

By: Buckley, Bernal

H.B. No. 2

Substitute the following for H.B. No. 2:

By: Buckley

C.S.H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to public education and public school finance.

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

ARTICLE 1. CHANGES RELATED TO PUBLIC EDUCATION AND PUBLIC SCHOOL
FINANCE

SECTION 1.01. Section 12.1058(d), Education Code, is amended to read as follows:

(d) A political subdivision shall consider an open-enrollment charter school a school district for purposes of zoning, project permitting, platting and replatting processes, business licensing, franchises, utility services, signage, subdivision regulation, property development projects, the requirements for posting bonds or securities, contract requirements, land development standards as provided by Section 212.902, Local Government Code, tree and vegetation regulations, regulations of architectural features of a structure, construction of fences, landscaping, garbage disposal, noise levels, fees or other assessments, and construction or site development work ~~[if the charter school provides to the political subdivision the certification described by Subsection (e)]~~.

SECTION 1.02. Section 12.106, Education Code, is amended by amending Subsections (a), (a-2), (d), (e), and (f) and adding Subsection (e-1) to read as follows:

(a) A charter holder is entitled to receive for the

open-enrollment charter school funding under Chapter 48 equal to the amount of funding per student in weighted average daily attendance to which the charter holder would be entitled for the school under that chapter if the school were a school district without a tier one local share for purposes of Section 48.266, excluding:

(1) the adjustment under Section 48.052;

(2) ~~the~~ funding under Sections 48.101 and ~~48.110,~~ 48.111; ~~and 48.112,~~ and

(3) enrichment funding under Section 48.202(a) ~~to which the charter holder would be entitled for the school under Chapter 48 if the school were a school district without a tier one local share for purposes of Section 48.266].~~

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

(1) the product of:

(A) the quotient of:

(i) the total amount of funding provided to eligible school districts under Section 48.101(b) or (c); and

(ii) the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(B) the sum of one and the quotient of:

(i) the total number of students in average daily attendance in school districts that receive an allotment

under Section 48.101(b) or (c); and

(ii) the total number of students in average daily attendance in school districts statewide; and

(2) \$700 [~~\$125~~].

(d) Subject to Subsections [~~Subsection~~] (e) and (e-1), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, an annual allotment [~~funding~~] per student in average daily attendance [~~in an amount~~] equal to [~~the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by~~] the lesser of:

(1) the state average interest and sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a); or

(2) the maximum amount of the basic allotment provided under Section 48.051 for the applicable school year multiplied by 0.07 [~~a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million~~].

(e) A charter holder is entitled to receive funding under Subsection (d) for an open-enrollment charter school only if:

(1) the [~~most recent~~] overall performance ratings [~~rating~~] assigned to the open-enrollment charter school under Subchapters [~~Subchapter~~] C and D, Chapter 39, for the two preceding school years reflect [~~reflects~~] at least acceptable performance;

(2) for an open-enrollment charter school that has not

1 been assigned performance ratings under both Subchapters C and D,
2 Chapter 39, the overall performance rating assigned to the school
3 for the two preceding school years under either of those
4 subchapters reflects at least acceptable performance; or

5 (3) the~~[. This subsection does not apply to a]~~ charter
6 holder ~~[that]~~ operates a school program located at a day treatment
7 facility, residential treatment facility, psychiatric hospital, or
8 medical hospital.

9 (e-1) A charter holder is entitled to receive funding under
10 Subsection (d) for an open-enrollment charter school only if the
11 governing body of the school annually certifies in writing to the
12 agency that no administrator, officer, or employee of the school
13 and no member of the governing body of the school or its charter
14 holder derives any personal financial benefit from a real estate
15 transaction with the school.

16 (f) Funds received by a charter holder under Subsection (d):

17 (1) notwithstanding any other law, may not be used to
18 pay a salary, bonus, stipend, or any other form of compensation to a
19 school superintendent or administrator serving as educational
20 leader and chief executive officer of the school; and

21 (2) may only be used:

22 (A) ~~[(1)]~~ to lease an instructional facility;

23 (B) ~~[(2)]~~ to pay property taxes imposed on an
24 instructional facility;

25 (C) ~~[(3)]~~ to pay debt service on bonds issued for
26 a purpose for which a school district is authorized to issue bonds
27 under Section 45.001(a)(1) or to pay for a purchase for which a

school district is authorized to issue bonds under that section ~~[to~~
~~finance an instructional facility]~~; or

(D) ~~[(4)]~~ for any other purpose related to the
purchase, lease, sale, acquisition, or maintenance of an
instructional facility.

SECTION 1.03. Section 12.156(a), Education Code, is amended
to read as follows:

(a) Except as otherwise provided by this subchapter,
Subchapter D, including Section 12.106(d), applies to a college or
university charter school or junior college charter school as
though the college or university charter school or junior college
charter school, as applicable, were granted a charter under that
subchapter.

SECTION 1.04. Section 12.263, Education Code, is amended by
adding Subsection (a-1) to read as follows:

(a-1) An eligible entity granted a charter under this
subchapter is entitled to receive an allotment under Section
12.106(d) for the adult education program only if:

(1) the overall performance rating assigned to the
adult education program under the applicable accountability
framework adopted under Section 12.262 for the two preceding school
years reflects at least acceptable performance; or

(2) for an adult education program that has not been
assigned a performance rating under the applicable accountability
framework adopted under Section 12.262, the overall performance
ratings assigned to the program under Subchapters C and D, Chapter
39, for the two preceding school years reflect at least acceptable

1 performance.

2 SECTION 1.05. Section 21.3521, Education Code, is amended
3 by amending Subsections (a), (c), and (e) and adding Subsections
4 (d-1), (d-2), and (d-3) to read as follows:

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

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

15 (d-1) Each school year, the commissioner shall, using
16 criteria developed by the commissioner, designate as enhanced
17 teacher incentive allotment public schools school districts and
18 open-enrollment charter schools that implement comprehensive
19 school evaluation and support systems. The criteria developed by
20 the commissioner must require a district or school to:

21 (1) for principals and assistant principals,
22 implement:

23 (A) a strategic evaluations system aligned with
24 the district's or school's teacher designation system; and

25 (B) a compensation system based on performance;

26 (2) ensure that under the school district's or
27 open-enrollment charter school's teacher designation system

substantially all classroom teachers, regardless of the grade level or subject area to which the teacher is assigned, are eligible to earn a designation under Subsection (a);

(3) implement for all classroom teachers a compensation plan based on performance that:

(A) uses a salary schedule that is based on differentiation among classroom teacher appraisals as permitted under this section; and

(B) does not include across-the-board salary increases for classroom teachers except for periodic changes to the district's or school's salary schedule to adjust for significant inflation; and

(4) implement a locally designed plan to place highly effective teachers at high needs campuses and in accordance with Section [28.0062\(a\)\(3\)](#).

(d-2) The commissioner may remove a school district's or open-enrollment charter school's designation under Subsection (d-1) if the commissioner determines the district or school no longer meets the criteria for the designation.

(d-3) Not later than September 1 of each year, the commissioner shall post on the agency's Internet website a list of the school districts and open-enrollment charter schools designated as enhanced teacher incentive allotment public schools under Subsection (d-1).

(e) The agency shall use contracted services to develop and provide technical assistance for school districts and open-enrollment charter schools that request assistance in:

- 1 (1) earning a designation under Subsection (d-1); or
2 (2) implementing a local optional teacher designation
3 system, including:
4 (A) providing assistance in prioritizing high
5 needs campuses;
6 (B) providing examples or models of local
7 optional teacher designation systems to reduce the time required
8 for a district or school to implement a teacher designation system;
9 (C) establishing partnerships between districts
10 and schools that request assistance and districts and schools that
11 have implemented a teacher designation system;
12 (D) applying the performance and validity
13 standards established by the commissioner under Subsection (b);
14 (E) providing centralized support for the
15 analysis of the results of assessment instruments administered to
16 district or school students; and
17 (F) facilitating effective communication on and
18 promotion of local optional teacher designation systems.

