

By: Miles

S.B. No. 1410

A BILL TO BE ENTITLED

AN ACT

relating to state funding for school districts to which an academically unacceptable school district is annexed.

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

SECTION 1. Section 13.054, Education Code, is amended by amending Subsection (f) and adding Subsections (i-1), (i-2), (i-3), and (i-4) to read as follows:

(f) For five years beginning with the school year in which the annexation occurs, a school district shall receive additional funding under this subsection or Subsection (h). The amount of funding shall be determined by multiplying the lesser of the enlarged district's local fund assignment computed under Section 48.256 or the enlarged district's total cost of tier one by a fraction, the numerator of which is the number of students residing in the territory annexed to the receiving district preceding the date of the annexation and the denominator of which is the number of students residing in the district as enlarged on the date of the annexation, and multiplying the resulting product by the quotient of the enlarged district's maximum compressed tax rate, as determined under Section 48.2551, for the current school year divided by the receiving district's maximum compressed tax rate, as determined under Section 48.2551, for the year in which the annexation occurred. The commissioner shall provide the funding under this subsection from funds appropriated for purposes of the

1 Foundation School Program. A determination by the commissioner
2 under this subsection is final and may not be appealed.

3 (i-1) Notwithstanding any other law, a school district is
4 entitled to funding under this section for an annexation that
5 occurs on or after June 1, 2013.

6 (i-2) For each school district entitled to funding under
7 this section as provided by Subsection (i-1) that, as of September
8 1, 2023, has not received the full amount of funding to which the
9 district would have been entitled under this section if that
10 subsection had been in effect since June 1, 2013, the commissioner
11 shall:

12 (1) determine the difference between:

13 (A) the amount of funding to which the district
14 would have been entitled under this section if Subsection (i-1) had
15 been in effect since June 1, 2013; and

16 (B) the amount of funding the district has
17 received under this section; and

18 (2) provide the amount determined under Subdivision
19 (1) to the district in the form of:

20 (A) a lump sum; or

21 (B) equal annual installments over a period not
22 to exceed three years.

23 (i-3) Each school district that receives funding under
24 Subsection (i-2) for any year shall submit to the commissioner in
25 the form and manner provided by commissioner rule a report on the
26 district's use of the funding for that year.

27 (i-4) This subsection and Subsections (i-2) and (i-3)

1 expire September 1, 2027.

2 SECTION 2. This Act takes effect September 1, 2023.