

By: Creighton, et al.

S.B. No. 2

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a local optional teacher designation system implemented
3 by a school district, the basic allotment and guaranteed yield
4 under the public school finance system, and certain allotments
5 under the Foundation School Program; making an appropriation.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Sections 21.3521(a), (c), and (e), Education
8 Code, are amended to read as follows:

9 (a) Subject to Subsection (b), a school district or
10 open-enrollment charter school may designate a classroom teacher as
11 a master, exemplary, ~~or~~ recognized, or acknowledged teacher for a
12 five-year period based on the results from single year or multiyear
13 appraisals that comply with Section 21.351 or 21.352.

14 (c) Notwithstanding performance standards established
15 under Subsection (b), a classroom teacher that holds a National
16 Board Certification issued by the National Board for Professional
17 Teaching Standards may be designated as nationally board certified
18 ~~[recognized]~~.

19 (e) The agency shall develop and provide technical
20 assistance for school districts and open-enrollment charter
21 schools that request assistance in implementing a local optional
22 teacher designation system, including:

23 (1) providing assistance in prioritizing high needs
24 campuses;

1 (2) providing examples or models of local optional
2 teacher designation systems to reduce the time required for a
3 district or school to implement a teacher designation system;

4 (3) establishing partnerships between districts and
5 schools that request assistance and districts and schools that have
6 implemented a teacher designation system;

7 (4) applying the performance and validity standards
8 established by the commissioner under Subsection (b);

9 (5) providing centralized support for the analysis of
10 the results of assessment instruments administered to district
11 students; and

12 (6) facilitating effective communication on and
13 promotion of local optional teacher designation systems.

14 SECTION 2. Subchapter H, Chapter 21, Education Code, is
15 amended by adding Section 21.3522 to read as follows:

16 Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM
17 GRANT PROGRAM. (a) From funds appropriated or otherwise
18 available for the purpose, the agency shall establish and
19 administer a grant program to provide money and technical
20 assistance to:

21 (1) expand implementation of local optional teacher
22 designation systems under Section 21.3521;

23 (2) increase the number of classroom teachers eligible
24 for a designation under that section; and

25 (3) increase the salaries paid to classroom teachers
26 employed by school districts or open-enrollment charter schools
27 that have established or are seeking to establish a designation

1 system under that section.

2 (b) A grant awarded under this section must:

3 (1) meet the needs of individual school districts; and

4 (2) enable regional leadership capacity.

5 SECTION 3. Section 48.051(a), Education Code, is amended to
6 read as follows:

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

14
$$A = \underline{B} [\underline{\$6,235}] \times TR/MCR$$

15 where:

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

17 "B" is the base amount, which equals the greatest of:

18 (1) \$6,235;

19 (2) an amount equal to the district's base amount under
20 this section for the preceding school year; or

21 (3) the amount appropriated under Subsection (b);

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

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

26 SECTION 4. Sections 48.112(c) and (d), Education Code, are
27 amended to read as follows:

1 (c) For each classroom teacher with a teacher designation
2 under Section 21.3521 employed by a school district, the school
3 district is entitled to an allotment equal to the following
4 applicable base amount increased by the high needs and rural factor
5 as determined under Subsection (d):

6 (1) \$12,000, or an increased amount not to exceed
7 \$36,000 [~~\$32,000~~] as determined under Subsection (d), for each
8 master teacher;

9 (2) \$9,000 [~~\$6,000~~], or an increased amount not to
10 exceed \$25,000 [~~\$18,000~~] as determined under Subsection (d), for
11 each exemplary teacher; ~~and~~

12 (3) \$5,000 [~~\$3,000~~], or an increased amount not to
13 exceed \$15,000 [~~\$9,000~~] as determined under Subsection (d), for
14 each recognized teacher; and

15 (4) \$3,000, or an increased amount not to exceed
16 \$9,000 as determined under Subsection (d), for each:

17 (A) acknowledged teacher; or

18 (B) nationally board certified teacher.

19 (d) The high needs and rural factor is determined by
20 multiplying the following applicable amounts by the average of the
21 point value assigned to each student at a district campus under
22 Subsection (e):

23 (1) \$6,000 [~~\$5,000~~] for each master teacher;

24 (2) \$4,000 [~~\$3,000~~] for each exemplary teacher; ~~and~~

25 (3) \$2,500 [~~\$1,500~~] for each recognized teacher; and

26 (4) \$1,500 for each:

27 (A) acknowledged teacher; or

1 (B) nationally board certified teacher.

2 SECTION 5. Section 48.115(a), Education Code, is amended to
3 read as follows:

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

7 (1) \$20 [~~\$10~~] for each student in average daily
8 attendance, plus \$1 for each student in average daily attendance
9 per every \$50 by which the district's maximum basic allotment under
10 Section 48.051 exceeds the greater of \$6,235 or the amount equal to
11 the district's base amount, as defined by Section 48.051(a), for
12 the preceding school year [~~\$6,160~~], prorated as necessary; and

13 (2) \$30,000 [~~\$15,000~~] per campus.