19 SECTION 1.06. Subchapter H, Chapter 21, Education Code, is
20 amended by adding Section 21.3522 to read as follows:

21 Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM
22 GRANT PROGRAM. (a) From money appropriated or otherwise available
23 for the purpose, the agency shall establish and administer a grant
24 program to provide money and technical assistance to:

- 25 (1) expand and support ongoing implementation of local
26 optional teacher designation systems under Section 21.3521;
27 (2) increase the number of classroom teachers eligible

1 for a designation under that section; and

2 (3) increase the salaries paid to classroom teachers
3 employed by school districts or open-enrollment charter schools
4 that have established or are seeking to establish a designation
5 system under that section.

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

7 (1) meet the needs of individual school districts or
8 open-enrollment charter schools; and

9 (2) enable regional leadership capacity.

10 (c) The commissioner may adopt rules as necessary to
11 implement this section.

12 SECTION 1.07. Subchapter C, Chapter 25, Education Code, is
13 amended by adding Section 25.0816 to read as follows:

14 Sec. 25.0816. ADDITIONAL DAYS SCHOOL YEAR PLANNING GRANT
15 PROGRAM. (a) From money appropriated or otherwise available for
16 the purpose, the agency shall establish and administer a grant
17 program to provide funding and technical assistance to school
18 districts and open-enrollment charter schools to plan the school
19 year and adjust operations as necessary to qualify for the
20 incentive funding under Section 48.0051.

21 (b) In awarding grants under the program, the agency shall
22 prioritize school districts and open-enrollment charter schools
23 that seek to maximize incentive funding under Section 48.0051.

24 (c) The agency may solicit and accept gifts, grants, and
25 donations for purposes of this section.

26 SECTION 1.08. Section 28.0211(a-1), Education Code, is
27 amended to read as follows:

(a-1) Each time a student fails to perform satisfactorily on an assessment instrument administered under Section 39.023(a) or (1) in the third, fourth, fifth, sixth, seventh, or eighth grade or an end-of-course assessment instrument administered under Section 39.023(c), other than an assessment instrument developed or adopted based on alternative academic achievement standards, the school district in which the student attends school shall provide to the student accelerated instruction in the applicable subject area during the subsequent summer or school year and, subject to Subsections (a-7) and (a-8), either:

(1) allow the student to be assigned a classroom teacher who has earned a designation ~~[is certified as a master, exemplary, or recognized teacher]~~ under Section 21.3521 for the subsequent school year in the applicable subject area; or

(2) provide the student supplemental instruction under Subsection (a-4).

SECTION 1.09. Section 29.153, Education Code, is amended by adding Subsections (b-1) and (h) to read as follows:

(b-1) Notwithstanding Subsection (b), any child who is at least three years of age is eligible for enrollment in a prekindergarten class under this section if:

(1) the class is provided through a partnership between a school district or open-enrollment charter school and a community-based child-care provider described by Subsection (g); and

(2) the child receives subsidized child-care services provided through the child-care services program administered by

1 the Texas Workforce Commission.

2 (h) Notwithstanding any other law, a facility or location at
3 which prekindergarten classes are provided by a school district or
4 open-enrollment charter school in partnership with a private entity
5 under this section:

6 (1) must comply with any municipal ordinance
7 applicable to the operation of a private prekindergarten program;
8 and

9 (2) may not be required to comply with any municipal
10 ordinance applicable to the operation of a prekindergarten program
11 by a school district or open-enrollment charter school.

12 SECTION 1.10. Section 29.934, Education Code, is amended by
13 amending Subsections (b) and (d) and adding Subsection (d-1) to
14 read as follows:

15 (b) To apply to be designated as a resource campus under
16 this section, the campus must have received an overall performance
17 rating under Section 39.054 of D or F, or an overall performance
18 rating under Section 39.054(a-4)(1) or 39.0546 of "Not Rated," for
19 three [four] years over a 10-year period of time.

20 (d) To be designated as a resource campus, the campus must:

21 (1) implement a targeted improvement plan as described
22 by Chapter 39A and establish a school community partnership team;

23 (2) adopt an accelerated campus excellence turnaround
24 plan as provided by Section 39A.105(b) [~~except that a classroom~~
25 ~~teacher who satisfies the requirements for demonstrated~~
26 ~~instructional effectiveness under Section 39A.105(b)(3) must also~~
27 ~~hold a current designation assigned under Section 21.3521];~~

(3) be in a school district that has adopted an approved local optional teacher designation system under Section 21.3521;

(4) satisfy certain staff criteria by:

(A) requiring a principal or teacher employed at the campus before the designation to apply for a position to continue at the campus;

(B) for a subject in the foundation curriculum under Section 28.002(a)(1):

(i) employing only teachers who have at least two [~~three~~] years of teaching experience; and

(ii) ensuring that at least 50 percent of teachers hold a current designation assigned under Section 21.3521;

(C) employing at least one school counselor for every 300 students; and

(D) employing at least one appropriately licensed professional to assist with the social and emotional needs of students and staff, who must be a:

(i) family and community liaison;

(ii) clinical social worker;

(iii) specialist in school psychology; or

(iv) professional counselor;

(5) implement a positive behavior program as provided by Section 37.0013;

(6) implement a family engagement plan as described by Section 29.168;

(7) develop and implement a plan to use high quality

1 instructional materials;

2 (8) if the campus is an elementary or middle school
3 campus, operate the campus for a school year that qualifies for
4 funding under Section 48.0051; and

5 (9) annually submit to the commissioner data and
6 information required by the commissioner to assess fidelity of
7 implementation.

8 (d-1) The commissioner may grant to a campus requesting to
9 be designated as a resource campus under this section a one-year
10 waiver from the requirement under Subsection (d)(4)(B)(ii) if the
11 campus provides substantial evidence that the campus is working
12 toward meeting the requirement.

13 SECTION 1.11. Effective September 1, 2028, Section 29.934,
14 Education Code, is amended by amending Subsection (b) and adding
15 Subsection (b-1) to read as follows:

16 (b) To apply to be designated as a resource campus under
17 this section, the campus must have received an overall performance
18 rating under Section 39.054 of D or F, or an overall performance
19 rating under Section 39.054(a-4)(1) of "Not Rated," for three
20 ~~[four]~~ years over a 10-year period of time.

21 (b-1) Notwithstanding Subsection (b), a campus may apply to
22 be designated as a resource campus under this section if the campus
23 received an overall performance rating under Section 39.054 of D or
24 F, or an overall performance rating under Section 39.054(a-4)(1) or
25 former Section 39.0546 of "Not Rated," for three years over a
26 10-year period of time. This subsection expires September 1, 2033.

27 SECTION 1.12. Subchapter 2, Chapter 29, Education Code, is

amended by adding Sections 29.940 and 29.941 to read as follows:

Sec. 29.940. FEDERAL GRANT ADMINISTRATION. For a federal grant program under which the agency oversees and administers services to nonpublic schools, the agency shall follow federal disposition rules and procedures to dispose of equipment or supplies that are unused or no longer needed and were previously allocated to nonpublic schools participating in the grant program.

Sec. 29.941. GRANT PROGRAM TO PROMOTE PARENTAL ENGAGEMENT.

