

By: Menéndez, et al.

S.B. No. 40

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:

ARTICLE 1. BASIC ALLOTMENT

SECTION 1.01. Section 48.051, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Subject to adjustment under Subsection (a-1), for ~~For~~ each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to the lesser of \$7,365 ~~[\$6,160]~~ or the amount that results from the following formula:

$$A = \underline{\$7,365} \text{ } \langle \underline{\$6,160} \rangle \times \text{TR/MCR}$$

where:

"A" is the allotment to which a district is entitled;

"TR" is the district's tier one maintenance and operations tax rate, as provided by Section 45.0032; and

"MCR" is the district's maximum compressed tax rate, as determined under Section 48.2551.

(a-1) Beginning with the 2024-2025 school year, the basic allotment provided to a district under Subsection (a) or (b) is

1 adjusted annually to increase the allotment by the amount that  
2 results from applying the inflation rate, as determined by the  
3 comptroller on the basis of changes in the Consumer Price Index for  
4 All Urban Consumers published by the Bureau of Labor Statistics of  
5 the United States Department of Labor, to the allotment for the  
6 preceding school year.

7 SECTION 1.02. Section 48.202(a-1), Education Code, is  
8 amended to read as follows:

9 (a-1) For purposes of Subsection (a), the dollar amount  
10 guaranteed level of state and local funds per weighted student per  
11 cent of tax effort ("GL") for a school district is:

12 (1) the greater of the amount of district tax revenue per  
13 weighted student per cent of tax effort available to a school  
14 district at the 96th percentile of wealth per weighted student or  
15 the amount that results from multiplying 7,365 [~~6,160~~], or the  
16 greater amount provided under Section 48.051(a-1) or (b)  
17 [~~48.051(b)~~], if applicable, by 0.016, for the first eight cents by  
18 which the district's maintenance and operations tax rate exceeds  
19 the district's tier one tax rate; and

20 (2) subject to Subsection (f), the amount that results from  
21 multiplying \$7,365 [~~\$6,160~~], or the greater amount provided under  
22 Section 48.051(a-1) or (b) [~~48.051(b)~~], if applicable, by 0.008,  
23 for the district's maintenance and operations tax effort that  
24 exceeds the amount of tax effort described by Subdivision (1).

25 ARTICLE 2. ENROLLMENT-BASED FUNDING

26 SECTION 2.01. Section 48.005, Education Code, is amended to  
27 read as follows:

1           Sec. 48.005. AVERAGE ENROLLMENT [~~DAILY ATTENDANCE~~]. (a)

2 In this chapter, average enrollment [~~daily attendance~~] is:

3           (1) the average number of students enrolled in the  
4 school district during a school year [~~quotient of the sum of~~  
5 ~~attendance for each day of the minimum number of days of instruction~~  
6 ~~as described under Section 25.081(a) divided by the minimum number~~  
7 ~~of days of instruction,~~

8           [~~(2) for a district that operates under a flexible~~  
9 ~~year program under Section 29.0821, the quotient of the sum of~~  
10 ~~attendance for each actual day of instruction as permitted by~~  
11 ~~Section 29.0821(b)(1) divided by the number of actual days of~~  
12 ~~instruction as permitted by Section 29.0821(b)(1),~~

13           [~~(3) for a district that operates under a flexible~~  
14 ~~school day program under Section 29.0822, the average daily~~  
15 ~~attendance as calculated by the commissioner in accordance with~~  
16 ~~Sections 29.0822(d) and (d-1)]; or~~

17           (2) [~~(4)~~] for a district that operates a half-day  
18 program or a full-day program under Section 29.153(c), one-half of  
19 the average enrollment [~~daily attendance~~] calculated under  
20 Subdivision (1).

21           (b) A school district that experiences a decline of two  
22 percent or more in average enrollment [~~daily attendance~~] shall be  
23 funded on the basis of:

24           (1) the actual average enrollment [~~daily attendance~~]  
25 of the preceding school year, if the decline is the result of the  
26 closing or reduction in personnel of a military base; or

27           (2) subject to Subsection (e), an average enrollment

1 [~~daily attendance~~] not to exceed 98 percent of the actual average  
2 enrollment [~~daily attendance~~] of the preceding school year, if the  
3 decline is not the result of the closing or reduction in personnel  
4 of a military base.

5 (c) The commissioner shall adjust the average enrollment  
6 [~~daily attendance~~] of a school district that has a significant  
7 percentage of students who are migratory children as defined by 20  
8 U.S.C. Section 6399.

9 (d) The commissioner may adjust the average enrollment  
10 [~~daily attendance~~] of a school district in which a disaster, flood,  
11 extreme weather condition, fuel curtailment, or other calamity has  
12 a significant effect on the district's enrollment [~~attendance~~]. In  
13 addition to providing the adjustment for the amount of  
14 instructional days during the semester in which the calamity first  
15 occurred, an adjustment under this section may only be provided  
16 based on a particular calamity for an additional amount of  
17 instructional days equivalent to one school year. The commissioner  
18 may divide the adjustment between two consecutive school years.

19 (e) For each school year, the commissioner shall adjust the  
20 average enrollment [~~daily attendance~~] of school districts that are  
21 entitled to funding on the basis of an adjusted average enrollment  
22 [~~daily attendance~~] under Subsection (b)(2) so that:

23 (1) all districts are funded on the basis of the same  
24 percentage of the preceding year's actual average enrollment [~~daily~~  
25 ~~attendance~~]; and

26 (2) the total cost to the state does not exceed the  
27 amount specifically appropriated for that year for purposes of

1 Subsection (b)(2).

2 (f) An open-enrollment charter school is not entitled to  
3 funding based on an adjustment under Subsection (b)(2).

4 (g) If a student may receive course credit toward the  
5 student's high school academic requirements and toward the  
6 student's higher education academic requirements for a single  
7 course, including a course provided under Section 28.009 by a  
8 public institution of higher education, the time during which the  
9 student attends the course shall be counted as part of the minimum  
10 number of instructional hours required for a student to be  
11 considered a full-time student in average enrollment [~~daily~~  
12 ~~attendance~~] for purposes of this section.

13 [~~(g-1) The commissioner shall adopt rules to calculate~~  
14 ~~average daily attendance for students participating in a blended~~  
15 ~~learning program in which classroom instruction is supplemented~~  
16 ~~with applied workforce learning opportunities, including~~  
17 ~~participation of students in internships, externships, and~~  
18 ~~apprenticeships.~~]

19 (h) Time [~~Subject to rules adopted by the commissioner under~~  
20 ~~Section 48.007(b), time~~] that a student participates in an  
21 off-campus instructional program provided by an entity other than a  
22 school district or open-enrollment charter school and approved by  
23 the commissioner in accordance with commissioner rule [~~under~~  
24 ~~Section 48.007(a)~~] shall be counted as part of the minimum number of  
25 instructional hours required for a student to be considered a  
26 full-time student in average enrollment [~~daily attendance~~] for  
27 purposes of this section.

1 (i) A district or a charter school operating under Chapter  
2 12 that operates a prekindergarten program is eligible to receive  
3 one-half of average enrollment [~~daily attendance~~] under Subsection  
4 (a) if the district's or charter school's prekindergarten program  
5 provides at least 32,400 minutes of instructional time to students.

6 (j) A district or charter school is eligible to earn full  
7 average enrollment [~~daily attendance~~] under Subsection (a) if the  
8 district or school provides at least 43,200 minutes of  
9 instructional time to students enrolled in:

10 (1) a dropout recovery school or program operating  
11 under Section 12.1141(c) or Section 39.0548;

12 (2) an alternative education program operating under  
13 Section 37.008;

14 (3) a school program located at a day treatment  
15 facility, residential treatment facility, psychiatric hospital, or  
16 medical hospital;

17 (4) a school program offered at a correctional  
18 facility; or

19 (5) a school operating under Subchapter G, Chapter 12.

20 (k) A charter school operating under a charter granted under  
21 Chapter 12 before January 1, 2015, is eligible to earn full average  
22 enrollment [~~daily attendance~~] under Subsection (a), as that  
23 subsection existed immediately before January 1, 2015, for:

24 (1) all campuses of the charter school operating  
25 before January 1, 2015; and

26 (2) any campus or site expansion approved on or after  
27 January 1, 2015, provided that the charter school received an

1 academic accountability performance rating of C or higher, and the  
2 campus or site expansion is approved by the commissioner.

3 (1) A school district campus or charter school described by  
4 Subsection (j) may operate more than one program and be eligible for  
5 full average enrollment [~~daily attendance~~] for each program if the  
6 programs operated by the district campus or charter school satisfy  
7 all applicable state and federal requirements.

8 (m) The commissioner shall adopt rules necessary to  
9 implement this section, including rules that:

10 (1) determine the method to calculate the average  
11 number of students enrolled in a school district during a school  
12 year;

13 (2) establish the minimum amount of instructional time  
14 per day that allows a school district or charter school to be  
15 eligible for full average enrollment [~~daily attendance~~], which may  
16 differ based on the instructional program offered by the district  
17 or charter school;

18 (3) [~~(2)~~] establish the requirements necessary for a  
19 school district or charter school to be eligible for one-half of  
20 average enrollment [~~daily attendance~~], which may differ based on  
21 the instructional program offered by the district or charter  
22 school;

23 (4) [~~(3)~~] proportionally reduce the average  
24 enrollment [~~daily attendance~~] for a school district if any campus  
25 or instructional program in the district provides fewer than the  
26 required minimum minutes of instruction to students; and

27 (5) [~~(4)~~] allow a grade or course repeated under

1 Section 28.02124 to qualify for average enrollment [~~daily~~  
2 ~~attendance~~] even if the student previously passed or earned credit  
3 for the grade or course, if the grade or course would otherwise be  
4 eligible.

5 (n) To assist school districts in implementing this section  
6 as amended by H.B. 2442, [~~Acts of the~~] 85th Legislature, Regular  
7 Session, 2017, the commissioner may waive a requirement of this  
8 section or adopt rules to implement this section.

9 SECTION 2.02. Section 7.062(a), Education Code, is amended  
10 to read as follows:

11 (a) In this section, "wealth per student" means a school  
12 district's taxable value of property as determined under Subchapter  
13 M, Chapter 403, Government Code, or, if applicable, Section 48.258,  
14 divided by the district's average enrollment [~~daily attendance~~] as  
15 determined under Section 48.005.

16 SECTION 2.03. Section 11.052(f), Education Code, is amended  
17 to read as follows:

18 (f) If single-member trustee districts are adopted or  
19 approved as provided by this section, the board shall divide the  
20 school district into the appropriate number of trustee districts,  
21 based on the number of members of the board that are to be elected  
22 from single-member trustee districts, and shall number each trustee  
23 district. The trustee districts must be compact and contiguous and  
24 must be as nearly as practicable of equal population. In a district  
25 with 150,000 or more students in average enrollment [~~daily~~  
26 ~~attendance~~], the boundary of a trustee district may not cross a  
27 county election precinct boundary except at a point at which the



1 boundary of the school district crosses the county election  
2 precinct boundary. Trustee districts must be drawn not later than  
3 the 90th day before the date of the first election of trustees from  
4 those districts.

5 SECTION 2.04. Sections 12.106(a), (a-2), and (d), Education  
6 Code, are amended to read as follows:

7 (a) A charter holder is entitled to receive for the  
8 open-enrollment charter school funding under Chapter 48 equal to  
9 the amount of funding per student in weighted average enrollment  
10 [~~daily attendance~~], excluding the adjustment under Section 48.052,  
11 the funding under Sections 48.101, 48.110, 48.111, and 48.112, and  
12 enrichment funding under Section 48.202(a), to which the charter  
13 holder would be entitled for the school under Chapter 48 if the  
14 school were a school district without a tier one local share for  
15 purposes of Section 48.266.

16 (a-2) In addition to the funding provided by Subsection (a),  
17 a charter holder is entitled to receive for the open-enrollment  
18 charter school an allotment per student in average enrollment  
19 [~~daily attendance~~] in an amount equal to the difference between:

- 20 (1) the product of:
- 21 (A) the quotient of:
- 22 (i) the total amount of funding provided to  
23 eligible school districts under Section 48.101(b) or (c); and  
24 (ii) the total number of students in  
25 average enrollment [~~daily attendance~~] in school districts that  
26 receive an allotment under Section 48.101(b) or (c); and  
27 (B) the sum of one and the quotient of:

1 (i) the total number of students in average  
2 enrollment [~~daily attendance~~] in school districts that receive an  
3 allotment under Section 48.101(b) or (c); and

4 (ii) the total number of students in  
5 average enrollment [~~daily attendance~~] in school districts  
6 statewide; and

7 (2) \$125.

8 (d) Subject to Subsection (e), in addition to other amounts  
9 provided by this section, a charter holder is entitled to receive,  
10 for the open-enrollment charter school, funding per student in  
11 average enrollment [~~daily attendance~~] in an amount equal to the  
12 guaranteed level of state and local funds per student per cent of  
13 tax effort under Section 46.032(a) multiplied by the lesser of:

14 (1) the state average interest and sinking fund tax  
15 rate imposed by school districts for the current year; or

16 (2) a rate that would result in a total amount to which  
17 charter schools are entitled under this subsection for the current  
18 year equal to \$60 million.

19 SECTION 2.05. Sections 12.263(a), (b), and (c), Education  
20 Code, are amended to read as follows:

21 (a) Except as otherwise provided by this section, funding  
22 for an adult education program operated under a charter granted  
23 under this subchapter is an amount per participant through the  
24 Foundation School Program equal to the amount of state funding per  
25 student in weighted average enrollment [~~daily attendance~~] that  
26 would be allocated under the Foundation School Program for the  
27 student's attendance at an open-enrollment charter school in

1 accordance with Section 12.106.