14 SECTION 6. Section 48.202(a-1), Education Code, is amended
15 to read as follows:

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

19 (1) the greater of the amount of district tax revenue
20 per weighted student per cent of tax effort available to a school
21 district at the 96th percentile of wealth per weighted student or
22 the amount that results from multiplying the maximum amount of the
23 basic allotment provided under Section 48.051 for the applicable
24 school year [~~6,160, or the greater amount provided under Section~~
25 ~~48.051(b), if applicable,~~] by 0.016, for the first eight cents by
26 which the district's maintenance and operations tax rate exceeds
27 the district's tier one tax rate; and

1 (2) subject to Subsection (f), the amount that results
2 from multiplying the maximum amount of the basic allotment provided
3 under Section 48.051 for the applicable school year [~~\$6,160, or the~~
4 ~~greater amount provided under Section 48.051(b), if applicable,~~] by
5 0.008, for the district's maintenance and operations tax effort
6 that exceeds the amount of tax effort described by Subdivision (1).

7 SECTION 7. Sections 48.277(c-1), (d), and (e), Education
8 Code, are amended to read as follows:

9 (c-1) Notwithstanding any other provision of this chapter,
10 beginning with the 2024-2025 [~~2021-2022~~] school year, if the total
11 amount of allotments to which school districts and open-enrollment
12 charter schools are entitled under this section for a school year
13 exceeds \$65 [~~\$400~~] million, the commissioner shall proportionately
14 reduce each district's or school's allotment under this
15 section. The reduction in the amount to which a district or school
16 is entitled under this section may not result in an amount that is
17 less than zero.

18 (d) A school district or open-enrollment charter school is
19 not entitled to an allotment under Subsection (a) beginning with
20 the 2025-2026 [~~2024-2025~~] school year.

21 (e) This section expires September 1, 2026 [~~2025~~].

22 SECTION 8. Subchapter G, Chapter 48, Education Code, is
23 amended by adding Sections 48.310 and 48.311 to read as follows:

24 Sec. 48.310. TEACHER RETENTION ALLOTMENT. (a) In this
25 section, "classroom teacher" has the meaning assigned by Section
26 5.001, except that the term also includes a person who is not
27 required to hold a certificate issued under Subchapter B, Chapter

1 21, who otherwise meets the definition of a classroom teacher under
2 that section.

3 (b) A school district is entitled to an annual allotment for
4 each classroom teacher employed by the district in the school year
5 for which the allotment is provided as follows:

6 (1) if the district has 5,000 or fewer students
7 enrolled for that school year, \$10,000 per classroom teacher; and

8 (2) if the district has more than 5,000 students
9 enrolled for that school year, \$3,000 per classroom teacher.

10 (b-1) In addition to the amount under Subsection (b)(2), a
11 school district described by that subdivision is entitled to an
12 allotment in the amount equal to \$7,000 multiplied by the result of
13 dividing 5,000 by 14.5 if the school district received an allotment
14 in a previous school year under:

15 (1) Subsection (b)(1); or

16 (2) Section 48.311(b)(1), as that section existed on
17 the date it was enacted.

18 (c) For the 2024-2025 school year, a school district shall
19 use money received under Subsection (b) to increase the salary
20 provided to each classroom teacher in the district for that year
21 over the salary the teacher received or would have received if
22 employed by the district in the 2023-2024 school year by at least
23 the amount received per classroom teacher under Subsection (b).

24 (d) For the 2025-2026 and each subsequent school year, a
25 school district shall use money received under Subsection (b) to
26 maintain the salary increases for classroom teachers provided under
27 Subsection (c). Any additional funding generated for a school

1 district under this section may only be used for the compensation of
2 classroom teachers employed by the district.

3 (e) Notwithstanding any other law, the commissioner shall
4 exclude the funding to which a school district is entitled under
5 this section for purposes of:

6 (1) determining the amount by which the district must
7 reduce the district's tier one revenue level under Section 48.257;
8 and

9 (2) calculating a school district's maintenance and
10 operations revenue under Section 48.277(a).

11 Sec. 48.311. TEACHER RETENTION BONUS FOR 2023-2024 SCHOOL
12 YEAR. (a) In this section, "classroom teacher" has the meaning
13 assigned by Section 48.310.

14 (b) A school district is entitled to a one-time payment for
15 each classroom teacher employed by the district during the
16 2023-2024 school year in the following amount:

17 (1) if the district has 5,000 or fewer students
18 enrolled for that school year, \$10,000 per classroom teacher; and

19 (2) if the district has more than 5,000 students
20 enrolled for that school year, \$3,000 per classroom teacher.

21 (c) A school district shall use money received under
22 Subsection (b) to provide a bonus payment in the amount received per
23 classroom teacher under Subsection (b) to each classroom teacher in
24 the district as part of the teacher's salary payment for December
25 2023, if feasible, and if not feasible, then the district shall
26 provide the bonus payment as part of the teacher's salary payment
27 for the first month in which it is feasible. The bonus payment made

1 under this subsection is in addition to the salary and wages to
2 which the classroom teacher is otherwise entitled for the 2023-2024
3 school year.