(a) From money appropriated or otherwise available for the purpose, the commissioner shall establish a grant program to provide grants to school districts and open-enrollment charter schools to assist with costs associated with operating programs or projects to encourage parental engagement in the educational success of students in the district or school, including:

(1) educational programming for parents on how to teach the parent's child how to read, including how to read with the parent's child outside of school in a manner that complements instruction;

(2) for a parent of a child identified as academically behind, educational programming on identifying and addressing the child's academic struggles;

(3) for a parent of a child enrolled in a special education program under Subchapter A, educational programming on how to prepare the child for educational success; and

(4) for a parent of a child who exhibits behavioral issues or has been subject to disciplinary measures, programs or policies to engage the parent in efforts to discipline and improve

1 the behavior of the child.

2 (b) A school district or open-enrollment charter school may
3 use money awarded under Subsection (a) to:

4 (1) pay staff working additional hours to operate a
5 program or project described by Subsection (a);

6 (2) pay for food offered at training meetings for a
7 program or project described by Subsection (a); and

8 (3) pay for educational materials provided to parents
9 related to a program or project described by Subsection (a).

10 (c) The commissioner may adopt rules as necessary to
11 implement this section.

12 SECTION 1.13. Section 46.071, Education Code, is amended by
13 adding Subsections (d-1) and (d-2) to read as follows:

14 (d-1) If the amount required to pay debt service on bonds
15 issued under Subchapter A, Chapter 45, is less than the sum of state
16 assistance provided under this chapter, including the amount of
17 additional state aid provided under this section, and the revenue
18 from the district's interest and sinking tax for a school year, the
19 commissioner shall, except as provided by Subsection (d-2), reduce
20 the amount of additional state aid provided under this section by
21 the difference between:

22 (1) the sum of state assistance provided under this
23 chapter, including the amount of additional state aid provided
24 under this section, and the revenue from the district's interest
25 and sinking tax for the school year; and

26 (2) the amount required to pay debt service on bonds
27 described by this subsection for the school year.

1 (d-2) The amount of additional state aid provided under this
2 section may not be reduced under Subsection (d-1) to an amount below
3 zero.

4 SECTION 1.14. Section 48.005, Education Code, is amended by
5 amending Subsections (a), (b), (e), and (f) and adding Subsection
6 (a-1) to read as follows:

7 (a) In this chapter, average daily attendance is:

8 (1) the quotient of the sum of attendance for each day
9 of the minimum number of days of instruction as described under
10 Section 25.081(a) divided by the minimum number of days of
11 instruction;

12 (2) for a district that operates under a flexible year
13 program under Section 29.0821, the quotient of the sum of
14 attendance for each actual day of instruction as permitted by
15 Section 29.0821(b)(1) divided by the number of actual days of
16 instruction as permitted by Section 29.0821(b)(1);

17 (3) for a district that operates under a flexible
18 school day program under Section 29.0822, the average daily
19 attendance as calculated by the commissioner in accordance with
20 Sections 29.0822(d) and (d-1); or

21 (4) except as provided by Subsection (a-1), for a
22 district that operates a half-day program or a full-day program
23 under Section 29.153(c), one-half of the average daily attendance
24 calculated under Subdivision (1).

25 (a-1) Average daily attendance is calculated under
26 Subsection (a)(1) for students:

27 (1) enrolled in a half-day program or full-day program

1 under Section 29.153(c) provided by an eligible private provider
2 under Section 29.171; and

3 (2) assigned to a campus:

4 (A) that is operated under a contract entered
5 into by the district with an entity under Section 11.174 or an
6 eligible private provider under Section 29.171; or

7 (B) of an open-enrollment charter school that is
8 operated by an entity governed by a management contract approved by
9 the agency.

10 (b) A school district that experiences a decline of more
11 than five [~~two~~] percent [~~or more~~] in average daily attendance shall
12 be funded on the basis of [~~+~~

13 [~~(1) the actual average daily attendance of the~~
14 ~~preceding school year, if the decline is the result of the closing~~
15 ~~or reduction in personnel of a military base; or~~

16 [~~(2) subject to Subsection (e),~~] an average daily
17 attendance of 95 [~~not to exceed 98~~] percent of the actual average
18 daily attendance of the preceding school year [~~, if the decline is~~
19 ~~not the result of the closing or reduction in personnel of a~~
20 ~~military base]~~.

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

25 (1) all districts are funded on the basis of the same
26 percentage of the preceding year's actual average daily attendance;
27 and

(2) the total cost to the state does not exceed \$50 million, or a greater amount provided by appropriation ~~[the amount specifically appropriated for that year for purposes of Subsection (b)(2)]~~.

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

SECTION 1.15. Section 48.0051, Education Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (b-1) to read as follows:

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

(1) provides the minimum number of minutes of operational and instructional time required under Section 25.081 and commissioner rules adopted under that section over at least 175 ~~[180]~~ days of instruction; and

(2) offers an additional 30 days of half-day instruction for students enrolled in prekindergarten through eighth ~~[fifth]~~ grade.

(b) Subject to Subsection (b-1), for ~~[For]~~ a school district or open-enrollment charter school described by Subsection (a), the commissioner shall increase the average daily attendance of the district or school under Section 48.005 by the amount that results from the quotient of the sum of attendance by students described by Subsection (a)(2) for each of the 30 additional instructional days of half-day instruction that are provided divided by 175 ~~[180]~~.

1 (b-1) For a school district or open-enrollment charter
2 school described by Subsection (a) that provides at least 200 full
3 days of instruction to students described by Subsection (a)(2), the
4 commissioner shall increase the amount computed for the district or
5 school under Subsection (b) by 50 percent.

6 (d) This section does not prohibit a school district from
7 providing the minimum number of minutes of operational and
8 instructional time required under Section 25.081 and commissioner
9 rules adopted under that section over fewer than 175 ~~[180]~~ days of
10 instruction.

11 SECTION 1.16. Subchapter A, Chapter 48, Education Code, is
12 amended by adding Section 48.014 to read as follows:

13 Sec. 48.014. NOTICE FOR SCHOOL DISTRICTS REGARDING RECOURSE
14 FOR INVALID PROPERTY VALUES. (a) This section applies only to a
15 school district located in an appraisal district in which the
16 comptroller has certified the preliminary findings of the school
17 district property value study under Section 403.302(g), Government
18 Code, and determined that a school district located in the
19 appraisal district has an invalid local value, regardless of
20 whether the district meets the definition of an eligible school
21 district under Section 403.3011, Government Code.

22 (b) For each school district to which this section applies
23 and as soon as practicable after the comptroller has certified the
24 preliminary findings of the school district property value study
25 under Section 403.302(g), Government Code, the commissioner shall
26 provide notice to the board of trustees of the district that
27 includes information regarding the impact or possible impact of a

final certification of an invalid local value on the district's
finances, including:

(1) an estimate of the effect on the district's
finances; and

(2) any right of recourse available to the district.

(c) Each school district shall annually report to the agency
contact information for the members of the district's board of
trustees for purposes of receiving the notice under this section.

(d) The commissioner shall coordinate with the comptroller
to provide copies of the notice under this section to the board of
directors of each applicable appraisal district.