2 (b) For purposes of determining the average enrollment  
3 [~~daily attendance~~] of an adult education program operated under a  
4 charter granted under this subchapter, a student is considered to  
5 be in average enrollment [~~daily attendance, with a 100 percent~~  
6 ~~attendance rate,~~] for:

7 (1) all of the instructional days of the school year,  
8 if the student is enrolled for at least 75 percent of the school  
9 year;

10 (2) half of the instructional days of the school year,  
11 if the student is enrolled for at least 50 percent but less than 75  
12 percent of the school year;

13 (3) a quarter of the instructional days of the school  
14 year, if the student is enrolled for at least 25 percent but less  
15 than 50 percent of the school year; or

16 (4) one-tenth of the instructional days of the school  
17 year, if the student is enrolled for at least 10 percent but less  
18 than 25 percent of the school year.

19 (c) A student enrolled in an adult education program  
20 operated under a charter granted under this subchapter for less  
21 than 10 percent of a school year may not be counted toward the adult  
22 education program's average enrollment [~~daily attendance~~]  
23 school year.

24 SECTION 2.06. Section 13.051(c), Education Code, is amended  
25 to read as follows:

26 (c) Territory that does not have residents may be detached  
27 from a school district and annexed to another school district if:

1 (1) the total taxable value of the property in the  
2 territory according to the most recent certified appraisal roll for  
3 each school district is not greater than:

4 (A) five percent of the district's taxable value  
5 of all property in that district as determined under Subchapter M,  
6 Chapter 403, Government Code; and

7 (B) \$5,000 property value per student in average  
8 enrollment [~~daily attendance~~] as determined under Section 48.005;  
9 and

10 (2) the school district from which the property will  
11 be detached does not own any real property located in the territory.

12 SECTION 2.07. Section 13.102, Education Code, is amended to  
13 read as follows:

14 Sec. 13.102. MINIMUM AREA AND ENROLLMENT [~~ATTENDANCE~~]  
15 REQUIREMENTS. A new district may not be created with an area of  
16 less than nine square miles or fewer than 8,000 students in average  
17 enrollment [~~daily attendance~~], and a district may not be reduced to  
18 an area of less than nine square miles or fewer than 8,000 students  
19 in average enrollment [~~daily attendance~~].

20 SECTION 2.08. Section 13.283, Education Code, is amended to  
21 read as follows:

22 Sec. 13.283. PAYMENTS REDUCED. The incentive aid payments  
23 shall be reduced in direct proportion to any reduction in the  
24 average enrollment [~~daily attendance~~] as determined under Section  
25 48.005 of the reorganized school district for the preceding year.

26 SECTION 2.09. Section 19.009(d-2), Education Code, is  
27 amended to read as follows:

1 (d-2) Beginning with the 2009-2010 school year, the  
2 district shall increase the monthly salary of each classroom  
3 teacher, full-time speech pathologist, full-time librarian,  
4 full-time school counselor certified under Subchapter B, Chapter  
5 21, and full-time school nurse employed by the district by the  
6 greater of:

7 (1) \$80; or

8 (2) the maximum uniform amount that, when combined  
9 with any resulting increases in the amount of contributions made by  
10 the district for social security coverage for the specified  
11 employees or by the district on behalf of the specified employees  
12 under Section 825.405, Government Code, may be provided using an  
13 amount equal to the product of \$60 multiplied by the number of  
14 students in weighted average enrollment [~~daily attendance~~] in the  
15 district during the 2009-2010 school year.

16 SECTION 2.10. Section 25.038, Education Code, is amended to  
17 read as follows:

18 Sec. 25.038. TUITION FEE FOR TRANSFER STUDENTS. The  
19 receiving school district may charge a tuition fee to the extent  
20 that the district's actual expenditure per student in average  
21 enrollment [~~daily attendance~~], as determined by its board of  
22 trustees, exceeds the sum the district benefits from state aid  
23 sources as provided by Section 25.037. However, unless a tuition  
24 fee is prescribed and set out in a transfer agreement before its  
25 execution by the parties, an increase in tuition charge may not be  
26 made for the year of that transfer that exceeds the tuition charge,  
27 if any, of the preceding school year.

1 SECTION 2.11. Section 25.045(c), Education Code, is amended  
2 to read as follows:

3 (c) A student who transfers to another school district under  
4 this section may not be charged tuition. The student is included in  
5 the average enrollment [~~daily attendance~~] of the district in which  
6 the student attends school.

7 SECTION 2.12. Sections 25.081(e) and (f), Education Code,  
8 are amended to read as follows:

9 (e) A school district or education program is exempt from  
10 the minimum minutes of operation requirement if the district's or  
11 program's average enrollment [~~daily attendance~~] is calculated  
12 under Section 48.005(j).

13 (f) The commissioner may proportionally reduce the amount  
14 of funding a district receives under Chapter 46, 48, or 49 and the  
15 average enrollment [~~daily attendance~~] calculation for the district  
16 if the district operates on a calendar that provides fewer minutes  
17 of operation than required under Subsection (a).

18 SECTION 2.13. Section 25.087(d), Education Code, is amended  
19 to read as follows:

20 (d) A student whose absence is excused under Subsection (b),  
21 (b-1), (b-2), (b-4), (b-5), (b-7), (b-8), or (c) may not be  
22 penalized for that absence and shall be counted as if the student  
23 attended school for purposes of funding under Chapter 48  
24 [~~calculating the average daily attendance of students in the school~~  
25 ~~district~~]. A student whose absence is excused under Subsection (b),  
26 (b-1), (b-2), (b-4), (b-5), (b-7), (b-8), or (c) shall be allowed a  
27 reasonable time to make up school work missed on those days. If the

1 student satisfactorily completes the school work, the day of  
2 absence shall be counted as a day of compulsory attendance.

3 SECTION 2.14. Section 25.111, Education Code, is amended to  
4 read as follows:

5 Sec. 25.111. STUDENT/TEACHER RATIOS. Except as provided by  
6 Section 25.112, each school district must employ a sufficient  
7 number of teachers certified under Subchapter B, Chapter 21, to  
8 maintain an average ratio of not less than one teacher for each 20  
9 students in average enrollment [~~daily attendance~~].

10 SECTION 2.15. Sections 25.112(a) and (b), Education Code,  
11 are amended to read as follows:

12 (a) Except as otherwise authorized by this section, a school  
13 district may not enroll more than 22 students in a prekindergarten,  
14 kindergarten, first, second, third, or fourth grade class. That  
15 limitation does not apply during:

16 (1) any 12-week period of the school year selected by  
17 the district, in the case of a district whose average enrollment  
18 [~~daily attendance~~] is adjusted under Section 48.005(c); or

19 (2) the last 12 weeks of any school year in the case of  
20 any other district.

21 (b) Not later than the 30th day after the first day of the  
22 12-week period for which a district whose average enrollment [~~daily  
23 attendance~~] is adjusted under Section 48.005(c) is claiming an  
24 exemption under Subsection (a), the district shall notify the  
25 commissioner in writing that the district is claiming an exemption  
26 for the period stated in the notice.

27 SECTION 2.16. Section 29.008(b), Education Code, is amended

1 to read as follows:

2 (b) Except as provided by Subsection (c), costs of an  
3 approved contract for residential placement may be paid from a  
4 combination of federal, state, and local funds. The local share of  
5 the total contract cost for each student is that portion of the  
6 local tax effort that exceeds the district's local fund assignment  
7 under Section 48.256, divided by the average enrollment [~~daily~~  
8 ~~attendance~~] in the district. If the contract involves a private  
9 facility, the state share of the total contract cost is that amount  
10 remaining after subtracting the local share. If the contract  
11 involves a public facility, the state share is that amount  
12 remaining after subtracting the local share from the portion of the  
13 contract that involves the costs of instructional and related  
14 services. For purposes of this subsection, "local tax effort"  
15 means the total amount of money generated by taxes imposed for debt  
16 service and maintenance and operation less any amounts paid into a  
17 tax increment fund under Chapter 311, Tax Code.

18 SECTION 2.17. Section 29.014(b), Education Code, is amended  
19 to read as follows:

20 (b) A school district to which this section applies may  
21 operate an extended year program for a period not to exceed 45 days.  
22 [~~The district's average daily attendance shall be computed for the~~  
23 ~~regular school year plus the extended year.~~]

24 SECTION 2.18. Section 29.081(f), Education Code, is amended  
25 to read as follows:

26 (f) The commissioner shall include a student who  
27 successfully completes a course offered through a program under



1 Subsection (e) in the computation of the district's or school's  
2 average enrollment [~~daily attendance~~] for funding purposes. [~~For a~~  
3 ~~student who successfully completes a remote course offered through~~  
4 ~~the program, the commissioner shall include the student in the~~  
5 ~~computation of the district's or school's average daily attendance~~  
6 ~~with an attendance rate equal to:~~

7           ~~[(1) the district's or school's average attendance~~  
8 ~~rate for students successfully completing a course offered in~~  
9 ~~person under the program; or~~

10           ~~[(2) if the district or school does not offer courses~~  
11 ~~in person under the program, the statewide average attendance rate~~  
12 ~~for students successfully completing a course offered in person~~  
13 ~~under a program under Subsection (e).]~~

14           SECTION 2.19. Section [29.0822\(d\)](#), Education Code, is  
15 amended to read as follows:

16           (d) The commissioner may adopt rules for the administration  
17 of this section, including rules establishing application  
18 requirements. [~~Subject to Subsection (d-1), the commissioner shall~~  
19 ~~calculate average daily attendance for students served under this~~  
20 ~~section. The commissioner shall allow accumulations of hours of~~  
21 ~~instruction for students whose schedule would not otherwise allow~~  
22 ~~full state funding. Funding under this subsection shall be~~  
23 ~~determined based on the number of instructional days in the school~~  
24 ~~district calendar and a seven-hour school day, but attendance may~~  
25 ~~be cumulated over a school year, including any summer or vacation~~  
26 ~~session. The attendance of students who accumulate less than the~~  
27 ~~number of attendance hours required under this subsection shall be~~

1 ~~proportionately reduced for funding purposes. The commissioner~~  
2 ~~may:~~

3 ~~[(1) set maximum funding amounts for an individual~~  
4 ~~course under this section; and~~

5 ~~[(2) limit funding for the attendance of a student~~  
6 ~~described by Subsection (a)(3) in a course under this section to~~  
7 ~~funding only for the attendance necessary for the student to earn~~  
8 ~~class credit that, as a result of attendance requirements under~~  
9 ~~Section 25.092, the student would not otherwise be able to receive~~  
10 ~~without retaking the class.]~~

11 SECTION 2.20. Section 29.184(b), Education Code, is amended  
12 to read as follows:

13 (b) A student who attends career and technology classes at  
14 another school under a contract authorized by Subsection (a) is  
15 included in the average enrollment [~~daily attendance~~] of the  
16 district in which the student is regularly enrolled.

17 SECTION 2.21. Sections 29.203(a) and (c), Education Code,  
18 are amended to read as follows:

19 (a) A student who under this subchapter uses a public  
20 education grant to attend a public school in a school district other  
21 than the district in which the student resides is included in the  
22 average enrollment [~~daily attendance~~] of the district in which the  
23 student attends school.

24 (c) A school district is entitled to additional facilities  
25 assistance under Section 48.301 if the district agrees to:

26 (1) accept a number of students using public education  
27 grants that is at least one percent of the district's average

1 enrollment [~~daily attendance~~] for the preceding school year; and

2 (2) provide services to each student until the student  
3 either voluntarily decides to attend a school in a different  
4 district or graduates from high school.

5 SECTION 2.22. Section 29.403(b), Education Code, is amended  
6 to read as follows:

7 (b) A student who is enrolled in a program under this  
8 subchapter is included in determining the average enrollment [~~daily  
9 attendance~~] under Section 48.005 of the partnering school district.

10 SECTION 2.23. Section 29.457(a), Education Code, is amended  
11 to read as follows:

12 (a) In addition to other funding to which a school district  
13 is entitled under this code, each district in which alleged  
14 offender residents attend school is entitled to an annual allotment  
15 of \$5,100 for each resident in average enrollment [~~daily  
16 attendance~~] or a different amount for any year provided by  
17 appropriation.

18 SECTION 2.24. Section 29.912(c), Education Code, is amended  
19 to read as follows:

20 (c) The program must enable an eligible school district that  
21 has fewer than 1,600 students in average enrollment [~~daily  
22 attendance~~] to partner with at least one other school district  
23 located within a distance of 100 miles to offer a broader array of  
24 robust college and career pathways. Each partnership must:

25 (1) offer college and career pathways that align with  
26 regional labor market projections for high-wage, high-demand  
27 careers; and

1 (2) be managed by a coordinating entity that:

2 (A) has or will have at the time students are  
3 served under the partnership the capacity to effectively coordinate  
4 the partnership;

5 (B) has entered into a performance agreement  
6 approved by the board of trustees of each partnering school  
7 district that confers on the coordinating entity the same authority  
8 with respect to pathways offered under the partnership provided to  
9 an entity that contracts to operate a district campus under Section  
10 11.174;

11 (C) is an eligible entity as defined by Section  
12 12.101(a); and

13 (D) has on the entity's governing board as either  
14 voting or ex officio members, or has on an advisory body,  
15 representatives of each partnering school district and members of  
16 regional higher education and workforce organizations.

17 SECTION 2.25. Section 30.003(b), Education Code, is amended  
18 to read as follows:

19 (b) If the student is admitted to the school for a full-time  
20 program for the equivalent of two long semesters, the district's  
21 share of the cost is an amount equal to the dollar amount of  
22 maintenance and debt service taxes imposed by the district for that  
23 year divided by the district's average enrollment [~~daily~~  
24 ~~attendance~~] for the preceding year.