4 (d) Notwithstanding any other law, the commissioner shall
5 exclude the funding to which a school district is entitled under
6 this section for purposes of:

7 (1) determining the amount by which the district must
8 reduce the district's tier one revenue level under Section 48.257;
9 and

10 (2) calculating a school district's maintenance and
11 operations revenue under Section 48.277(a).

12 (e) A bonus payment made under this section is included in
13 salary and wages for service for purposes of Section 822.201,
14 Government Code.

15 (f) This section expires September 1, 2024.

16 SECTION 9. Section 822.201(b), Government Code, is amended
17 to read as follows:

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

19 (1) normal periodic payments of money for service the
20 right to which accrues on a regular basis in proportion to the
21 service performed;

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

24 (3) amounts that would otherwise qualify as salary and
25 wages under Subdivision (1) but are not received directly by the
26 member pursuant to a good faith, voluntary written salary reduction
27 agreement in order to finance payments to a deferred compensation

1 or tax sheltered annuity program specifically authorized by state
2 law or to finance benefit options under a cafeteria plan qualifying
3 under Section 125 of the Internal Revenue Code of 1986, if:

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

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

10 (4) performance pay awarded to an employee by a school
11 district as part of a total compensation plan approved by the board
12 of trustees of the district and meeting the requirements of
13 Subsection (e);

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

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

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

21 (8) a merit salary increase made under Section 51.962,
22 Education Code;

23 (9) amounts received under the relevant parts of the
24 educator excellence awards program under Subchapter O, Chapter 21,
25 Education Code, or a mentoring program under Section 21.458,
26 Education Code, that authorize compensation for service;

27 (10) salary amounts designated as health care

1 supplementation by an employee under Subchapter D, Chapter 22,
2 Education Code;

3 (11) to the extent required by Sections 3401(h) and
4 414(u)(12), Internal Revenue Code of 1986, differential wage
5 payments received by an individual from an employer on or after
6 January 1, 2009, while the individual is performing qualified
7 military service as defined by Section 414(u), Internal Revenue
8 Code of 1986; ~~and~~

9 (12) increased compensation paid to a teacher by a
10 school district using funds received by the district under the
11 teacher incentive allotment under Section 48.112, Education Code;
12 and

13 (13) any increase in the payment of money made to a
14 classroom teacher by a school district from funds allotted to the
15 district under Section 48.310, Education Code.

16 SECTION 10. Section 18.78, Article IX, Chapter 1170 (H.B.
17 1), Acts of the 88th Legislature, Regular Session, 2023 (the
18 General Appropriations Act), is amended by adding Subsection (m) to
19 read as follows:

20 (m) In addition to amounts appropriated elsewhere in this
21 Act, TEA is appropriated \$1,196,500,000 from general revenue to
22 implement the provisions of .B. , 88th Legislature, 4th Called
23 Session, 2023. From the amount appropriated under this subsection,
24 not more than:

25 (1) \$400,000,000 may also be used for school safety
26 and related purposes; and

27 (2) \$796,500,000 may also be used for financial and

1 other assistance to public school educators and the public school
2 finance system.

3 SECTION 11. Sections 48.051(c), (c-1), (c-2), and (d),
4 Education Code, are repealed.

5 SECTION 12. A bonus payment made to a classroom teacher, as
6 defined by Section 48.310, Education Code, as added by this Act, by
7 a school district with money received by the district under Section
8 48.311, Education Code, as added by this Act, as that section
9 existed prior to its expiration, shall be included in salary and
10 wages for service for purposes of Section 822.201, Government Code,
11 as amended by this Act, regardless of the date the payment was made.

12 SECTION 13. Immediately following the effective date of
13 this Act, a school district or open-enrollment charter school shall
14 redesignate a teacher who holds a designation made under Section
15 21.3521, Education Code, before the effective date of this Act, to
16 reflect the teacher's designation under Section 21.3521, Education
17 Code, as amended by this Act. Funding provided to a school district
18 under Section 48.112, Education Code, for a teacher who held a
19 designation made under Section 21.3521, Education Code, as that
20 section existed immediately before the effective date of this Act,
21 shall be increased to reflect the teacher's redesignation under
22 Section 21.3521, Education Code, as amended by this Act.

23 SECTION 14. (a) Except as provided by Subsection (b) of
24 this section, this Act applies beginning with the 2023-2024 school
25 year.

26 (b) Sections 48.277(c-1), (d), and (e), Education Code, as
27 amended by this Act, and Section 48.310, Education Code, as added by

1 this Act, apply beginning with the 2024-2025 school year.

2 SECTION 15. (a) Except as provided by Subsection (b) of this
3 section, this Act takes effect immediately if it receives a vote of
4 two-thirds of all the members elected to each house, as provided by
5 Section 39, Article III, Texas Constitution. If this Act does not
6 receive the vote necessary for immediate effect, this Act takes
7 effect on the 91st day after the last day of the legislative
8 session.

9 (b) Sections 48.277(c-1), (d), and (e), Education Code, as
10 amended by this Act, take effect September 1, 2024.