section 414(u), Internal Revenue
13-5 Code of 1986; and

13-6 (12) increased compensation paid to a teacher by a
13-7 school district using funds received by the district under the
13-8 teacher incentive allotment under Section 48.112, Education Code.

13-9 SECTION 31. (a) The following provisions of the Education
13-10 Code are repealed:

13-11 (1) Sections 12.133(d), (d-1), and (e);

13-12 (2) Section 25.038;

13-13 (3) Sections 25.039(b) and (c);

13-14 (4) Section 48.0051(a-1);

13-15 (5) Section 48.154; and

13-16 (6) Sections 49.054(a) and (c).

13-17 (b) The following provisions, which amended Section 42.006,
13-18 Education Code, are repealed:

13-19 (1) Section 2, Chapter 1036 (H.B. 548), Acts of the
13-20 86th Legislature, Regular Session, 2019; and

13-21 (2) Section 8, Chapter 1060 (H.B. 1051), Acts of the
13-22 86th Legislature, Regular Session, 2019.

13-23 SECTION 32. Section 45.0021, Education Code, as amended by
13-24 this Act, applies only to a tax rate adopted on or after the
13-25 effective date of this Act. A tax rate adopted before the effective
13-26 date of this Act is governed by the law in effect on the date the tax
13-27 rate was adopted, and the former law is continued in effect for that
13-28 purpose.

13-29 SECTION 33. To the extent of any conflict, this Act prevails
13-30 over another Act of the 87th Legislature, Regular Session, 2021,
13-31 relating to nonsubstantive additions to and corrections in enacted
13-32 codes.

13-33 SECTION 34. This Act takes effect September 1, 2021.

13-34 * * * * *