25 SECTION 2.26. Section 30.102(a), Education Code, is amended  
26 to read as follows:

27 (a) The Texas Juvenile Justice Department is entitled to

1 receive the state available school fund apportionment based on the  
2 average enrollment [~~daily attendance~~] in the department's  
3 educational programs of students who are at least three years of age  
4 and not older than 21 years of age.

5 SECTION 2.27. Section 30A.151(f), Education Code, is  
6 amended to read as follows:

7 (f) For a full-time electronic course program offered  
8 through the state virtual school network for a grade level at or  
9 above grade level three but not above grade level eight, a school  
10 district or open-enrollment charter school is entitled to receive  
11 federal, state, and local funding for a student enrolled in the  
12 program in an amount equal to the funding the district or school  
13 would otherwise receive for a student enrolled in the district or  
14 school. [~~The district or school may calculate the average daily  
15 attendance of a student enrolled in the program based on:~~

- 16 [~~(1) hours of contact with the student,~~  
17 [~~(2) the student's successful completion of a course,~~  
18 ~~or~~  
19 [~~(3) a method approved by the commissioner.]~~

20 SECTION 2.28. Section 33.157, Education Code, is amended to  
21 read as follows:

22 Sec. 33.157. PARTICIPATION IN PROGRAM. An elementary or  
23 secondary school receiving funding under Section 33.156 shall  
24 participate in a local Communities In Schools program if the number  
25 of students enrolled in the school who are at risk of dropping out  
26 of school is equal to at least 10 percent of the number of students  
27 in average enrollment [~~daily attendance~~] at the school, as

1 determined by the agency.

2 SECTION 2.29. Section 37.0061, Education Code, is amended  
3 to read as follows:

4 Sec. 37.0061. FUNDING FOR ALTERNATIVE EDUCATION SERVICES IN  
5 JUVENILE RESIDENTIAL FACILITIES. A school district that provides  
6 education services to pre-adjudicated and post-adjudicated  
7 students who are confined by court order in a juvenile residential  
8 facility operated by a juvenile board is entitled to count such  
9 students in the district's average enrollment [~~daily attendance~~]  
10 for purposes of receipt of state funds under the Foundation School  
11 Program. If the district has a local revenue level greater than the  
12 guaranteed local revenue level but less than the level established  
13 under Section 48.257, the district in which the student is enrolled  
14 on the date a court orders the student to be confined to a juvenile  
15 residential facility shall transfer to the district providing  
16 education services an amount equal to the difference between the  
17 average Foundation School Program costs per student of the district  
18 providing education services and the sum of the state aid and the  
19 money from the available school fund received by the district that  
20 is attributable to the student for the portion of the school year  
21 for which the district provides education services to the student.

22 SECTION 2.30. Section 37.008(f), Education Code, is amended  
23 to read as follows:

24 (f) A student removed to a disciplinary alternative  
25 education program is counted in computing the average enrollment  
26 [~~daily attendance~~] of students in the district [~~for the student's~~  
27 ~~time in actual attendance in the program~~].

1 SECTION 2.31. Section 37.011(a-4), Education Code, is  
2 amended to read as follows:

3 (a-4) A school district located in a county considered to be  
4 a county with a population of 125,000 or less under Subsection (a-3)  
5 shall provide educational services to a student who is expelled  
6 from school under this chapter. The district is entitled to count  
7 the student in the district's average enrollment [~~daily attendance~~]  
8 for purposes of receipt of state funds under the Foundation School  
9 Program. An educational placement under this section may include:

10 (1) the district's disciplinary alternative education  
11 program; or

12 (2) a contracted placement with:

13 (A) another school district;

14 (B) an open-enrollment charter school;

15 (C) an institution of higher education;

16 (D) an adult literacy council; or

17 (E) a community organization that can provide an  
18 educational program that allows the student to complete the credits  
19 required for high school graduation.

20 SECTION 2.32. Sections 39.027(c) and (f), Education Code,  
21 are amended to read as follows:

22 (c) The commissioner shall develop and adopt a process for  
23 reviewing the exemption process of a school district or shared  
24 services arrangement that gives an exemption under Subsection  
25 (a)(1) as follows:

26 (1) to more than five percent of the students in the  
27 special education program, in the case of a district or shared

1 services arrangement with an average enrollment [~~daily attendance~~]  
2 of at least 1,600;

3 (2) to more than 10 percent of the students in the  
4 special education program, in the case of a district or shared  
5 services arrangement with an average enrollment [~~daily attendance~~]  
6 of at least 190 and not more than 1,599; or

7 (3) to the greater of more than 10 percent of the  
8 students in the special education program or to at least five  
9 students in the special education program, in the case of a district  
10 or shared services arrangement with an average enrollment [~~daily  
11 attendance~~] of not more than 189.

12 (f) In this section, "average enrollment [~~daily  
13 attendance~~]" is computed in the manner provided by Section 48.005.

14 SECTION 2.33. Section 39.053(g-1), Education Code, is  
15 amended to read as follows:

16 (g-1) In computing dropout and completion rates such as high  
17 school graduation rates under Subsection (c)(1)(B)(ix), the  
18 commissioner shall exclude:

19 (1) students who are ordered by a court to attend a  
20 high school equivalency certificate program but who have not yet  
21 earned a high school equivalency certificate;

22 (2) students who were previously reported to the state  
23 as dropouts, including a student who is reported as a dropout,  
24 reenrolls, and drops out again, regardless of the number of times of  
25 reenrollment and dropping out;

26 (3) students in attendance who are not in membership  
27 for purposes of average enrollment [~~daily attendance~~];



1           (4) students whose initial enrollment in a school in  
2 the United States in grades 7 through 12 was as an unschooled asylee  
3 or refugee as defined by Section 39.027(a-1);

4           (5) students who are detained at a county  
5 pre-adjudication or post-adjudication juvenile detention facility  
6 and:

7                   (A) in the district exclusively as a function of  
8 having been detained at the facility but are otherwise not students  
9 of the district in which the facility is located; or

10                   (B) provided services by an open-enrollment  
11 charter school exclusively as the result of having been detained at  
12 the facility;

13           (6) students who are incarcerated in state jails and  
14 federal penitentiaries as adults and as persons certified to stand  
15 trial as adults; and

16           (7) students who have suffered a condition, injury, or  
17 illness that requires substantial medical care and leaves the  
18 student:

19                   (A) unable to attend school; and

20                   (B) assigned to a medical or residential  
21 treatment facility.

22           SECTION 2.34. Section 39.262(a), Education Code, is amended  
23 to read as follows:

24           (a) The governor may present a financial award to the  
25 schools or districts that the commissioner determines have  
26 demonstrated the highest levels of sustained success or the  
27 greatest improvement in achieving the education goals. For each

1 student in average enrollment [~~daily attendance~~], each of those  
2 schools or districts is entitled to an amount set for the award for  
3 which the school or district is selected by the commissioner,  
4 subject to any limitation set by the commissioner on the total  
5 amount that may be awarded to a school or district.

6 SECTION 2.35. Section 43.001(c), Education Code, is amended  
7 to read as follows:

8 (c) The term "scholastic population" in Subsection (b) or  
9 any other law governing the apportionment, distribution, and  
10 transfer of the available school fund means all students of school  
11 age [~~enrolled~~] in average enrollment [~~daily attendance~~] the  
12 preceding school year in the public elementary and high school  
13 grades of school districts within or under the jurisdiction of a  
14 county of this state.

15 SECTION 2.36. Section 44.004(c), Education Code, is amended  
16 to read as follows:

17 (c) The notice of public meeting to discuss and adopt the  
18 budget and the proposed tax rate may not be smaller than one-quarter  
19 page of a standard-size or a tabloid-size newspaper, and the  
20 headline on the notice must be in 18-point or larger type. Subject  
21 to Subsection (d), the notice must:

22 (1) contain a statement in the following form:

23 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

24 "The (name of school district) will hold a public meeting at  
25 (time, date, year) in (name of room, building, physical location,  
26 city, state). The purpose of this meeting is to discuss the school  
27 district's budget that will determine the tax rate that will be

1 adopted. Public participation in the discussion is invited." The  
2 statement of the purpose of the meeting must be in bold type. In  
3 reduced type, the notice must state: "The tax rate that is  
4 ultimately adopted at this meeting or at a separate meeting at a  
5 later date may not exceed the proposed rate shown below unless the  
6 district publishes a revised notice containing the same information  
7 and comparisons set out below and holds another public meeting to  
8 discuss the revised notice." In addition, in reduced type, the  
9 notice must state: "Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to  
10 your local property tax database on which you can easily access  
11 information regarding your property taxes, including information  
12 about proposed tax rates and scheduled public hearings of each  
13 entity that taxes your property.";

14 (2) contain a section entitled "Comparison of Proposed  
15 Budget with Last Year's Budget," which must show the difference,  
16 expressed as a percent increase or decrease, as applicable, in the  
17 amounts budgeted for the preceding fiscal year and the amount  
18 budgeted for the fiscal year that begins in the current tax year for  
19 each of the following:

- 20 (A) maintenance and operations;
- 21 (B) debt service; and
- 22 (C) total expenditures;

23 (3) contain a section entitled "Total Appraised Value  
24 and Total Taxable Value," which must show the total appraised value  
25 and the total taxable value of all property and the total appraised  
26 value and the total taxable value of new property taxable by the  
27 district in the preceding tax year and the current tax year as

1 calculated under Section 26.04, Tax Code;

2 (4) contain a statement of the total amount of the  
3 outstanding and unpaid bonded indebtedness of the school district;

4 (5) contain a section entitled "Comparison of Proposed  
5 Rates with Last Year's Rates," which must:

6 (A) show in rows the tax rates described by  
7 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of  
8 property, for columns entitled "Maintenance & Operations,"  
9 "Interest & Sinking Fund," and "Total," which is the sum of  
10 "Maintenance & Operations" and "Interest & Sinking Fund":

11 (i) the school district's "Last Year's  
12 Rate";

13 (ii) the "Rate to Maintain Same Level of  
14 Maintenance & Operations Revenue & Pay Debt Service," which:

15 (a) in the case of "Maintenance &  
16 Operations," is the tax rate that, when applied to the current  
17 taxable value for the district, as certified by the chief appraiser  
18 under Section 26.01, Tax Code, and as adjusted to reflect changes  
19 made by the chief appraiser as of the time the notice is prepared,  
20 would impose taxes in an amount that, when added to state funds to  
21 be distributed to the district under Chapter 48, would provide the  
22 same amount of maintenance and operations taxes and state funds  
23 distributed under Chapter 48 per student in average enrollment  
24 [~~daily attendance~~] for the applicable school year that was  
25 available to the district in the preceding school year; and

26 (b) in the case of "Interest & Sinking  
27 Fund," is the tax rate that, when applied to the current taxable

1 value for the district, as certified by the chief appraiser under  
2 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
3 the chief appraiser as of the time the notice is prepared, and when  
4 multiplied by the district's anticipated collection rate, would  
5 impose taxes in an amount that, when added to state funds to be  
6 distributed to the district under Chapter 46 and any excess taxes  
7 collected to service the district's debt during the preceding tax  
8 year but not used for that purpose during that year, would provide  
9 the amount required to service the district's debt; and

10 (iii) the "Proposed Rate";

11 (B) contain fourth and fifth columns aligned with  
12 the columns required by Paragraph (A) that show, for each row  
13 required by Paragraph (A):

14 (i) the "Local Revenue per Student," which  
15 is computed by multiplying the district's total taxable value of  
16 property, as certified by the chief appraiser for the applicable  
17 school year under Section 26.01, Tax Code, and as adjusted to  
18 reflect changes made by the chief appraiser as of the time the  
19 notice is prepared, by the total tax rate, and dividing the product  
20 by the number of students in average enrollment [~~daily attendance~~]  
21 in the district for the applicable school year; and

22 (ii) the "State Revenue per Student," which  
23 is computed by determining the amount of state aid received or to be  
24 received by the district under Chapters 43, 46, and 48 and dividing  
25 that amount by the number of students in average enrollment [~~daily  
26 attendance~~] in the district for the applicable school year; and

27 (C) contain an asterisk after each calculation

1 for "Interest & Sinking Fund" and a footnote to the section that, in  
2 reduced type, states "The Interest & Sinking Fund tax revenue is  
3 used to pay for bonded indebtedness on construction, equipment, or  
4 both. The bonds, and the tax rate necessary to pay those bonds, were  
5 approved by the voters of this district.";

6 (6) contain a section entitled "Comparison of Proposed  
7 Levy with Last Year's Levy on Average Residence," which must:

8 (A) show in rows the information described by  
9 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns  
10 entitled "Last Year" and "This Year":

11 (i) "Average Market Value of Residences,"  
12 determined using the same group of residences for each year;

13 (ii) "Average Taxable Value of Residences,"  
14 determined after taking into account the limitation on the  
15 appraised value of residences under Section 23.23, Tax Code, and  
16 after subtracting all homestead exemptions applicable in each year,  
17 other than exemptions available only to disabled persons or persons  
18 65 years of age or older or their surviving spouses, and using the  
19 same group of residences for each year;

20 (iii) "Last Year's Rate Versus Proposed  
21 Rate per \$100 Value"; and

22 (iv) "Taxes Due on Average Residence,"  
23 determined using the same group of residences for each year; and

24 (B) contain the following information: "Increase  
25 (Decrease) in Taxes" expressed in dollars and cents, which is  
26 computed by subtracting the "Taxes Due on Average Residence" for  
27 the preceding tax year from the "Taxes Due on Average Residence" for

1 the current tax year;

2 (7) contain the following statement in bold print:  
3 "Under state law, the dollar amount of school taxes imposed on the  
4 residence of a person 65 years of age or older or of the surviving  
5 spouse of such a person, if the surviving spouse was 55 years of age  
6 or older when the person died, may not be increased above the amount  
7 paid in the first year after the person turned 65, regardless of  
8 changes in tax rate or property value.";

9 (8) contain the following statement in bold print:  
10 "Notice of Voter-Approval Rate: The highest tax rate the district  
11 can adopt before requiring voter approval at an election is (the  
12 school district voter-approval rate determined under Section  
13 26.08, Tax Code). This election will be automatically held if the  
14 district adopts a rate in excess of the voter-approval rate of (the  
15 school district voter-approval rate)."; and

16 (9) contain a section entitled "Fund Balances," which  
17 must include the estimated amount of interest and sinking fund  
18 balances and the estimated amount of maintenance and operation or  
19 general fund balances remaining at the end of the current fiscal  
20 year that are not encumbered with or by corresponding debt  
21 obligation, less estimated funds necessary for the operation of the  
22 district before the receipt of the first payment under Chapter 48 in  
23 the succeeding school year.