SECTION 1.17. Section 48.051, Education Code, is amended by
amending Subsections (a), (c), and (c-1) and adding Subsection
(c-3) to read as follows:

(a) For each student in average daily attendance, not
including the time students spend each day in career and technology
education programs or in special education programs in a setting
~~[an instructional arrangement]~~ other than a general education
setting ~~[mainstream or career and technology education programs]~~,
for which an additional allotment is made under Subchapter C, a
school district is entitled to an allotment equal to the lesser of
the amounts that result from the following formulas:

(1) $A = \$6,500 + \text{GYIA}$; [~~\$6,160~~] or [~~the amount that~~
~~results from the following formula:~~]

(2) $A = (\$6,500 + \text{GYIA})$ [~~\$6,160~~] X TR/MCR

where:

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

1 "GYIA" is the guaranteed yield increment adjustment
2 determined under Section 48.2561;

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

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

7 (c) During any school year for which the maximum amount of
8 the basic allotment provided under Subsection (a) or (b) is greater
9 than the maximum amount provided for the preceding school year, a
10 school district must use at least 40 ~~[30]~~ percent of the amount, if
11 the amount is greater than zero, that equals the product of the
12 average daily attendance of the district multiplied by the amount
13 of the difference between the district's funding under this chapter
14 per student in average daily attendance for the current school year
15 and the preceding school year to provide compensation increases to
16 full-time district employees other than administrators as follows:

17 (1) 75 percent must be used to increase the salary
18 ~~[compensation]~~ paid to classroom teachers, ~~[full-time librarians,~~
19 ~~full-time school counselors certified under Subchapter B, Chapter~~
20 ~~21, and full-time school nurses,~~ prioritizing higher salary
21 increases ~~[differentiated compensation]~~ for classroom teachers in
22 the following order:

23 (A) classroom teachers with 10 or more years of
24 experience; and

25 (B) classroom teachers with ~~[more than]~~ five or
26 more years of experience; and

27 (2) 25 percent may be used as determined by the

district to increase compensation paid to full-time district employees.

(c-1) A school district employee who received a salary increase under Subsection (c) ~~[from a school district for the 2019-2020 school year]~~ is, as long as the employee remains employed by the same district and the district is receiving at least the same amount of funding as the amount of funding the district received for the ~~[2019-2020]~~ school year in which the requirement under Subsection (c) applied, entitled to salary that is at least equal to the salary the employee received for the preceding ~~[2019-2020]~~ school year. This subsection does not apply if:

(1) the board of trustees of the school district at which the employee is employed:

(A) ~~[(1)]~~ complies with Sections 21.4021, 21.4022, and 21.4032 in reducing the employee's salary; and

(B) ~~[(2)]~~ has adopted a resolution declaring a financial exigency for the district under Section 44.011; or

(2) the school district evaluates the employee's performance and the employee's performance rating is lower than the employee's performance rating during the school year in which the requirement under Subsection (c) applied.

(c-3) A school district must ensure that the salary increases provided under Subsection (c)(1) provide for:

(1) a difference of at least 40 percent between the average salary schedule increase provided to a classroom teacher described by Subsection (c)(1)(A) and a classroom teacher described by Subsection (c)(1)(B); or

1 (2) an increase based on performance in accordance
2 with the district's compensation plan implemented under Section
3 21.3521(d-1)(3).

4 SECTION 1.18. 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 daily attendance;

11 (2) "ADA" is the number of students in average daily
12 attendance for which the district is entitled to an allotment under
13 Section 48.051, other than students in average daily attendance who
14 do not reside in the district and are enrolled in a full-time
15 virtual program; and

16 (3) "BA" is the basic allotment determined under
17 Section 48.051.

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

22
$$AA = ((1,600 - ADA) \times \underline{.00057} [\underline{.0004}]) \times BA$$

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

(1) the formula in Subsection (b), if the district is eligible for that formula; or

(2) $AA = ((5,000 - ADA) \times \underline{.00003} [\underline{.000025}]) \times BA$.

(d) Instead of the allotment under Subsection (b) or (c)(1), a school district that has fewer than 300 students in average daily attendance and is the only school district located in and operating in a county is entitled to an annual allotment for each student in average daily attendance based on the following formula:

$AA = ((1,600 - ADA) \times \underline{.0006} [\underline{.00047}]) \times BA$

SECTION 1.19. Sections 48.104(a), (d), and (e), Education Code, are amended to read as follows:

(a) For each student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student is educationally disadvantaged, 0.28 [~~0.275~~]. For each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant, a district is entitled to an annual allotment equal to the basic allotment multiplied by 2.41.

(d) The weights assigned to the five tiers of the index established under Subsection (c) are, from least to most severe economic disadvantage, 0.23 [~~0.225~~], 0.2425 [~~0.2375~~], 0.255 [~~0.25~~], 0.2675 [~~0.2625~~], and 0.28 [~~0.275~~].

(e) If insufficient data is available for any school year to evaluate the level of economic disadvantage in a census block group, a school district is entitled to an annual allotment equal to

the basic allotment multiplied by 0.23 [~~0.225~~] for each student who is educationally disadvantaged and resides in that census block group.

SECTION 1.20. Section 48.105(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the basic allotment multiplied by:

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

(A) 0.12 [~~0.1~~]; or

(B) 0.17 [~~0.15~~] if the student is in a bilingual education program using a dual language immersion/one-way or two-way program model; and

(2) for a student not described by Subdivision (1), 0.07 [~~0.05~~] if the student is in a bilingual education program using a dual language immersion/two-way program model.

SECTION 1.21. Section 48.108(a), Education Code, is amended to read as follows:

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

(1) educationally disadvantaged; or

(2) an emergent bilingual student, as defined by Section 29.052, and is in a bilingual education or special language

1 program under Subchapter B, Chapter 29.

2 SECTION 1.22. Section 48.112, Education Code, is amended by
3 amending Subsections (c), (d), and (i) and adding Subsection (g-1)
4 to read as follows:

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

10 (1) \$12,000, or an increased amount not to exceed
11 \$36,000 [~~\$32,000~~] as determined under Subsection (d), for each
12 master teacher;

13 (2) \$9,000 [~~\$6,000~~], or an increased amount not to
14 exceed \$25,000 [~~\$18,000~~] as determined under Subsection (d), for
15 each exemplary teacher; ~~and~~

16 (3) \$5,000 [~~\$3,000~~], or an increased amount not to
17 exceed \$15,000 [~~\$9,000~~] as determined under Subsection (d), for
18 each recognized teacher; and

19 (4) \$3,000, or an increased amount not to exceed
20 \$9,000 as determined under Subsection (d), for each:

21 (A) acknowledged teacher; or

22 (B) nationally board certified teacher.

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

27 (1) \$6,000 [~~\$5,000~~] for each master teacher;

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

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

(4) \$1,500 for each:

(A) acknowledged teacher; or

(B) nationally board certified teacher.

(g-1) For a district that is designated as an enhanced teacher incentive allotment public school under Section 21.3521(d-1), the commissioner shall increase the amount to which the district is entitled under this section by multiplying that amount by 1.1.

(i) A district shall annually certify that:

(1) funds received under this section were used as follows:

(A) at least 90 percent of each allotment received under Subsection (c) was used for the compensation of teachers employed at the campus at which the teacher for whom the district received the allotment is employed; [~~and~~]

(B) for a district whose allotment was increased under Subsection (g-1), the amount by which the allotment was increased under that subsection was used to meet the criteria to maintain a designation as an enhanced teacher incentive allotment public school under Section 21.3521(d-1); and

(C) any other funds received under this section were used for costs associated with implementing Section 21.3521, including efforts to support teachers in obtaining designations; and

(2) the district prioritized high needs campuses in

the district in using funds received under this section.

SECTION 1.23. Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.116 to read as follows:

Sec. 48.116. FINE ARTS ALLOTMENT. (a) For each student in average daily attendance enrolled in a fine arts education course approved by the agency under Subsection (b) in grades 6 through 12, a school district is entitled to an annual allotment equal to:

(1) if the student is not educationally disadvantaged, the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by 0.008; or

(2) if the student is educationally disadvantaged, the amount determined under Subdivision (1) multiplied by two.

