

By: Huberty

H.B. No. 3837

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 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:~~

20 ~~(1) the maximum tuition fee the district may charge~~  
21 ~~under Section 25.038, or~~

22 ~~(2)]~~ the amount the district has budgeted for each  
23 student as maintenance and operating expenses.

24 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:

23 (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  
27 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 impose [~~increase the rate of~~]  
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

22 (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

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;

22 (B) have not previously been reported to the  
23 agency as dropouts; and

24 (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~~  
14 ~~allotment~~] under Section 48.005 [48.051]; and

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).

23 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 (a-1) In addition to the amounts under Subsection (a), a  
9 district is entitled to \$50 for each student in average daily  
10 attendance enrolled at:

11 (1) [+

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

14 (2) [~~(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.

17 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 high school level.

24 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:

1 (1) college readiness if the annual graduate:

2 (A) both:

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

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

10 (B) earns an associate degree while attending  
11 high school or during a time period established by commissioner  
12 rule;

13 (2) career readiness if the annual graduate:

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

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

20 (3) military readiness if the annual graduate:

21 (A) achieves a passing score set by the  
22 applicable military branch on the Armed Services Vocational  
23 Aptitude Battery; and

24 (B) during a time period established by  
25 commissioner rule, enlists in the armed forces of the United  
26 States.

27 SECTION 14. Section 48.111, Education Code, is amended to

1 read as follows:

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

11           (b) The agency shall identify each school district that  
12 qualifies for an allotment under this section and rank those  
13 districts, from fastest to least fastest growth, based on student  
14 enrollment growth, during the period described by Subsection (a).  
15 Based on the rankings determined under this section, the agency  
16 shall divide the districts into four growth categories according to  
17 relative student enrollment growth. Each growth category must be of  
18 approximately equal student enrollments. If, based on student  
19 enrollment, a district is between two growth categories, the agency  
20 shall assign the district to the faster growth category. The weight  
21 for each growth category is assigned as follows:

- 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.

26           SECTION 15. Section 42.168, Education Code, as added by  
27 Chapter 464 (S.B. 11), Acts of the 86th Legislature, Regular

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

1 district;

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 ~~[(c) 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;

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 in accordance with Section 48.2552(b) [~~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           (d-2) 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 appealed.

16           SECTION 17. Section 48.2552(b), Education Code, is amended  
17 to read as follows:

18           (b) If a school district's [~~district has a~~] 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 sum of:

22 (1) the product of \$500 multiplied by the number of  
23 full-time center employees, other than administrators or classroom  
24 teachers, full-time librarians, full-time school counselors  
25 certified under Subchapter B, Chapter 21, or full-time school  
26 nurses; and

27 (2) the product of \$250 multiplied by the number of



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 revenue levels under Section 49.004(a).

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:

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

13 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:

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

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 teacher incentive allotment under Section 48.112, Education Code.

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.