24 SECTION 2.37. Sections 45.0011(a), (d), and (e), Education  
25 Code, are amended to read as follows:

26 (a) This section applies only to an independent school  
27 district that, at the time of the issuance of obligations and

1 execution of credit agreements under this section, has:

2 (1) at least 2,000 students in average enrollment  
3 [~~daily attendance~~]; or

4 (2) a combined aggregate principal amount of at least  
5 \$50 million of outstanding bonds and voted but unissued bonds.

6 (d) A district may not issue bonds to which this section  
7 applies in an amount greater than the greater of:

8 (1) 25 percent of the sum of:

9 (A) the aggregate principal amount of all  
10 district debt payable from ad valorem taxes that is outstanding at  
11 the time the bonds are issued; and

12 (B) the aggregate principal amount of all bonds  
13 payable from ad valorem taxes that have been authorized but not  
14 issued;

15 (2) \$25 million, in a district that has at least 3,500  
16 but not more than 15,000 students in average enrollment [~~daily~~  
17 ~~attendance~~]; or

18 (3) \$50 million, in a district that has more than  
19 15,000 students in average enrollment [~~daily attendance~~].

20 (e) In this section, average enrollment [~~daily attendance~~]  
21 is determined in the manner provided by Section 48.005.

22 SECTION 2.38. Section 45.006(a), Education Code, is amended  
23 to read as follows:

24 (a) This section applies only to a school district that:

25 (1) has an average enrollment [~~daily attendance~~] of  
26 less than 10,000; and

27 (2) is located in whole or part in a municipality with



1 a population of less than 25,000 that is located in a county with a  
2 population of 200,000 or more bordering another county with a  
3 population of 2.8 million or more.

4 SECTION 2.39. Section 45.105(d), Education Code, is amended  
5 to read as follows:

6 (d) An independent school district that has in its limits a  
7 municipality with a population of 150,000 or more or that contains  
8 at least 170 square miles, has \$850 million or more assessed value  
9 of taxable property on the most recent approved tax roll and has a  
10 growth in average enrollment [~~daily attendance~~] of 11 percent or  
11 more for each of the preceding five years as determined by the  
12 agency may, in buying school sites or additions to school sites and  
13 in building school buildings, issue and deliver negotiable or  
14 nonnegotiable notes representing all or part of the cost to the  
15 school district of the land or building. The district may secure  
16 the notes by a vendor's lien or deed of trust lien against the land  
17 or building. By resolution or order of the governing body made at  
18 or before the delivery of the notes, the district may set aside and  
19 appropriate as a trust fund, and the sole and only fund, for the  
20 payment of the principal of and interest on the notes that part of  
21 the local school funds, levied and collected by the school district  
22 in that year or subsequent years, as the governing body determines.  
23 The aggregate amount of local school funds set aside in or for any  
24 subsequent year for the retirement of the notes may not exceed, in  
25 any one subsequent year, 10 percent of the local school funds  
26 collected during that year. The district may issue the notes only  
27 if approved by majority vote of the qualified voters voting in an

1 election conducted in the manner provided by Section 45.003 for  
2 approval of bonds.

3 SECTION 2.40. Section 46.003(a), Education Code, is amended  
4 to read as follows:

5 (a) For each year, except as provided by Sections 46.005 and  
6 46.006, a school district is guaranteed a specified amount per  
7 student in state and local funds for each cent of tax effort, up to  
8 the maximum rate under Subsection (b), to pay the principal of and  
9 interest on eligible bonds issued to construct, acquire, renovate,  
10 or improve an instructional facility. The amount of state support  
11 is determined by the formula:

$$12 \quad \text{FYA} = (\text{FYL} \times \text{AE} [\text{ADA}] \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

13 where:

14 "FYA" is the guaranteed facilities yield amount of state  
15 funds allocated to the district for the year;

16 "FYL" is the dollar amount guaranteed level of state and  
17 local funds per student per cent of tax effort, which is \$35 or a  
18 greater amount for any year provided by appropriation;

19 "AE" [~~"ADA"~~] is the greater of the number of students in  
20 average enrollment [~~daily attendance~~], as determined under Section  
21 48.005, in the district or 400;

22 "BTR" is the district's bond tax rate for the current year,  
23 which is determined by dividing the amount budgeted by the district  
24 for payment of eligible bonds by the quotient of the district's  
25 taxable value of property as determined under Subchapter M, Chapter  
26 403, Government Code, or, if applicable, Section 48.258, divided by  
27 100; and

1 "DPV" is the district's taxable value of property as  
2 determined under Subchapter M, Chapter 403, Government Code, or, if  
3 applicable, Section 48.258.

4 SECTION 2.41. Section 46.005, Education Code, is amended to  
5 read as follows:

6 Sec. 46.005. LIMITATION ON GUARANTEED AMOUNT. The  
7 guaranteed amount of state and local funds for a new project that a  
8 district may be awarded in any state fiscal biennium under Section  
9 46.003 for a school district may not exceed the lesser of:

10 (1) the amount the actual debt service payments the  
11 district makes in the biennium in which the bonds are issued; or

12 (2) the greater of:

13 (A) \$100,000; or

14 (B) the product of the number of students in  
15 average enrollment [~~daily attendance~~] in the district multiplied by  
16 \$250.

17 SECTION 2.42. Section 46.006(g), Education Code, is amended  
18 to read as follows:

19 (g) In this section, "wealth per student" means a school  
20 district's taxable value of property as determined under Subchapter  
21 M, Chapter 403, Government Code, or, if applicable, Section 48.258,  
22 divided by the district's average enrollment [~~daily attendance~~] as  
23 determined under Section 48.005.

24 SECTION 2.43. Section 46.032(a), Education Code, is amended  
25 to read as follows:

26 (a) Each school district is guaranteed a specified amount  
27 per student in state and local funds for each cent of tax effort to

1 pay the principal of and interest on eligible bonds. The amount of  
2 state support, subject only to the maximum amount under Section  
3 46.034, is determined by the formula:

4 
$$EDA = (EDGL \times \underline{AE} [\text{ADA}] \times EDTR \times 100) - (EDTR \times (DPV/100))$$

5 where:

6 "EDA" is the amount of state funds to be allocated to the  
7 district for assistance with existing debt;

8 "EDGL" is the dollar amount guaranteed level of state and  
9 local funds per student per cent of tax effort, which is the lesser  
10 of:

11 (1) \$40 or a greater amount for any year provided by  
12 appropriation; or

13 (2) the amount that would result in a total additional  
14 amount of state funds under this subchapter for the current year  
15 equal to \$60 million in excess of the state funds to which school  
16 districts would have been entitled under this section if the  
17 guaranteed level amount were \$35;

18 "AE" [~~"ADA"~~] is the number of students in average enrollment  
19 [~~daily attendance~~], as determined under Section 48.005, in the  
20 district;

21 "EDTR" is the existing debt tax rate of the district, which is  
22 determined by dividing the amount budgeted by the district for  
23 payment of eligible bonds by the quotient of the district's taxable  
24 value of property as determined under Subchapter M, Chapter 403,  
25 Government Code, or, if applicable, under Section 48.258, divided  
26 by 100; and

27 "DPV" is the district's taxable value of property as

1 determined under Subchapter M, Chapter 403, Government Code, or, if  
2 applicable, under Section 48.258.

3 SECTION 44. Sections 48.0051(a) and (b), Education Code,  
4 are amended to read as follows:

5 (a) The [~~Subject to Subsection (a-1), the~~] commissioner  
6 shall adjust the average enrollment [~~daily attendance~~] of a school  
7 district or open-enrollment charter school under Section 48.005 in  
8 the manner provided by Subsection (b) if the district or school:

9 (1) provides the minimum number of minutes of  
10 operational and instructional time required under Section 25.081  
11 and commissioner rules adopted under that section over at least 180  
12 days of instruction; and

13 (2) offers an additional 30 days of half-day  
14 instruction for students enrolled in prekindergarten through fifth  
15 grade.

16 (b) For a school district or open-enrollment charter school  
17 described by Subsection (a), the commissioner shall increase the  
18 average enrollment [~~daily attendance~~] of the district or school  
19 under Section 48.005 by the amount equal to one-sixth [~~that results~~  
20 ~~from the quotient~~] of the enrollment [~~sum of attendance~~] by  
21 students described by Subsection (a)(2) in [~~for each of~~] the 30  
22 additional instructional days of half-day instruction [~~that are~~  
23 ~~provided divided by 180~~].

24 SECTION 2.45. Section 48.006, Education Code, is amended to  
25 read as follows:

26 Sec. 48.006. AVERAGE ENROLLMENT [~~DAILY ATTENDANCE~~] FOR  
27 DISTRICTS IN DISASTER AREA. (a) The commissioner may adjust the

1 average enrollment [~~daily attendance~~] of a school district all or  
2 part of which is located in an area declared a disaster area by the  
3 governor under Chapter 418, Government Code, if the district  
4 experiences a decline in average enrollment [~~daily attendance~~] that  
5 is reasonably attributable to the impact of the disaster.

6 (b) The adjustment must be sufficient to ensure that the  
7 district receives funding comparable to the funding that the  
8 district would have received if the decline in average enrollment  
9 [~~daily attendance~~] reasonably attributable to the impact of the  
10 disaster had not occurred.

11 (c) The commissioner may make the adjustment under this  
12 section for the two-year period following the date of the  
13 governor's initial proclamation or executive order declaring the  
14 state of disaster.

15 (d) Section 48.005(b)(2) does not apply to a district that  
16 receives an adjustment under this section.

17 (e) A district that receives an adjustment under this  
18 section may not receive any additional adjustment under Section  
19 48.005(d) for the decline in average enrollment [~~daily attendance~~]  
20 on which the adjustment under this section is based.

21 (f) For purposes of this title, a district's adjusted  
22 average enrollment [~~daily attendance~~] under this section is  
23 considered to be the district's average enrollment [~~daily~~  
24 ~~attendance~~] as determined under Section 48.005.

25 SECTION 2.46. Sections 48.010(a) and (b), Education Code,  
26 are amended to read as follows:

27 (a) Not later than July 1 of each year, the commissioner

1 shall determine for each school district whether the estimated  
2 amount of state and local funding per student in weighted average  
3 enrollment [~~daily attendance~~] to be provided to the district under  
4 the Foundation School Program for maintenance and operations for  
5 the following school year is less than the amount provided to the  
6 district for the 2010-2011 school year. If the amount estimated to  
7 be provided is less, the commissioner shall certify the percentage  
8 decrease in funding to be provided to the district.

9 (b) In making the determinations regarding funding levels  
10 required by Subsection (a), the commissioner shall:

11 (1) make adjustments as necessary to reflect changes  
12 in a school district's maintenance and operations tax rate;

13 (2) for a district required to reduce its local  
14 revenue level under Section 48.257, base the determinations on the  
15 district's net funding levels after deducting any amounts required  
16 to be expended by the district to comply with Chapter 49; and

17 (3) determine a district's weighted average enrollment  
18 [~~daily attendance~~] in accordance with this chapter as it existed on  
19 January 1, 2011.

20 SECTION 2.47. Sections 48.051(a) and (c), Education Code,  
21 are amended to read as follows:

22 (a) For each student in average enrollment [~~daily~~  
23 ~~attendance~~], not including the time students spend each day in  
24 special education programs in an instructional arrangement other  
25 than mainstream or career and technology education programs, for  
26 which an additional allotment is made under Subchapter C, a  
27 district is entitled to an allotment equal to the lesser of \$7,365

1 [~~\$6,160~~] or the amount that results from the following formula:

2 
$$A = \underline{\$7,365} [\del{\$6,160}] \times \text{TR/MCR}$$

3 where:

4 "A" is the allotment to which a district is entitled;

5 "TR" is the district's tier one maintenance and operations  
6 tax rate, as provided by Section 45.0032; and

7 "MCR" is the district's maximum compressed tax rate, as  
8 determined under Section 48.2551.

9 (c) During any school year for which the maximum amount of  
10 the basic allotment provided under Subsection (a) or (b) is greater  
11 than the maximum amount provided for the preceding school year, a  
12 school district must use at least 30 percent of the amount, if the  
13 amount is greater than zero, that equals the product of the average  
14 enrollment [~~daily attendance~~] of the district multiplied by the  
15 amount of the difference between the district's funding under this  
16 chapter per student in average enrollment [~~daily attendance~~] for  
17 the current school year and the preceding school year to provide  
18 compensation increases to full-time district employees other than  
19 administrators as follows:

20 (1) 75 percent must be used to increase the  
21 compensation paid to classroom teachers, full-time librarians,  
22 full-time school counselors certified under Subchapter B, Chapter  
23 21, and full-time school nurses, prioritizing differentiated  
24 compensation for classroom teachers with more than five years of  
25 experience; and

26 (2) 25 percent may be used as determined by the  
27 district to increase compensation paid to full-time district



1 employees.