(b) The agency shall approve fine arts education courses that qualify for the allotment provided under this section. The approved courses must include fine arts education courses that:

(1) are authorized by the State Board of Education, including music, art, theater, and dance;

(2) provide students with the knowledge and skills necessary for success in the fine arts; and

(3) require a student in full-time attendance to receive not less than 225 minutes of fine arts instruction per week.

(c) The agency shall annually publish a list of fine arts education courses approved under Subsection (b).

(d) The total amount of allotments provided under this section for a school year may not exceed \$15 million.

(e) The agency may proportionally reduce each school

district's allotment under this section if the amount appropriated for purposes of this section is insufficient to pay for all allotments to which districts are entitled under this section.

SECTION 1.24. Section 48.202(a-1), Education Code, is amended to read as follows:

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

(1) the greater of \$129.52 or an amount set by appropriation ~~[the amount of district tax revenue per weighted student per cent of tax effort available to a school district at the 96th percentile of wealth per weighted student or the amount that results from multiplying 6,160, or the greater amount provided under Section 48.051(b), if applicable, by 0.016,~~ for the first eight cents by which the district's maintenance and operations tax rate exceeds the district's tier one tax rate; and

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

SECTION 1.25. Section 48.2543, Education Code, is amended to read as follows:

Sec. 48.2543. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS ~~[HOMESTEAD EXEMPTION]. [(a) For the 2022-2023 school year, a school district is entitled to additional state aid to the extent~~

~~that state and local revenue under this chapter and Chapter 49 is less than the state and local revenue that would have been available to the district under this chapter and Chapter 49 as those chapters existed on September 1, 2021, if any increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, had not occurred.]~~

(a-1) Beginning with the 2025-2026 ~~[2023-2024]~~ school year, a school district is entitled to additional state aid to the extent that state and local revenue under this chapter, other than former Subsection (a) of this section, and Chapter 49 is less than the state and local revenue that would have been available to the district under this chapter and Chapter 49 as those chapters existed on September 1, 2022, if any of the following had not occurred:

(1) an ~~[any]~~ increase in a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, and any additional limitation on tax increases under Section 1-b(d) of that article as proposed by the 88th Legislature, 2nd Called Session, 2023;

(2) a reduction of the amount of the limitation on tax increases provided by Section 11.26(a-10), Tax Code; or

(3) a reduction in the district's maximum compressed tax rate under Section 48.2555, as added by Chapter 1 (S.B. 2), Acts of the 88th Legislature, 2nd Called Session, 2023 ~~[, had not occurred]~~.

(b) For purposes of calculating state and local revenue

under Subsection (a-1) for the applicable school year, the agency shall use the same values for formula funding adjustments that the agency used during that school year and exclude amounts provided by law that expired in a school year subsequent to the applicable school year, including the amounts provided under Sections 48.277, 48.278, 48.279, and 48.281, as those sections existed for the applicable school year. [The lesser of the school district's currently adopted maintenance and operations tax rate or the adopted maintenance and operations tax rate for:

(1) the 2021 tax year is used for the purpose of determining additional state aid under Subsection (a); and

(2) the 2022 tax year is used for the purpose of determining additional state aid under Subsection (a-1).]

SECTION 1.26. Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2561 to read as follows:

Sec. 48.2561. GUARANTEED YIELD INCREMENT ADJUSTMENT. (a) Not later than October 1 of each even-numbered year, for the subsequent state fiscal biennium, the agency shall determine the amount of the guaranteed yield increment adjustment for each state fiscal year of the biennium. The amount of the guaranteed yield increment adjustment is the difference between:

(1) the estimated cost to the state of maintaining the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 48.202(a-1)(1) at the 96th percentile of wealth per weighted student for each year of the biennium; and

(2) the state cost of maintaining the guaranteed level

of state and local funds per weighted student per cent of tax effort at the amount provided by Section 48.202(a-1)(1).

(b) Notwithstanding Subsection (a), the amount of the guaranteed yield increment adjustment for each state fiscal year of the state fiscal biennium beginning September 1, 2025, is \$55. This subsection expires September 1, 2027.

SECTION 1.27. Section 48.266, Education Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Except as provided by this subsection and subject to Subsection (b-1), the commissioner shall base the determinations under Subsection (a) on the estimates provided to the legislature under Section 48.269, or, if the General Appropriations Act provides estimates for that purpose, on the estimates provided under that Act, for each school district for each school year. The commissioner shall reduce the entitlement of each district that has a final taxable value of property for the second year of a state fiscal biennium that is higher than the estimate under Section 48.269 or the General Appropriations Act, as applicable. A reduction under this subsection may not reduce the district's entitlement below the amount to which it is entitled at its actual taxable value of property.

(b-1) Periodically throughout the school year, the commissioner shall adjust the determinations made under Subsection (a) to reflect current school year estimates of a district's enrollment and average daily attendance, based on attendance reporting for each six-week interval.

SECTION 1.28. Section 48.283, Education Code, is amended to read as follows:

Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS IMPACTED BY COMPRESSION. (a) For the 2023-2024 and 2024-2025 school years, a [A] school district that received an adjustment under Section 48.257(b) for the 2022-2023 school year is entitled to additional state aid [for each school year] in an amount equal to [the amount of that adjustment for the 2022-2023 school year less] the difference, if the difference is greater than zero, between:

(1) [the amount to which the district is entitled under this chapter for the current school year; and

[-(2)] the amount of state and local revenue that would have been available to [which] the district [would be entitled] under this chapter and Chapter 49 for the 2023-2024 or 2024-2025 [current] school year, as applicable, if the district's maximum compressed tax rate had not been reduced under Section 48.2555, as added by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023; and

(2) the amount of state and local revenue available to the district under this chapter and Chapter 49 for the 2023-2024 or 2024-2025 school year, as applicable.

(b) This section expires January 1, 2026.

SECTION 1.29. Subchapter F, Chapter 48, Education Code, is amended by adding Sections 48.2711, 48.2831, and 48.284 to read as follows:

Sec. 48.2711. ADJUSTMENT FOR LOSS OF REVENUE DUE TO USE OF STATE VALUE. (a) This section applies only to a school district:

1 (1) for which the state value for the district's
2 taxable value of property is used under Section 403.302(c),
3 Government Code; and

4 (2) in which the district's board of trustees adopts a
5 resolution during the school year recognizing the need for an
6 adjustment under this section.

7 (b) For each school district to which this section applies,
8 the agency shall determine whether the district's entitlement under
9 this chapter for a school year is greater if the district's taxable
10 value of property is:

11 (1) the local value; or

12 (2) the state value as determined by the comptroller
13 under Sections 403.302(a) and (b), Government Code.

14 (c) If the agency determines under Subsection (b) that the
15 school district's entitlement is greater for the applicable school
16 year using the local value for the district's taxable value of
17 property, the commissioner shall increase state aid or adjust the
18 limit on local revenue under Section 48.257 for the district for
19 that school year in an amount equal to:

20 (1) for the first school year in which this subsection
21 applies to the district, the difference between the amounts
22 determined under Subsection (b);

23 (2) for the second consecutive school year in which
24 this subsection applies to the district, 70 percent of the
25 difference between the amounts determined under Subsection (b); and

26 (3) for the third consecutive school year in which
27 this subsection applies to the district, 40 percent of the

1 difference between the amounts determined under Subsection (b).

2 (d) A school district may not receive an adjustment under
3 this section for more than three consecutive school years unless
4 the legislature specifically appropriates money for the purpose of
5 making adjustments under this section for the fourth or a
6 subsequent consecutive school year.

7 (e) For purposes of determining the number of consecutive
8 school years for which this section applies to a school district,
9 the commissioner may not consider a school year before the
10 2025-2026 school year.