2 SECTION 2.48. Sections 48.052(a) and (c), Education Code,  
3 are amended to read as follows:

4 (a) Notwithstanding Section 48.051, a school district that  
5 has fewer than 130 students in average enrollment [~~daily~~  
6 ~~attendance~~] shall be provided a basic allotment on the basis of 130  
7 students in average enrollment [~~daily attendance~~] if it offers a  
8 kindergarten through grade 12 program and has preceding or current  
9 year's average enrollment [~~daily attendance~~] of at least 90  
10 students or is 30 miles or more by bus route from the nearest high  
11 school district. A district offering a kindergarten through grade 8  
12 program whose preceding or current year's average enrollment [~~daily~~  
13 ~~attendance~~] was at least 50 students or which is 30 miles or more by  
14 bus route from the nearest high school district shall be provided a  
15 basic allotment on the basis of 75 students in average enrollment  
16 [~~daily attendance~~]. An average enrollment [~~daily attendance~~] of 60  
17 students shall be the basis of providing the basic allotment if a  
18 district offers a kindergarten through grade 6 program and has  
19 preceding or current year's average enrollment [~~daily attendance~~]  
20 of at least 40 students or is 30 miles or more by bus route from the  
21 nearest high school district.

22 (c) Notwithstanding Subsection (a) or Section 48.051, a  
23 school district to which this subsection applies, as provided by  
24 Subsection (b), that has fewer than 130 students in average  
25 enrollment [~~daily attendance~~] shall be provided a basic allotment  
26 on the basis of 130 students in average enrollment [~~daily~~  
27 ~~attendance~~] if it offers a kindergarten through grade four program

1 and has preceding or current year's average enrollment [~~daily~~  
2 ~~attendance~~] of at least 75 students or is 30 miles or more by bus  
3 route from the nearest high school district.

4 SECTION 2.49. Section 48.101, Education Code, is amended to  
5 read as follows:

6 Sec. 48.101. SMALL AND MID-SIZED DISTRICT ALLOTMENT. (a)  
7 Small and mid-sized districts are entitled to an annual allotment  
8 in accordance with this section. In this section:

9 (1) "AA" is the district's annual allotment per  
10 student in average enrollment [~~daily attendance~~];

11 (2) "AE" [~~"ADA"~~] is the number of students in average  
12 enrollment [~~daily attendance~~] for which the district is entitled to  
13 an allotment under Section 48.051; and

14 (3) "BA" is the basic allotment determined under  
15 Section 48.051.

16 (b) A school district that has fewer than 1,600 students in  
17 average enrollment [~~daily attendance~~] is entitled to an annual  
18 allotment for each student in average enrollment [~~daily attendance~~]  
19 based on the following formula:

$$20 \quad AA = ((1,600 - \underline{AE} [\del{ADA}]) \times .0004) \times BA$$

21 (c) A school district that offers a kindergarten through  
22 grade 12 program and has less than 5,000 students in average  
23 enrollment [~~daily attendance~~] is entitled to an annual allotment  
24 for each student in average enrollment [~~daily attendance~~] based on  
25 the formula, of the following formulas, that results in the  
26 greatest annual allotment:

27 (1) the formula in Subsection (b), if the district is



1	Hospital class . . . . .	3.0
2	Speech therapy . . . . .	5.0
3	Resource room . . . . .	3.0
4	Self-contained, mild and moderate,	
5	regular campus . . . . .	3.0
6	Self-contained, severe, regular campus .	3.0
7	Off home campus . . . . .	2.7
8	Nonpublic day school . . . . .	1.7
9	Vocational adjustment class . . . . .	2.3

10 (j) A school district that provides an extended year program  
11 required by federal law for special education students who may  
12 regress is entitled to receive funds in an amount equal to 75  
13 percent, or a lesser percentage determined by the commissioner, of  
14 the basic allotment, or, if applicable, the sum of the basic  
15 allotment and the allotment under Section 48.101 to which the  
16 district is entitled for each full-time equivalent student in  
17 average enrollment [~~daily attendance~~], multiplied by the amount  
18 designated for the student's instructional arrangement under this  
19 section[~~, for each day the program is provided divided by the number~~  
20 ~~of days in the minimum school year~~]. The total amount of state  
21 funding for extended year services under this section may not  
22 exceed \$10 million per year. A school district may use funds  
23 received under this section only in providing an extended year  
24 program.

25 SECTION 2.51. Section 48.105(a), Education Code, is amended  
26 to read as follows:

27 (a) For each student in average enrollment [~~daily~~

1 ~~attendance]~~ in a bilingual education or special language program  
2 under Subchapter B, Chapter 29, a district is entitled to an annual  
3 allotment equal to the basic allotment multiplied by:

4 (1) for an emergent bilingual student, as defined by  
5 Section 29.052:

6 (A) 0.1; or

7 (B) 0.15 if the student is in a bilingual  
8 education program using a dual language immersion/one-way or  
9 two-way program model; and

10 (2) for a student not described by Subdivision (1),  
11 0.05 if the student is in a bilingual education program using a dual  
12 language immersion/two-way program model.

13 SECTION 2.52. Sections 48.106(a) and (a-1), Education Code,  
14 are amended to read as follows:

15 (a) For each full-time equivalent student in average  
16 enrollment [~~daily attendance~~] in an approved career and technology  
17 education program in grades 7 through 12, a district is entitled to  
18 an annual allotment equal to the basic allotment, or, if  
19 applicable, the sum of the basic allotment and the allotment under  
20 Section 48.101 to which the district is entitled, multiplied by:

21 (1) 1.1 for a full-time equivalent student in career  
22 and technology education courses not in an approved program of  
23 study;

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

27 (3) 1.47 for a full-time equivalent student in levels

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

3 (a-1) In addition to the amounts under Subsection (a), for  
4 each student in average enrollment [~~daily attendance~~], a district  
5 is entitled to \$50 for each of the following in which the student is  
6 enrolled:

7 (1) a campus designated as a P-TECH school under  
8 Section 29.556; or

9 (2) a campus that is a member of the New Tech Network  
10 and that focuses on project-based learning and work-based  
11 education.

12 SECTION 2.53. Section 48.107(a), Education Code, is amended  
13 to read as follows:

14 (a) Except as provided by Subsection (b), for each student  
15 in average enrollment [~~daily attendance~~] who is using a public  
16 education grant under Subchapter G, Chapter 29, to attend school in  
17 a district other than the district in which the student resides, the  
18 district in which the student attends school is entitled to an  
19 annual allotment equal to the basic allotment multiplied by a  
20 weight of 0.1.

21 SECTION 2.54. Section 48.108(a), Education Code, is amended  
22 to read as follows:

23 (a) For each student in average enrollment [~~daily~~  
24 ~~attendance~~] in kindergarten through third grade, a school district  
25 is entitled to an annual allotment equal to the basic allotment  
26 multiplied by 0.1 if the student is:

27 (1) educationally disadvantaged; or

1           (2) an emergent bilingual student, as defined by  
2 Section 29.052, and is in a bilingual education or special language  
3 program under Subchapter B, Chapter 29.

4           SECTION 2.55. Section 48.109(c), Education Code, is amended  
5 to read as follows:

6           (c) Not more than five percent of a district's students in  
7 average enrollment [~~daily attendance~~] are eligible for funding  
8 under this section.

9           SECTION 2.56. Section 48.115(a), Education Code, is amended  
10 to read as follows:

11           (a) Except as provided by Subsection (a-1), a school  
12 district is entitled to an annual allotment equal to the sum of the  
13 following amounts or a greater amount provided by appropriation:

14           (1) \$10 for each student in average enrollment [~~daily~~  
15 ~~attendance~~], plus \$1 for each student in average enrollment [~~daily~~  
16 ~~attendance~~] per every \$50 by which the district's maximum basic  
17 allotment under Section 48.051 exceeds \$7,365 [~~\$6,160~~], prorated as  
18 necessary; and

19           (2) \$15,000 per campus.

20           SECTION 2.57. Section 48.118(a), Education Code, is amended  
21 to read as follows:

22           (a) For each full-time equivalent student in average  
23 enrollment [~~daily attendance~~] in grades 9 through 12 in a college or  
24 career pathway offered through a partnership under the Rural  
25 Pathway Excellence Partnership (R-PEP) program under Section  
26 29.912, a school district is entitled to an allotment equal to the  
27 basic allotment, or, if applicable, the sum of the basic allotment

1 and the allotment under Section 48.101 to which the district is  
2 entitled, multiplied by:

3 (1) 1.15 if the student is educationally  
4 disadvantaged; or

5 (2) 1.11 if the student is not educationally  
6 disadvantaged.

7 SECTION 2.58. Sections 48.152(d) and (e), Education Code,  
8 are amended to read as follows:

9 (d) For the first school year in which students attend a new  
10 instructional facility, a school district is entitled to an  
11 allotment of \$1,000 for each student in average enrollment [~~daily~~  
12 ~~attendance~~] at the facility. For the second school year in which  
13 students attend that instructional facility, a school district is  
14 entitled to an allotment of \$1,000 for each additional student in  
15 average enrollment [~~daily attendance~~] at the facility.

16 (e) For purposes of this section, the number of additional  
17 students in average enrollment [~~daily attendance~~] at a facility is  
18 the difference between the number of students in average enrollment  
19 [~~daily attendance~~] in the current year at that facility and the  
20 number of students in average enrollment [~~daily attendance~~] at that  
21 facility in the preceding year.

22 SECTION 2.59. Section 48.153, Education Code, is amended to  
23 read as follows:

24 Sec. 48.153. DROPOUT RECOVERY SCHOOL AND RESIDENTIAL  
25 PLACEMENT FACILITY ALLOTMENT. A school district or open-enrollment  
26 charter school is entitled to \$275 for each student in average  
27 enrollment [~~daily attendance~~] who:



- 1 (1) resides in a residential placement facility; or
- 2 (2) is at a district or school or a campus of the
- 3 district or school that is designated as a dropout recovery school
- 4 under Section 39.0548.

5 SECTION 2.60. Section 48.202(a), Education Code, is amended  
6 to read as follows:

7 (a) Each school district is guaranteed a specified amount  
8 per weighted student in state and local funds for each cent of tax  
9 effort over that required for the district's local fund assignment  
10 up to the maximum level specified in this subchapter. The amount of  
11 state support, subject only to the maximum amount under Section  
12 48.203, is determined by the formula:

13 
$$GYA = (GL \times \underline{WAE} [\text{WADA}] \times DTR \times 100) - LR$$

14 where:

15 "GYA" is the guaranteed yield amount of state funds to be  
16 allocated to the district;

17 "GL" is the dollar amount guaranteed level of state and local  
18 funds per weighted student per cent of tax effort, which is an  
19 amount described by Subsection (a-1) or a greater amount for any  
20 year provided by appropriation;

21 "WAE" [~~"WADA"~~] is the number of students in weighted average  
22 enrollment [~~daily attendance~~], which is calculated by dividing the  
23 sum of the school district's allotments under Subchapters B and C by  
24 the basic allotment for the applicable year;

25 "DTR" is the district enrichment tax rate of the school  
26 district, which is determined by subtracting the amounts specified  
27 by Subsection (b) from the total amount of maintenance and

1 operations taxes collected by the school district for the  
2 applicable school year and dividing the difference by the quotient  
3 of the district's taxable value of property as determined under  
4 Subchapter M, Chapter 403, Government Code, or, if applicable,  
5 under Section 48.258 or by the quotient of the value of "DPV" as  
6 determined under Section 48.256(d) if that subsection applies to  
7 the district, divided by 100; and

8 "LR" is the local revenue, which is determined by multiplying  
9 "DTR" by the quotient of the district's taxable value of property as  
10 determined under Subchapter M, Chapter 403, Government Code, or, if  
11 applicable, under Section 48.258 or by the quotient of the value of  
12 "DPV" as determined under Section 48.256(d) if that subsection  
13 applies to the district, divided by 100.

14 SECTION 2.61. Section 48.252(b), Education Code, is amended  
15 to read as follows:

16 (b) Notwithstanding any other provision of this chapter or  
17 Chapter 49, a school district subject to this section is entitled to  
18 receive for each student in average enrollment [~~daily attendance~~]  
19 at the campus or program described by Subsection (a) an amount  
20 equivalent to the difference, if the difference results in  
21 increased funding, between:

- 22 (1) the amount described by Section 12.106; and  
23 (2) the amount to which the district would be entitled  
24 under this chapter.

25 SECTION 2.62. Section 48.2642(a), Education Code, is  
26 amended to read as follows:

27 (a) Notwithstanding any other provision of this chapter,

1 the commissioner shall count toward a school district's or  
2 open-enrollment charter school's average enrollment [~~daily~~  
3 ~~attendance~~] under Section 48.005 each student who graduates early  
4 from high school in the district or school under the Texas First  
5 Early High School Completion Program established under Section  
6 28.0253 for the period in which the student is enrolled at an  
7 eligible institution using state credit awarded under the Texas  
8 First Scholarship Program established under Subchapter K-1,  
9 Chapter 56, based on a 100 percent attendance rate.

10 SECTION 2.63. Section 48.273(a)(4), Education Code, is  
11 amended to read as follows:

12 (4) "Wealth per student" means the taxable property  
13 values reported by the comptroller to the commissioner under  
14 Section 48.256 divided by the number of students in average  
15 enrollment [~~daily attendance~~].