11 (f) A school year in which the comptroller determines a
12 school district's local value to be valid under Section 403.302(c),
13 Government Code, that occurs after the district receives an
14 adjustment under this section is not included in calculating
15 consecutive school years under Subsection (c) or (d) and is not
16 considered a break in consecutive school years, except as provided
17 by Subsection (h).

18 (g) A school district may not receive an adjustment under
19 this section for a school year in which the district is determined
20 to be an eligible school district, as defined by Section 403.3011,
21 Government Code. A school year in which the district is not
22 eligible for an adjustment under this subsection is included in
23 calculating consecutive school years under Subsections (c) and (d).

24 (h) Except as provided by Subsection (d), a school district
25 that receives an adjustment under this section for three
26 consecutive school years is not eligible to receive an adjustment
27 under this section in the subsequent school year but may be again

eligible for the adjustment following two consecutive school years for which the local value is used for the district's taxable value of property under Section 403.302(c), Government Code.

(i) The total amount of adjustments made under this section for a school year may not exceed \$60 million.

(j) If the total amount of adjustments for which school districts are eligible under this section for a school year exceeds the limit under Subsection (i), the commissioner shall prioritize school districts experiencing the greatest percentage reduction in funding, as determined based on the difference between the amounts determined under Subsection (b).

(k) A determination made by the commissioner under this section is final and may not be appealed.

Sec. 48.2831. ADDITIONAL STATE AID TO ENSURE MINIMUM FUNDING LEVEL. (a) For the 2025-2026 school year, a school district is entitled to additional state aid in an amount necessary to ensure the district receives state and local revenue under Chapter 46, this chapter, and Chapter 49 in an amount at least equal to the sum of:

(1) state and local revenue that would have been available to the district for the 2025-2026 school year under Chapter 46, this chapter, and Chapter 49, as those chapters existed on September 1, 2024; and

(2) \$200 multiplied by the number of students in weighted average daily attendance in the district for the 2025-2026 school year, determined under this chapter as this chapter existed on September 1, 2024.

1 (b) Beginning with the 2026-2027 school year and subject to
2 Subsections (c) and (d), a school district is entitled to
3 additional state aid in an amount necessary to ensure the district
4 receives state and local revenue under Chapter 46, this chapter,
5 and Chapter 49 in an amount at least equal to the greater of:

6 (1) the amount calculated under Subsection (a); or

7 (2) the sum of:

8 (A) state and local revenue that would have been
9 available to the district for the applicable school year under
10 Chapter 46, this chapter, and Chapter 49, as those chapters existed
11 on September 1, 2024; and

12 (B) \$200 multiplied by the number of students in
13 weighted average daily attendance in the district for the
14 applicable school year, determined under this chapter as this
15 chapter existed on September 1, 2024.

16 (c) Beginning with the 2027-2028 school year, the amount of
17 additional state aid to which a school district is entitled under
18 this section shall be determined by multiplying the amount
19 calculated under Subsection (b) by:

20 (1) for the 2027-2028 school year, 0.8;

21 (2) for the 2028-2029 school year, 0.6;

22 (3) for the 2029-2030 school year, 0.4; and

23 (4) for the 2030-2031 school year, 0.2.

24 (d) Beginning with the 2027-2028 school year, a school
25 district may not receive additional state aid under Subsection (b)
26 in an amount that exceeds the amount the district received under
27 that subsection for the 2026-2027 school year.

1 (e) For the purposes of Subsections (a) and (b), local
2 revenue under Chapter 46 includes only the eligible local funds for
3 the instructional facilities allotment under Section 46.003 and the
4 existing debt allotment under Section 46.032.

5 (f) The amount of additional state aid to which a district
6 is entitled under this section shall be calculated only after all
7 other funding to which the district is entitled under Chapter 46,
8 this chapter, and Chapter 49 has been calculated.

9 (g) The agency shall notify the Legislative Budget Board as
10 soon as practicable after the agency determines that no school
11 districts qualify for additional state aid under this section.

12 (h) This section expires September 1, 2031.

13 Sec. 48.284. ADDITIONAL STATE AID FOR REGIONAL INSURANCE
14 COST DIFFERENTIALS. (a) In this section, "catastrophe area" and
15 "first tier coastal county" have the meanings assigned by Section
16 2210.003, Insurance Code.

17 (b) This section applies to a school district or
18 open-enrollment charter school that has the following property
19 located in a first tier coastal county or an area designated in 2024
20 as a catastrophe area:

21 (1) the central administrative office of the district
22 or school; and

23 (2) a majority of campuses of the district or school.

24 (c) A school district or open-enrollment charter school to
25 which this section applies is entitled to additional state aid for
26 each student in adjusted average daily attendance in an amount
27 equal to the difference between, for the 2023-2024 school year, or a

different school year specified by appropriation:

(1) the total amount paid for property and casualty insurance by districts and schools in the county or catastrophe area described by Subsection (b) in which the district's or school's property is located divided by the total number of students in average daily attendance for all districts and schools in the county or catastrophe area; and

(2) the total amount paid for property and casualty insurance by districts and schools in the state divided by the total number of students in average daily attendance in the state.

(d) For purposes of Subsection (c), the average daily attendance of a school district that qualifies for an allotment under Section 48.101 is the district's average daily attendance multiplied by the sum of one and the decimal fraction used to determine the district's allotment under that section.

SECTION 1.30. Sections 12.1058(e), 12.106(a-4), and 48.2542, Education Code, are repealed.

SECTION 1.31. Immediately following the effective date of this Act, a school district or open-enrollment charter school shall redesignate a teacher who holds a designation made under Section 21.3521, Education Code, before the effective date of this Act, to reflect the teacher's designation under Section 21.3521, Education Code, as amended by this article. Funding provided to a school district under Section 48.112, Education Code, as amended by this article, for a teacher who held a designation made under Section 21.3521, Education Code, as that section existed immediately before the effective date of this Act, shall be increased to reflect the

teacher's redesignation under Section 21.3521, Education Code, as amended by this article.

SECTION 1.32. Not later than September 1, 2026, the commissioner of education shall post on the Texas Education Agency's Internet website the initial list of enhanced teacher incentive allotment public schools required by Section 21.3521(d-3), Education Code, as added by this article.

SECTION 1.33. As soon as practicable after the effective date of this Act, the commissioner of education shall establish the grant program required under Section 29.941, Education Code, as added by this article.

ARTICLE 2. TEACHER PREPARATION AND CHANGES RELATED TO EMPLOYEES

SECTION 2.01. Section 12A.004(a), Education Code, is amended to read as follows:

(a) A local innovation plan may not provide for the exemption of a district designated as a district of innovation from the following provisions of this title:

(1) a state or federal requirement applicable to an open-enrollment charter school operating under Subchapter D, Chapter 12;

(2) Subchapters A, C, D, and E, Chapter 11, except that a district may be exempt from Sections 11.1511(b)(5) and (14) and Section 11.162;

(3) the employment of uncertified classroom teachers under Section 21.0032;

(4) parental notification requirements under Section 21.057;

(5) state curriculum and graduation requirements adopted under Chapter 28; and

(6) ~~[(4)]~~ academic and financial accountability and sanctions under Chapters 39 and 39A.

SECTION 2.02. Section 21.001, Education Code, is amended by adding Subdivision (3-b) to read as follows:

(3-b) "Teacher of record" means a person employed by a school district who teaches the majority of the instructional day in an academic instructional setting and is responsible for evaluating student achievement and assigning grades.

SECTION 2.03. Subchapter A, Chapter 21, Education Code, is amended by adding Sections 21.0032 and 21.0033 to read as follows:

Sec. 21.0032. EMPLOYMENT OF UNCERTIFIED CLASSROOM TEACHERS. (a) A school district may not employ as a classroom teacher for a course in the foundation curriculum under Section 28.002 a person who does not hold an appropriate certificate or permit issued by the State Board for Educator Certification under Subchapter B.

(a-1) Notwithstanding Subsection (a), a school district may employ as a classroom teacher for a course in the foundation curriculum under Section 28.002 not more than the following applicable percentage of classroom teachers who do not hold an appropriate certificate or permit issued by the State Board for Educator Certification under Subchapter B:

(1) for the 2026-2027 school year, 20 percent;

(2) for the 2027-2028 school year, 15 percent;

(3) for the 2028-2029 school year, 10 percent; and

(4) for the 2029-2030 school year, 5 percent.

(a-2) This subsection and Subsection (a-1) expire September 1, 2031.

(b) This section does not preclude a school district from:

(1) receiving a waiver under Section 7.056; or

(2) issuing a school district teaching permit under Section 21.055.

Sec. 21.0033. TEACHER CERTIFICATION INCENTIVE. (a) From money appropriated or otherwise available for the purpose, the agency shall provide to each school district a one-time payment of \$1,000 for each classroom teacher employed by the district who:

(1) was hired for the 2022-2023 or 2023-2024 school year as a first-year teacher;

(2) was uncertified on January 1, 2025;

(3) earned a standard certificate under Subchapter B by the end of the 2025-2026 school year; and

(4) was continuously employed by the district since the school year described by Subdivision (1).

(b) This section expires September 1, 2027.

SECTION 2.04. Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.0411 to read as follows:

Sec. 21.0411. WAIVER OR PAYMENT OF CERTAIN EXAMINATION AND CERTIFICATION FEES. (a) Notwithstanding a rule adopted under Section 21.041(c), the board shall, for a person applying for a certification in special education, bilingual education, or another area specified by the General Appropriations Act, waive:

(1) a certification examination fee imposed by the

board for the first administration of the examination to the person; and

(2) a fee associated with the application for certification by the person.

(b) The board shall pay to a vendor that administers a certification examination described by Subsection (a) a fee assessed by that vendor for the examination of a person applying for a certification described by Subsection (a) for the first administration of the examination to the person.

SECTION 2.05. Subchapter I, Chapter 21, Education Code, is amended by adding Section 21.416 to read as follows:

Sec. 21.416. EMPLOYED RETIREE EDUCATOR REIMBURSEMENT GRANT PROGRAM. (a) From money appropriated or otherwise available, the commissioner shall establish and administer a grant program to reimburse a school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf, or the Texas School for the Blind and Visually Impaired for the increased contributions to the Teacher Retirement System of Texas associated with hiring a teacher, or an educator providing special education services, who retired before September 1, 2024.

(b) In appropriating money for grants awarded under this section, the legislature may provide for, modify, or limit amounts appropriated for that purpose in the General Appropriations Act, including by:

(1) providing, notwithstanding Subsection (a), a date or date range other than September 1, 2024, before which a teacher or educator must have retired for a school district, an

1 open-enrollment charter school, the Windham School District, the
2 Texas School for the Deaf, or the Texas School for the Blind and
3 Visually Impaired to be eligible; or

4 (2) limiting eligibility to a district or school
5 described by Subdivision (1) that hires a retired teacher or
6 educator, as applicable:

7 (A) who holds a certain certification;
8 (B) to teach a certain subject or grade;
9 (C) in a certain geographical area; or
10 (D) to provide instruction to certain students,
11 including to students with disabilities.

12 (c) The commissioner shall proportionally reduce the amount
13 of money awarded to school districts, open-enrollment charter
14 schools, the Windham School District, the Texas School for the
15 Deaf, and the Texas School for the Blind and Visually Impaired under
16 this section if the number of grant applications by eligible
17 districts or schools exceeds the number of grants the commissioner
18 could award with the money appropriated or otherwise available for
19 the purpose.

20 (d) A school district, an open-enrollment charter school,
21 the Windham School District, the Texas School for the Deaf, or the
22 Texas School for the Blind and Visually Impaired may use money
23 received under this section to make required payments under Section
24 [825.4092](#), Government Code.

25 SECTION 2.06. Chapter [21](#), Education Code, is amended by
26 adding Subchapter R to read as follows:

SUBCHAPTER R. GROW YOUR OWN PARTNERSHIP PROGRAM

Sec. 21.901. DEFINITIONS. In this subchapter:

(1) "Cooperating teacher" means a classroom teacher
who:

(A) has at least three full school years of
teaching experience with a superior record of assisting students in
achieving improvement in student performance;

(B) is employed by a school district or
open-enrollment charter school participating in the program under
this subchapter and paired with a student or employee participating
in the program at the district or school; and

(C) provides coaching to a student or employee
participating in the program in the teacher's classroom.

(2) "Program" means the Grow Your Own Partnership
Program established under Section 21.902.

Sec. 21.902. GROW YOUR OWN PARTNERSHIP PROGRAM. (a) The
commissioner shall establish the Grow Your Own Partnership Program
to enable qualified institutions of higher education and educator
preparation programs, as determined by the commissioner, to form
partnerships with school districts or open-enrollment charter
schools to establish innovative staffing pipelines to ensure the
availability of high-quality classroom teachers to benefit future
district or school students.

(b) The program must be designed to form partnerships that
support:

(1) high school students in completing career and
technical education courses that help prepare the students to

become classroom teachers; or

(2) district or school employees who do not hold a teaching certificate in completing an associate degree or the first 60 hours of a bachelor's degree to enable the person to become a classroom teacher while employed by the district or school.

(c) A school district or open-enrollment charter school may participate in the program on the approval of an application submitted to the commissioner by the district or school.

(d) A school district or open-enrollment charter school participating in the program shall:

(1) for a partnership described by Subsection (b)(1), provide:

(A) authentic opportunities, which may be paid or unpaid, for students to practice teaching under the supervision of a cooperating teacher; and

(B) guidance and other transition supports as a student begins an undergraduate degree program that offers a route to teacher preparation;

(2) for a partnership described by Subsection (b)(2), provide for a district or school employee:

(A) scheduled release time to support the completion of an associate degree or the first 60 hours of a bachelor's degree;

(B) authentic opportunities to practice teaching under the supervision of a cooperating teacher;

(C) on-the-job training aligned with the standards for educator certification established by the board;

1 (D) a job assignment that includes instructional
2 support for students enrolled in the district or school; and

3 (E) guidance and other transition supports as the
4 employee begins a program to satisfy the teacher preparation
5 requirements under Subchapter B;

6 (3) enter into a written agreement with an institution
7 of higher education;

8 (4) require an employee participating in a partnership
9 described by Subsection (b)(2) to, as a condition for
10 participation, earn a bachelor's degree and enroll in an educator
11 preparation program within three years of completion of an
12 associate degree or the first 60 hours of a bachelor's degree; and

13 (5) provide any information required by the agency
14 regarding the district's or school's implementation of the program.

15 (e) A school district or open-enrollment charter school may
16 use money received under Section 48.157 to implement the program
17 and pay tuition and fees, including certification fees, for
18 students or employees participating in the program.

19 (f) A school district or open-enrollment charter school may
20 only pair a student or employee participating in the program with a
21 cooperating teacher who agrees to participate in that role in the
22 program at the district or school.

23 (g) A student or employee participating in the program may
24 not serve:

25 (1) as a teacher of record; or

26 (2) except as provided by Subsection (h), in a
27 position in which the student or employee has the primary or sole

responsibility of providing instruction or supervision to students.

(h) A student or employee participating in the program may serve in a position described by Subsection (g)(2) for the limited purpose of gaining experience in the position. The student's or employee's amount of time serving in that position may not exceed the amount of time during which the teacher of record for the students has the primary or sole responsibility of providing instruction or supervision to those students.