16 SECTION 2.64. Section 48.277(a), Education Code, is amended  
17 to read as follows:

18 (a) A school district or open-enrollment charter school is  
19 entitled to receive an annual allotment for each student in average  
20 enrollment [~~daily attendance~~] in the amount equal to the  
21 difference, if the difference is greater than zero, that results  
22 from subtracting the total maintenance and operations revenue per  
23 student in average enrollment [~~daily attendance~~] for the current  
24 school year from the lesser of:

25 (1) 103 percent of the district's or school's total  
26 maintenance and operations revenue per student in average  
27 enrollment [~~daily attendance~~] for the 2019-2020 school year that

1 the district or school would have received under former Chapters 41  
2 and 42, as those chapters existed on January 1, 2019; or

3 (2) 128 percent of the statewide average amount of  
4 maintenance and operations revenue per student in average  
5 enrollment [~~daily attendance~~] that would have been provided for the  
6 2019-2020 school year under former Chapters 41 and 42, as those  
7 chapters existed on January 1, 2019.

8 SECTION 2.65. Section 49.001(2), Education Code, is amended  
9 to read as follows:

10 (2) "Weighted average enrollment [~~daily attendance~~]"  
11 has the meaning assigned by Section 48.202.

12 SECTION 2.66. Section 49.002, Education Code, is amended to  
13 read as follows:

14 Sec. 49.002. OPTIONS TO REDUCE LOCAL REVENUE LEVEL. A  
15 district with a local revenue level in excess of entitlement may  
16 take any combination of the following actions to reduce the  
17 district's revenue level:

18 (1) consolidation with another district as provided by  
19 Subchapter B;

20 (2) detachment of territory as provided by Subchapter  
21 C;

22 (3) purchase of average enrollment [~~daily attendance~~]  
23 credit as provided by Subchapter D;

24 (4) education of nonresident students as provided by  
25 Subchapter E; or

26 (5) tax base consolidation with another district as  
27 provided by Subchapter F.

1 SECTION 2.67. Section 49.003, Education Code, is amended to  
2 read as follows:

3 Sec. 49.003. INCLUSION OF ATTENDANCE CREDIT AND  
4 NONRESIDENTS IN WEIGHTED AVERAGE ENROLLMENT [~~DAILY ATTENDANCE~~]. In  
5 determining whether a school district has a local revenue level in  
6 excess of entitlement, the commissioner shall use:

7 (1) the district's final weighted average enrollment  
8 [~~daily attendance~~]; and

9 (2) the amount of attendance credit a district  
10 purchases under Subchapter D or the number of nonresident students  
11 a district educates under Subchapter E for a school year.

12 SECTION 2.68. Section 49.158(a), Education Code, is amended  
13 to read as follows:

14 (a) Sections 49.154 and 49.157 apply only to a district  
15 that:

16 (1) executes an agreement to purchase attendance  
17 credit necessary to reduce the district's local revenue level to  
18 the level established under Section 48.257;

19 (2) executes an agreement to purchase attendance  
20 credit and an agreement under Subchapter E to contract for the  
21 education of nonresident students who transfer to and are educated  
22 in the district but who are not charged tuition; or

23 (3) executes an agreement under Subchapter E to  
24 contract for the education of nonresident students:

25 (A) to an extent that does not provide more than  
26 10 percent of the reduction in local revenue required for the  
27 district to achieve a local revenue level that is equal to or less

1 than the level established under Section 48.257; and

2 (B) under which all revenue paid by the district  
3 to other districts, in excess of the reduction in state aid that  
4 results from counting the weighted average enrollment [~~daily~~  
5 ~~attendance~~] of the students served in the contracting district, is  
6 required to be used for funding a consortium of at least three  
7 districts in a county with a population of less than 40,000 that is  
8 formed to support a technology initiative.

9 SECTION 2.69. Section 49.201, Education Code, is amended to  
10 read as follows:

11 Sec. 49.201. AGREEMENT. The board of trustees of a  
12 district with a local revenue level in excess of entitlement may  
13 execute an agreement to educate the students of another district in  
14 a number that, when the weighted average enrollment [~~daily~~  
15 ~~attendance~~] of the students served is added to the weighted average  
16 enrollment [~~daily attendance~~] of the contracting district, is  
17 sufficient, in combination with any other actions taken under this  
18 chapter, to reduce the district's local revenue level to a level  
19 that is equal to or less than the level established under Section  
20 48.257. The agreement is not effective unless the commissioner  
21 certifies that the transfer of weighted average enrollment [~~daily~~  
22 ~~attendance~~] will not result in any of the contracting districts'  
23 local revenue level being greater than the level established under  
24 Section 48.257 and that the agreement requires an expenditure per  
25 student in weighted average enrollment [~~daily attendance~~] that is  
26 at least equal to the amount per student in weighted average  
27 enrollment [~~daily attendance~~] required under Section 49.153.

1 SECTION 2.70. Section 49.203, Education Code, is amended to  
2 read as follows:

3 Sec. 49.203. WEIGHTED AVERAGE ENROLLMENT [~~WADA~~] COUNT. For  
4 purposes of Chapter 48, students served under an agreement under  
5 this subchapter are counted only in the weighted average enrollment  
6 [~~daily attendance~~] of the district providing the services, except  
7 that students served under an agreement authorized by Section  
8 49.205 are counted in a manner determined by the commissioner.

9 SECTION 2.71. Section 49.257(b), Education Code, is amended  
10 to read as follows:

11 (b) Each component district shall bear a share of the costs  
12 of assessing and collecting taxes in proportion to the component  
13 district's share of weighted average enrollment [~~daily attendance~~]  
14 in the consolidated taxing district.

15 SECTION 2.72. Section 49.258, Education Code, is amended to  
16 read as follows:

17 Sec. 49.258. REVENUE DISTRIBUTION. The consolidated taxing  
18 district shall distribute maintenance tax revenue to the component  
19 districts on the basis of the number of students in weighted average  
20 enrollment [~~daily attendance~~] in the component districts.

21 SECTION 2.73. Sections 49.305(c) and (d), Education Code,  
22 are amended to read as follows:

23 (c) If the detachment of whole parcels or items of property  
24 as provided by Subsection (a) would result in a district's local  
25 revenue level that is less than the level established under Section  
26 48.257 by more than the product of \$10,000 multiplied by weighted  
27 average enrollment [~~daily attendance~~], the commissioner may not

1 detach the last parcel or item of property and shall detach the next  
2 one or more parcels or items of property in descending order of  
3 taxable value that would result in the school district having a  
4 local revenue level that is equal to or less than the level  
5 established under Section 48.257 by not more than the product of  
6 \$10,000 multiplied by weighted average enrollment [~~daily~~  
7 ~~attendance~~].

8 (d) Notwithstanding Subsections (a), (b), and (c), the  
9 commissioner may detach only a portion of a parcel or item of  
10 property if:

11 (1) it is not possible under this subchapter to reduce  
12 the district's local revenue level to a level that is equal to or  
13 less than the level established under Section 48.257 unless some or  
14 all of the parcel or item of property is detached and the detachment  
15 of the whole parcel or item would result in the district from which  
16 it is detached having a local revenue level that is less than the  
17 level established under Section 48.257 by more than the product of  
18 \$10,000 multiplied by weighted average enrollment [~~daily~~  
19 ~~attendance~~]; or

20 (2) the commissioner determines that a partial  
21 detachment of that parcel or item of property is preferable to the  
22 detachment of one or more other parcels or items having a lower  
23 taxable value in order to minimize the number of parcels or items of  
24 property to be detached consistent with the purposes of this  
25 chapter.

26 SECTION 2.74. Section 49.306(i), Education Code, is amended  
27 to read as follows:



1 (i) The commissioner may order the annexation of a portion  
2 of a parcel or item of property, including a portion of property  
3 treated as a whole parcel or item under Subsection (h), if:

4 (1) the annexation of the whole parcel or item would  
5 result in the district eligible to receive it in the appropriate  
6 priority order provided by this section having a local revenue  
7 level greater than the amount by which the product of \$10,000  
8 multiplied by weighted average enrollment [~~daily attendance~~]  
9 exceeds the taxable value of property necessary to generate  
10 maintenance and operations tax revenue in the amount equal to the  
11 district's entitlement under Section 48.202(a-1)(2); or

12 (2) the commissioner determines that annexation of  
13 portions of the parcel or item would reduce disparities in district  
14 taxable values of property necessary to generate maintenance and  
15 operations tax revenue in the amount equal to a district's  
16 entitlement under Section 48.202(a-1)(2) more efficiently than  
17 would be possible if the parcel or item were annexed as a whole.

18 SECTION 2.75. Section 49.311, Education Code, is amended to  
19 read as follows:

20 Sec. 49.311. STUDENT ATTENDANCE. A student who is a  
21 resident of real property detached from a school district may  
22 choose to attend school in that district or in the district to which  
23 the property is annexed. For purposes of determining average  
24 enrollment [~~daily attendance~~] under Section 48.005, the student  
25 shall be counted in the district to which the property is annexed.  
26 If the student chooses to attend school in the district from which  
27 the property is detached, the state shall withhold any foundation

1 school funds from the district to which the property is annexed and  
2 shall allocate to the district in which the student is attending  
3 school those funds and the amount of funds equal to the difference  
4 between the state funds the district is receiving for the student  
5 and the district's cost in educating the student.

6 SECTION 2.76. Section 49.354(e), Education Code, is amended  
7 to read as follows:

8 (e) A restored district's proportionate share of fund  
9 balances, personal property, or indebtedness is equal to the  
10 proportion that the number of students in average enrollment [~~daily~~  
11 ~~attendance~~] in the restored district bears to the number of  
12 students in average enrollment [~~daily attendance~~] in the  
13 consolidated district.

14 SECTION 2.77. Section 403.104(d), Government Code, is  
15 amended to read as follows:

16 (d) The proportionate share of an independent school  
17 district is determined by multiplying the total amount of the  
18 payment available for distribution to school districts by the ratio  
19 that the average number of [~~daily attendance for~~] students who  
20 reside in the county and are enrolled in [~~who attend~~] that school  
21 district bears to the average number of [~~daily attendance for~~] all  
22 students who reside in the county and are enrolled in [~~who attend~~]  
23 any independent school district. However, if there are fewer than  
24 10 independent school districts located in whole or part in the  
25 county and if an independent school district would receive under  
26 this formula less than 10 percent of the total payment available for  
27 distribution to independent school districts, the school

1 district's share shall be increased to 10 percent of the total  
2 payment and the shares of the school districts that would receive  
3 more than 10 percent under the formula shall be reduced  
4 proportionately, but not to an amount less than 10 percent of the  
5 total payment. [~~Each independent school district shall develop a  
6 reasonable method for determining the average daily attendance for  
7 students who reside in the county and who attend the school  
8 district.~~]

9 SECTION 2.78. Section 1371.001(4), Government Code, is  
10 amended to read as follows:

11 (4) "Issuer" means:

12 (A) a home-rule municipality that:

13 (i) adopted its charter under Section 5,  
14 Article XI, Texas Constitution;

15 (ii) has a population of 50,000 or more; and

16 (iii) has outstanding long-term  
17 indebtedness that is rated by a nationally recognized rating agency  
18 for municipal securities in one of the four highest rating  
19 categories for a long-term obligation;

20 (B) a conservation and reclamation district  
21 created and organized as a river authority under Section 52,  
22 Article III, or Section 59, Article XVI, Texas Constitution;

23 (C) a joint powers agency organized and operating  
24 under Chapter 163, Utilities Code;

25 (D) a metropolitan rapid transit authority,  
26 regional transportation authority, or coordinated county  
27 transportation authority created, organized, or operating under

1 Chapter 451, 452, or 460, Transportation Code;

2 (E) a conservation and reclamation district  
3 organized or operating as a navigation district under Section 52,  
4 Article III, or Section 59, Article XVI, Texas Constitution;

5 (F) a district organized or operating under  
6 Section 59, Article XVI, Texas Constitution, that has all or part of  
7 two or more municipalities within its boundaries;

8 (G) a state agency, including a state institution  
9 of higher education;

10 (H) a hospital authority created or operating  
11 under Chapter 262 or 264, Health and Safety Code, in a county that:

12 (i) has a population of more than 3.3  
13 million; or

14 (ii) is included, in whole or in part, in a  
15 standard metropolitan statistical area of this state that includes  
16 a county with a population of more than 2.5 million;

17 (I) a hospital district in a county that has a  
18 population of more than 2.5 million;

19 (J) a nonprofit corporation organized to  
20 exercise the powers of a higher education loan authority under  
21 Section 53B.47(e), Education Code;

22 (K) a county:

23 (i) that has a population of more than 3.3  
24 million; or

25 (ii) that, on the date of issuance of  
26 obligations under this chapter, has authorized, outstanding, or any  
27 combination of authorized and outstanding, indebtedness of at least

1 \$100 million secured by and payable from the county's ad valorem  
2 taxes and the authorized long-term indebtedness of which is rated  
3 by a nationally recognized rating agency of securities issued by  
4 local governments in one of the four highest rating categories for a  
5 long-term obligation;

6 (L) an independent school district that has an  
7 average enrollment [~~daily attendance~~] of 50,000 or more as  
8 determined under Section 48.005, Education Code;

9 (M) a municipality or county operating under  
10 Chapter 334, Local Government Code;

11 (N) a district created under Chapter 335, Local  
12 Government Code;

13 (O) a junior college district that has a total  
14 headcount enrollment of 40,000 or more based on enrollment in the  
15 most recent regular semester; or

16 (P) an issuer, as defined by Section 1201.002,  
17 that has:

18 (i) a principal amount of at least \$100  
19 million in outstanding long-term indebtedness, in long-term  
20 indebtedness proposed to be issued, or in a combination of  
21 outstanding or proposed long-term indebtedness; and

22 (ii) some amount of long-term indebtedness  
23 outstanding or proposed to be issued that is rated in one of the  
24 four highest rating categories for long-term debt instruments by a  
25 nationally recognized rating agency for municipal securities,  
26 without regard to the effect of any credit agreement or other form  
27 of credit enhancement entered into in connection with the

1 obligation.

2 SECTION 2.79. Section 1431.001(3), Government Code, is  
3 amended to read as follows:

4 (3) "Eligible school district" means an independent  
5 school district that has an average enrollment [~~daily attendance~~]  
6 of 190,000 or more as determined under Section 48.005, Education  
7 Code.

8 SECTION 2.80. Section 325.011(a), Local Government Code, is  
9 amended to read as follows:

10 (a) The district is governed by a board of directors  
11 composed of five members, with two directors appointed by the  
12 commissioners court of the county, two directors appointed by the  
13 governing body of the municipality having the largest population in  
14 the county, and one director appointed by the governing body of the  
15 school district with the largest number of students in average  
16 enrollment [~~daily attendance~~] in the county. The board shall  
17 manage the district and administer this chapter.

18 SECTION 2.81. Section 313.027(i), Tax Code, is amended to  
19 read as follows:

20 (i) A person and the school district may not enter into an  
21 agreement under which the person agrees to provide supplemental  
22 payments to a school district or any other entity on behalf of a  
23 school district in an amount that exceeds an amount equal to the  
24 greater of \$100 per student per year in average enrollment [~~daily  
25 attendance~~], as defined by Section 48.005, Education Code, or  
26 \$50,000 per year, or for a period that exceeds the period beginning  
27 with the period described by Section 313.021(4) and ending December

1 31 of the third tax year after the date the person's eligibility for  
2 a limitation under this chapter expires. This limit does not apply  
3 to amounts described by Subsection (f)(1) or (2).

4 SECTION 2.82. Section 1, Article 2688d, Vernon's Texas  
5 Civil Statutes, is amended to read as follows:

6 Section 1. In all counties of the State where, according to  
7 the preceding annual statistical report of the schools said county  
8 has not more than four (4) school districts, with one (1) of such  
9 districts comprising more than half of the county and having more  
10 than two thousand (2,000) pupils in average enrollment [~~daily~~  
11 ~~attendance~~] in the one (1) district alone, and such district having  
12 an assessed valuation of more than Twenty Million Dollars  
13 (\$20,000,000) and where there is only one (1) common school  
14 district in such county with an average enrollment [~~daily~~  
15 ~~attendance~~] of less than sixteen (16), the office of county  
16 superintendent is hereby abolished, to be effective at the end of  
17 the term of the incumbent county superintendent, as is now provided  
18 by law.

19 SECTION 2.83. The following provisions of the Education  
20 Code are repealed:

- 21 (1) Section 29.0822(d-1); and
- 22 (2) Section 48.007.

23 ARTICLE 3. SERVICE-BASED INTENSITY FUNDING FORMULA FOR SPECIAL  
24 EDUCATION

25 SECTION 3.01. Effective September 1, 2024, Section 48.102,  
26 Education Code, is amended to read as follows:

27 Sec. 48.102. SPECIAL EDUCATION. (a) For each student in

1 average daily attendance in a special education program under  
2 Subchapter A, Chapter 29, [~~in a mainstream instructional~~  
3 ~~arrangement,~~] a school district is entitled to an annual allotment  
4 equal to the basic allotment, or, if applicable, the sum of the  
5 basic allotment and the allotment under Section 48.101 to which the  
6 district is entitled, multiplied by a weight in an amount set by the  
7 legislature in the General Appropriations Act for the highest tier  
8 of intensity of service for which the student qualifies [1.15].

9 (a-1) Notwithstanding Subsection (a), for the 2024-2025 and  
10 2025-2026 school years, the amount of an allotment under this  
11 section shall be determined in accordance with Section 48.1023.  
12 This subsection expires September 1, 2026. [~~For each full-time~~  
13 ~~equivalent student in average daily attendance in a special~~  
14 ~~education program under Subchapter A, Chapter 29, in an~~  
15 ~~instructional arrangement other than a mainstream instructional~~  
16 ~~arrangement, a district is entitled to an annual allotment equal to~~  
17 ~~the basic allotment, or, if applicable, the sum of the basic~~  
18 ~~allotment and the allotment under Section 48.101 to which the~~  
19 ~~district is entitled, multiplied by a weight determined according~~  
20 ~~to instructional arrangement as follows:~~

- 21 [Homebound \_\_\_\_\_ 5.0
- 22 [Hospital class \_\_\_\_\_ 3.0
- 23 [Speech therapy \_\_\_\_\_ 5.0
- 24 [Resource room \_\_\_\_\_ 3.0
- 25 [Self-contained, mild and moderate, regular campus
- 26 \_\_\_\_\_ 3.0
- 27 [Self-contained, severe, regular campus \_\_\_\_\_ 3.0



1 ~~[Off home campus 2.7~~

2 ~~[Nonpublic day school 1.7~~

3 ~~[Vocational adjustment class 2.3]~~

4 (b) The commissioner by rule shall define seven tiers of  
5 intensity of service for use in determining funding under this  
6 section. The commissioner must include one tier specifically  
7 addressing students receiving special education services in  
8 residential placement ~~[A special instructional arrangement for~~  
9 ~~students with disabilities residing in care and treatment~~  
10 ~~facilities, other than state schools, whose parents or guardians do~~  
11 ~~not reside in the district providing education services shall be~~  
12 ~~established by commissioner rule. The funding weight for this~~  
13 ~~arrangement shall be 4.0 for those students who receive their~~  
14 ~~education service on a local school district campus. A special~~  
15 ~~instructional arrangement for students with disabilities residing~~  
16 ~~in state schools shall be established by commissioner rule with a~~  
17 ~~funding weight of 2.8].~~

18 (c) ~~[For funding purposes, the number of contact hours~~  
19 ~~credited per day for each student in the off home campus~~  
20 ~~instructional arrangement may not exceed the contact hours credited~~  
21 ~~per day for the multidistrict class instructional arrangement in~~  
22 ~~the 1992-1993 school year.~~

23 ~~[(d) For funding purposes the contact hours credited per day~~  
24 ~~for each student in the resource room, self-contained, mild and~~  
25 ~~moderate, and self-contained, severe, instructional arrangements~~  
26 ~~may not exceed the average of the statewide total contact hours~~  
27 ~~credited per day for those three instructional arrangements in the~~

1 ~~1992-1993 school year.~~

2       ~~[(c) The commissioner by rule shall prescribe the~~  
3 ~~qualifications an instructional arrangement must meet in order to~~  
4 ~~be funded as a particular instructional arrangement under this~~  
5 ~~section. In prescribing the qualifications that a mainstream~~  
6 ~~instructional arrangement must meet, the commissioner shall~~  
7 ~~establish requirements that students with disabilities and their~~  
8 ~~teachers receive the direct, indirect, and support services that~~  
9 ~~are necessary to enrich the regular classroom and enable student~~  
10 ~~success.~~

11       ~~[(f) In this section, "full-time equivalent student" means~~  
12 ~~30 hours of contact a week between a special education student and~~  
13 ~~special education program personnel.~~

14       ~~[(g)]~~ The commissioner shall adopt rules and procedures  
15 governing contracts for residential and day program placement of  
16 ~~[special education]~~ students receiving special education  
17 services.

18       (d) ~~[The legislature shall provide by appropriation for the~~  
19 ~~state's share of the costs of those placements.~~

20       ~~[(h)]~~ At least 55 percent of the funds allocated under this  
21 section must be used in the special education program under  
22 Subchapter A, Chapter 29.

23       (e) ~~[(i)]~~ The agency shall ensure ~~[encourage]~~ the placement  
24 of students in special education programs, including students in  
25 residential placement ~~[instructional arrangements]~~, in the least  
26 restrictive environment appropriate for their educational needs.

27       (f) ~~[(j)]~~ A school district that provides an extended year

1 program required by federal law for special education students who  
2 may regress is entitled to receive funds in an amount equal to 75  
3 percent, or a lesser percentage determined by the commissioner, of  
4 the basic allotment, or, if applicable, the sum of the basic  
5 allotment and the allotment under Section 48.101 to which the  
6 district is entitled for each [~~full-time equivalent~~] student in  
7 average daily attendance, multiplied by the amount designated for  
8 the highest tier of intensity of service for which the student  
9 qualifies [~~student's instructional arrangement~~] under this  
10 section, for each day the program is provided divided by the number  
11 of days in the minimum school year. The total amount of state  
12 funding for extended year services under this section may not  
13 exceed \$10 million per year. A school district may use funds  
14 received under this section only in providing an extended year  
15 program.

16 (g) [~~(k)~~] From the total amount of funds appropriated for  
17 special education under this section, the commissioner shall  
18 withhold an amount specified in the General Appropriations Act, and  
19 distribute that amount to school districts for programs under  
20 Section 29.014. The program established under that section is  
21 required only in school districts in which the program is financed  
22 by funds distributed under this subsection and any other funds  
23 available for the program. After deducting the amount withheld  
24 under this subsection from the total amount appropriated for  
25 special education, the commissioner shall reduce each district's  
26 allotment proportionately and shall allocate funds to each district  
27 accordingly.

1       (h) Not later than December 1 of each even-numbered year,  
2 the commissioner shall submit to the Legislative Budget Board, for  
3 purposes of the allotment under this section, proposed weights for  
4 the tiers of intensity of service for the next state fiscal  
5 biennium.

6       SECTION 3.02. Effective September 1, 2024, Subchapter C,  
7 Chapter 48, Education Code, is amended by adding Section 48.1021 to  
8 read as follows:

9       Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT.

10 (a) For each six-week period in which a student in a special  
11 education program under Subchapter A, Chapter 29, receives eligible  
12 special education services, a school district is entitled to an  
13 allotment in an amount set by the legislature in the General  
14 Appropriations Act for the service group for which the student is  
15 eligible.

16       (a-1) Notwithstanding Subsection (a), for the 2024-2025 and  
17 2025-2026 school years, the amount of an allotment under this  
18 section shall be determined in accordance with Section 48.1023.  
19 This subsection expires September 1, 2026.

20       (b) The commissioner by rule shall establish four service  
21 groups for use in determining funding under this section. In  
22 establishing the groups, the commissioner must consider the level  
23 of services, equipment, and technology required to meet the needs  
24 of students receiving special education services.

25       (c) A school district is entitled to receive an allotment  
26 under this section for each service group for which a student is  
27 eligible.

1 (d) A school district is entitled to the full amount of an  
2 allotment under this section for a student receiving eligible  
3 special education services during any part of a six-week period.

4 (e) At least 55 percent of the funds allocated under this  
5 section must be used for a special education program under  
6 Subchapter A, Chapter 29.

7 (f) Not later than December 1 of each even-numbered year,  
8 the commissioner shall submit to the Legislative Budget Board, for  
9 purposes of the allotment under this section, proposed amounts of  
10 funding for the service groups for the next state fiscal biennium.

11 SECTION 3.03. Subchapter C, Chapter 48, Education Code, is  
12 amended by adding Sections 48.1022 and 48.1023 to read as follows:

13 Sec. 48.1022. SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL  
14 EVALUATION. For each student for whom a school district conducts a  
15 full individual and initial evaluation under Section 29.004 or 20  
16 U.S.C. Section 1414(a)(1), the district is entitled to an allotment  
17 of \$500 or a greater amount provided by appropriation.

18 Sec. 48.1023. SPECIAL EDUCATION TRANSITION FUNDING.

19 (a) For the 2024-2025 and 2025-2026 school years, the commissioner  
20 may adjust weights or amounts provided under Section 48.102 or  
21 48.1021 as necessary to ensure compliance with requirements  
22 regarding maintenance of state financial support under 20 U.S.C.  
23 Section 1412(a)(18) and maintenance of local financial support  
24 under applicable federal law.

25 (b) For the 2024-2025 and 2025-2026 school years, the  
26 commissioner shall determine the formulas through which school  
27 districts receive funding under Sections 48.102 and 48.1021. In

1 determining the formulas, the commissioner may combine the methods  
2 of funding under those sections with the method of funding provided  
3 by Section 48.102, as it existed on January 1, 2023.

4 (c) For the 2026-2027 school year, the commissioner may  
5 adjust the weights or amounts set by the legislature in the General  
6 Appropriations Act for purposes of Section 48.102 or 48.1021.  
7 Before making an adjustment under this subsection, the commissioner  
8 shall notify and must receive approval from the Legislative Budget  
9 Board.

10 (d) Notwithstanding any other provision of this section,  
11 the sum of funding provided under Sections 48.102 and 48.1021 for  
12 the 2024-2025 or for the 2025-2026 school year as adjusted under  
13 this section may not exceed the sum of:

14 (1) funding that would have been provided under  
15 Section 48.102, as it existed on January 1, 2023; and

16 (2) the amount set by the legislature in the General  
17 Appropriations Act.

18 (e) Each school district and open-enrollment charter school  
19 shall report to the agency information necessary to implement this  
20 section.

21 (f) The agency shall provide technical assistance to school  
22 districts and open-enrollment charter schools to ensure a  
23 successful transition in funding formulas for special education.

24 (g) This section expires September 1, 2028.

25 SECTION 3.04. Section 48.103(c), Education Code, is amended  
26 to read as follows:

27 (c) A school district may receive funding for a student

1 under each provision of this section, ~~[and]~~ Section 48.102, and  
2 Section 48.1021 for which ~~[if]~~ the student qualifies ~~[satisfies the~~  
3 ~~requirements of both sections]~~.

4 SECTION 3.05. Section 48.279(e), Education Code, is amended  
5 to read as follows:

6 (e) After the commissioner has replaced any withheld  
7 federal funds as provided by Subsection (d), the commissioner shall  
8 distribute the remaining amount, if any, of funds described by  
9 Subsection (a) to proportionately increase funding for the special  
10 education allotment under Section 48.102 and the special education  
11 service group allotment under Section 48.1021.

12 ARTICLE 4. SCHOOL SAFETY ALLOTMENT

13 SECTION 4.01. Section 48.115(a), Education Code, is amended  
14 to read as follows:

15 Sec. 48.115. SCHOOL SAFETY ALLOTMENT. (a) Except as  
16 provided by Subsection (a-1), a school district is entitled to an  
17 annual allotment equal to the sum of the following amounts or a  
18 greater amount provided by appropriation:

19 (1) \$100 ~~[\$10]~~ for each enrolled student ~~[in average daily~~  
20 ~~attendance, plus \$1 for each student in average daily attendance~~  
21 ~~per every \$50 by which the district's maximum basic allotment under~~  
22 ~~Section 48.051 exceeds \$6,160, prorated as necessary]~~; and

23 (2) \$15,000 per campus.

24 ARTICLE 5. MENTAL HEALTH ALLOTMENT

25 SECTION 5.01. Section 48.115(b), Education Code, is amended  
26 to read as follows:

27 (b) Funds allocated under this section must be used to

1 improve school safety and security, including costs associated  
2 with:

3 (1) securing school facilities, including:

4 (A) improvements to school infrastructure;

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

6 and

7 (C) the purchase and maintenance of:

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

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

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

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

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

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

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

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



1 (C) the prevention, identification, and  
2 management of emergencies and threats, using  
3 evidence-based, effective prevention practices and  
4 including the establishment of [+

5 ~~(i) providing licensed counselors, social~~  
6 ~~workers, and individuals trained in restorative~~  
7 ~~discipline and restorative justice practices,~~

8 ~~(ii) providing mental health personnel and~~  
9 ~~support,~~

10 ~~(iii) providing behavioral health~~  
11 ~~services,~~

12 ~~(iv) establishing] threat reporting~~  
13 ~~systems, and~~

14 ~~(v) developing and implementing programs~~  
15 ~~focused on restorative justice practices,~~  
16 ~~culturally relevant instruction, and providing~~  
17 ~~mental health support, and~~

18 ~~(4) providing programs related to suicide prevention,~~  
19 ~~intervention, and postvention].~~

20 SECTION 5.02. Subchapter C, Chapter 48, Education Code, is  
21 amended by adding Section 48.117 to read as follows:

22 Sec. 48.117. MENTAL HEALTH ALLOTMENT. (a) A school  
23 district is entitled to an annual allotment of \$100,000 or a greater  
24 amount provided by appropriation to support mental health services  
25 at the district.

26 (b) In addition to the allotment under Subsection (a), a  
27 school district that receives an allotment under Section 48.101 or

1 at which more than 50 percent of enrolled students are  
2 educationally disadvantaged is entitled to an allotment for each  
3 student enrolled in the district in an amount provided by  
4 appropriation.

5 (c) Funds allocated under this section:

6 (1) must be used to develop or enhance a comprehensive  
7 school mental health system that, through the implementation of  
8 programs, practices, and procedures in accordance with Section  
9 38.351, provides a tiered array of supports and services in the  
10 educational setting that contribute to:

11 (A) a positive school climate;

12 (B) the development of skills related to managing emotions,  
13 establishing and maintaining positive relationships, and  
14 responsible decision-making;

15 (C) the learning and well-being of students with or at risk  
16 of mental health or substance use conditions;

17 (D) family and community engagement;

18 (E) reduced exclusionary discipline practices; and

19 (F) staff wellness; and

20 (2) may be used to pay for costs associated with:

21 (A) the salary of school personnel responsible for  
22 planning, coordinating, delivering, or monitoring supports and  
23 services described by Subdivision (1);

24 (B) training school personnel regarding effective practices  
25 and district and campus procedures to support student mental  
26 health;

27 (C) a contract-based collaborative effort or partnership

1 with one or more local community programs, agencies, or providers;  
2 and

3 (D) developing and implementing programs focused on  
4 restorative justice practices.

5 (d) Funds allocated for purposes of this section may not be  
6 used to supplant any other funds that may be provided for the same  
7 purpose.

8 (e) Not later than June 1 of each year and in accordance with  
9 commissioner rule, each school district shall submit to the  
10 commissioner information regarding the outcomes and expenditures  
11 related to funds allocated to the district under this section.

12 (f) Not later than September 1 of each year, the  
13 commissioner shall publish a report regarding the use of funds  
14 allocated under this section during the preceding school year,  
15 including information regarding the programs, personnel, and  
16 resources implemented, employed, or purchased by school districts  
17 using the funds and other purposes for which the funds were used.

18 ARTICLE 6. PAID PARENTAL LEAVE ALLOTMENT

19 SECTION 6.01. Subchapter A, Chapter 22, Education Code, is  
20 amended by adding Section 22.0035 to read as follows:

21 Sec. 22.0035. PAID PARENTAL LEAVE POLICY. (a) Each school  
22 district or open-enrollment charter school shall adopt a paid  
23 parental leave policy under which a full-time employee of the  
24 district or school is entitled to paid parental leave following  
25 the:

- 26 (1) birth of a child;  
27 (2) birth of a child by the employee's spouse;

1           (3) birth of a child by a gestational surrogate; or

2           (4) adoption of a child.

3       (b) A paid parental leave policy described by Subsection

4       (a):

5           (1) must provide:

6               (A) eight consecutive weeks of paid parental  
7               leave for an employee who is the primary caregiver of  
8               the child; or

9               (B) four consecutive weeks of paid parental leave  
10              for an employee who is the spouse of the primary  
11              caregiver of the child;

12          (2) must require that:

13               (A) an employee be employed on a full-time basis  
14               by the school district or open-enrollment charter  
15               school for at least 12 months before becoming eligible  
16               for paid parental leave;

17               (B) an employee's eligibility for paid parental  
18               leave expires on the six-month anniversary of the date  
19               of the child's birth or placement with the employee; and

20               (C) an employee who has been granted paid  
21               parental leave under the policy take the leave  
22               concurrently with leave for which the employee is  
23               eligible under the federal Family and Medical Leave Act  
24               of 1993 (29 U.S.C. Section 2601 et seq.); and

25          (3) may not require an employee to first use all  
26          available and applicable paid vacation and sick leave before  
27          taking paid parental leave under the policy.

1       (c) Not later than November 1 of each even-numbered year,  
2 the agency shall prepare and submit to the legislature a report on  
3 paid parental leave provided under a policy required by this  
4 section. The report must include:

5           (1) the number of employees who took paid parental  
6 leave under a policy required by this section during the  
7 preceding two years, disaggregated by school district and  
8 open-enrollment charter school;

9           (2) the costs of providing paid parental leave under a  
10 policy required by this section during the preceding two  
11 years;

12           (3) projections regarding future participation in and  
13 costs of paid parental leave provided under a policy required  
14 by this section; and

15           (4) any recommendations for legislative or other  
16 action.

17       SECTION 6.02. Subchapter D, Chapter 48, Education Code, is  
18 amended by adding Section 48.158 to read as follows:

19       Sec. 48.158. HEALTHY FAMILIES ALLOTMENT. For each employee  
20 who received paid parental leave under a policy required by Section  
21 22.0035 during the preceding school year, a school district is  
22 entitled to an annual allotment equal to the amount of the  
23 employee's compensation for the period for which the employee  
24 received paid parental leave under that policy.

25       SECTION 6.03. As soon as practicable after the effective  
26 date of this Act and not later than September 1, 2024, the board of  
27 trustees of a school district or the governing body of an

1 open-enrollment charter school shall adopt the paid parental leave  
2 policy required by Section 22.0035, Education Code, as added by  
3 this Act.

4 ARTICLE 7. UNIVERSAL PRE-KINDERGARTEN

5 SECTION 7.01. Sections 29.153(a-1), (b), (c), (d), and (f),  
6 Education Code, are amended to read as follows:

7 (a-1) A district shall offer prekindergarten classes to any  
8 child [~~if the district identifies 15 or more children~~] who is [~~are~~  
9 ~~eligible under Subsection (b) and are~~] at least four years of age.  
10 A school district may offer prekindergarten classes if the district  
11 identifies 15 or more [~~eligible~~] children who are eligible under  
12 Subsection (b)(1) [~~at least three years of age~~]. A district may not  
13 charge tuition for a prekindergarten class offered under this  
14 section.

15 (b) A child is eligible for enrollment in a prekindergarten  
16 class under this section if the child is:

- 17 (1) at least three years of age and:
- 18 (A) [~~(1)~~] is unable to speak and comprehend the  
19 English language;
  - 20 (B) [~~(2)~~] is educationally disadvantaged;
  - 21 (C) [~~(3)~~] is homeless, regardless of the  
22 residence of the child, of either parent of the child,  
23 or of the child's guardian or other person having lawful  
24 control of the child;
  - 25 (D) [~~(4)~~] is the child of an active duty member  
26 of the armed forces of the United States, including the  
27 state military forces or a reserve component of the

1 armed forces, who is ordered to active duty by proper  
2 authority;

3 (E) [~~(5)~~] is the child of a member of the armed  
4 forces of the United States, including the state  
5 military forces or a reserve component of the armed  
6 forces, who was injured or killed while serving on  
7 active duty;

8 (F) [~~(6)~~] is or ever has been in:

9 (i) [~~(A)~~] the conservatorship of the  
10 Department of Family and Protective Services  
11 following an adversary hearing held as provided by  
12 Section 262.201, Family Code; or

13 (ii) [~~(B)~~] foster care in another state or  
14 territory, if the child resides in this state; or

15 (G) [~~(7)~~] is the child of a person eligible for  
16 the Star of Texas Award as:

17 (i) [~~(A)~~] a peace officer under Section  
18 3106.002, Government Code;

19 (ii) [~~(B)~~] a firefighter under Section  
20 3106.003, Government Code; or

21 (iii) [~~(C)~~] an emergency medical first  
22 responder under Section 3106.004, Government  
23 Code; or

24 (2) at least four years of age.

25 (c) A prekindergarten class under this section [~~may be~~  
26 ~~operated on a half-day basis for children under four years of age~~  
27 ~~and~~] shall be operated on a full-day basis [~~for children who are at~~

1 ~~least four years of age~~]. A district is not required to provide  
2 transportation for a prekindergarten class, but transportation, if  
3 provided, is included for funding purposes as part of the regular  
4 transportation system.

5 (d) Subject to Subsections (d-1) and (d-2), on application  
6 of a district, the commissioner shall exempt a district from the  
7 application of all or any part of this section, including all or any  
8 part of Subchapter E-1 for a prekindergarten class described by  
9 Subsection (c-1), if the commissioner determines that~~+~~

10 ~~[(1)] the district would be required to construct~~  
11 ~~classroom facilities in order to provide prekindergarten~~  
12 ~~classes~~;~~ or~~

13 ~~[(2)] implementing any part of this section would~~  
14 ~~result in fewer eligible children being enrolled in a~~  
15 ~~prekindergarten class under this section].~~

16 (f) A child who is eligible for enrollment in a  
17 prekindergarten class under Subsection (b)(1)(D) or (E) ~~[(b)(4) or~~  
18 ~~(5)]~~ remains eligible for enrollment if the child's parent leaves  
19 the armed forces, or is no longer on active duty, after the child  
20 begins a prekindergarten class.

21 SECTION 7.02. Section [29.1531](#)(a), Education Code, is  
22 amended to read as follows:

23 (a) A school district may offer on a tuition basis or use  
24 district funds to provide~~+~~

25 ~~[(1)] an additional half-day of prekindergarten~~  
26 ~~classes to children who are eligible for classes under~~  
27 ~~Section [29.153](#) and are under four years of age, and~~



1           ~~[(2)]~~ half-day and full-day prekindergarten classes  
2           to children not eligible for classes under Section 29.153.

3           SECTION 7.03. Section 29.1532(c), Education Code, is  
4           amended to read as follows:

5           (c) A school district that offers prekindergarten classes  
6           shall include the following information in the district's Public  
7           Education Information Management System (PEIMS) report:

8                   (1) demographic information, as determined by the  
9                   commissioner, on students enrolled in district and campus  
10                  prekindergarten classes, including the number of students  
11                  who are eligible for classes under Sections 29.153(b)(1) and  
12                  (f) [Section 29.153];

13                  (2) the numbers of half-day and full-day  
14                  prekindergarten classes offered by the district and campus;

15                  (3) the number of half-day prekindergarten classes for  
16                  which the district has received an exemption from full-day  
17                  operation under Section 29.153(d);

18                  (4) the sources of funding for the prekindergarten  
19                  classes;

20                  (5) the class size and ratio of instructional staff to  
21                  students for each prekindergarten program class offered by  
22                  the district and campus;

23                  (6) if the district elects to administer an assessment  
24                  instrument under Section 29.169 to students enrolled in  
25                  district and campus prekindergarten program classes, a  
26                  description and the results of each type of assessment  
27                  instrument; and

1           (7) curricula used in the district's prekindergarten  
2 program classes.

3                           ARTICLE 8. EFFECTIVE DATE

4           SECTION 8.01. This Act takes effect immediately if it  
5 receives a vote of two-thirds of all the members elected to each  
6 house, as provided by Section 39, Article III, Texas Constitution.  
7 If this Act does not receive the vote necessary for immediate  
8 effect, this Act takes effect February 1, 2024.

9           SECTION 8.02. This Act applies beginning with the 2024-2025  
10 school year.