Sec. 21.903. RULES. The commissioner shall adopt rules as necessary to implement this subchapter.

SECTION 2.07. Subchapter [D](#), Chapter [48](#), Education Code, is amended by adding Section 48.157 to read as follows:

Sec. 48.157. GROW YOUR OWN PARTNERSHIP PROGRAM ALLOTMENT.

(a) Subject to Subsection (d), for each district employee participating in a partnership described by Section 21.902(b)(2), a school district is entitled to an annual allotment equal to the sum of:

(1) \$8,000; and

(2) the high needs and rural factor, as determined under Subsection (b), multiplied by \$1,000.

(b) The high needs and rural factor is the lesser of:

(1) the average of the point value assigned to each student at a district campus under Sections [48.112](#)(e) and (f); or

(2) 4.0.

(c) The Texas School for the Deaf and the Texas School for the Blind and Visually Impaired are entitled to an allotment under

this section. If the commissioner determines that assigning point values under Subsection (b) to students enrolled in the Texas School for the Deaf or the Texas School for the Blind and Visually Impaired is impractical, the commissioner may use the average point value assigned for those students' home districts for purposes of calculating the high needs and rural factor.

(d) Unless a greater number of individuals is provided for by appropriation for that school year, a school district may receive an allotment under this section for a school year for not more than 40 district employees.

(e) The agency shall provide 50 percent of the money the school district is entitled to receive under this section for a district employee only on the employee's successful completion of a bachelor's degree by the deadline established by the agency.

SECTION 2.08. Section 12A.004(a), Education Code, as amended by this article, applies to each local innovation plan adopted under Chapter 12A, Education Code, regardless of whether the plan was adopted before, on, or after the effective date of this article. A local innovation plan adopted or renewed before the effective date of this article must comply with Section 12A.004(a), Education Code, as amended by this article, not later than September 1, 2025.

ARTICLE 3. SPECIAL EDUCATION

SECTION 3.01. Section 7.021(b)(10), Education Code, is amended to read as follows:

(10) The agency shall carry out duties assigned under Section 30.002 concerning children who have visual impairments, are

1 deaf or hard of hearing, or are deaf-blind [~~with visual~~
2 ~~impairments~~].

3 SECTION 3.02. Section 7.055(b)(25), Education Code, is
4 amended to read as follows:

5 (25) The commissioner shall develop a system to
6 distribute to school districts or regional education service
7 centers a special supplemental allowance for students with visual
8 impairments as required under Section 30.0021 [~~30.002~~].

9 SECTION 3.03. Section 8.051(d), Education Code, is amended
10 to read as follows:

11 (d) Each regional education service center shall maintain
12 core services for purchase by school districts and campuses. The
13 core services are:

14 (1) training and assistance in:

15 (A) teaching each subject area assessed under
16 Section 39.023; and

17 (B) providing instruction in personal financial
18 literacy as required under Section 28.0021;

19 (2) training and assistance in providing each program
20 that qualifies for a funding allotment under Section 48.102,
21 48.1021, 48.103, 48.104, 48.105, or 48.109;

22 (3) assistance specifically designed for a school
23 district or campus assigned an unacceptable performance rating
24 under Section 39.054;

25 (4) training and assistance to teachers,
26 administrators, members of district boards of trustees, and members
27 of site-based decision-making committees;

(5) assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency's most recent compliance review of the district's special education programs; and

(6) assistance in complying with state laws and rules.

SECTION 3.04. Sections 28.025(c-7) and (c-8), Education Code, are amended to read as follows:

(c-7) Subject to Subsection (c-8), a student who is enrolled in a special education program under Subchapter A, Chapter 29, may earn the distinguished level of achievement under Subsection (b-15) or an endorsement on the student's transcript under Subsection (c-1) by:

(1) successfully completing, with or without modification of the curriculum:

(A) the curriculum requirements identified by the State Board of Education under Subsection (a); ~~and~~

(B) for the distinguished level of achievement, the additional curriculum requirements prescribed under Subsection (b-15); and

(C) for an endorsement, the additional ~~[endorsement]~~ curriculum requirements prescribed by the State Board of Education under Subsection (c-2); and

(2) successfully completing all curriculum requirements for the distinguished level of achievement or that endorsement adopted by the State Board of Education:

(A) without modification of the curriculum; or

(B) with modification of the curriculum,

provided that the curriculum, as modified, is sufficiently rigorous as determined by the student's admission, review, and dismissal committee and documented in the student's individualized education program.

(c-8) For purposes of Subsection (c-7), the admission, review, and dismissal committee of a student in a special education program under Subchapter A, Chapter 29, shall determine whether the student is required to achieve satisfactory performance on an end-of-course assessment instrument to earn the distinguished level of achievement or an endorsement on the student's transcript.

SECTION 3.05. Section 29.001, Education Code, is amended to read as follows:

Sec. 29.001. IMPLEMENTATION OF SPECIAL EDUCATION LAW ~~[STATEWIDE PLAN]~~. (a) As the state education agency responsible for carrying out the purposes of Part B, Individuals with Disabilities Education Act (20 U.S.C. Section 1411 et seq.), the ~~[The]~~ agency shall develop, and revise ~~[modify]~~ as necessary, a comprehensive system to ensure statewide and local compliance ~~[design, consistent]~~ with federal and state law related to special education ~~[, for the delivery of services to children with disabilities in this state that includes rules for the administration and funding of the special education program so that a free appropriate public education is available to all of those children between the ages of three and 21]~~.

(b) The comprehensive system must ~~[statewide design shall]~~ include the provision of services primarily through school districts and shared services arrangements, supplemented by

1 regional education service centers.

2 (c) The comprehensive system must focus on maximizing
3 student outcomes and include ~~[agency shall also develop and~~
4 ~~implement a statewide plan with programmatic content that includes~~
5 ~~procedures designed to]~~:

6 (1) rulemaking, technical assistance, guidance
7 documents, monitoring protocols, data elements necessary for
8 statewide reporting, and other resources as necessary to implement
9 and ensure compliance with federal and state law related to special
10 education ~~[ensure state compliance with requirements for~~
11 ~~supplemental federal funding for all state-administered programs~~
12 ~~involving the delivery of instructional or related services to~~
13 ~~students with disabilities]~~;

14 (2) the facilitation of ~~[facilitate]~~ interagency
15 coordination when other state agencies are involved in the delivery
16 of instructional or related services to students with disabilities;

17 (3) the pursuit of ~~[periodically assess statewide~~
18 ~~personnel needs in all areas of specialization related to special~~
19 ~~education and pursue]~~ strategies to meet statewide special
20 education and related services personnel ~~[those]~~ needs ~~[through a~~
21 ~~consortium of representatives from regional education service~~
22 ~~centers, local education agencies, and institutions of higher~~
23 ~~education and through other available alternatives]~~;

24 (4) ensuring ~~[ensure]~~ that regional education service
25 centers throughout the state maintain a regional support function,
26 which may include procedures for service centers to assist school
27 districts in identifying existing public or private educational or

1 related services in each region, cooperatively developing programs
2 for students with disabilities, providing to or obtaining for
3 school districts special equipment, delivering services, and
4 facilitating [~~direct service delivery and a component designed to~~
5 ~~facilitate~~] the placement of students with disabilities who cannot
6 be appropriately served in their resident districts;

7 (5) [~~allow the agency to~~] effectively monitoring
8 [~~monitor~~] and periodically conducting [~~conduct~~] site visits of all
9 school districts to ensure that rules adopted under this subchapter
10 [~~section~~] are applied in a consistent and uniform manner, to ensure
11 that districts are complying with those rules, and to ensure that
12 annual statistical reports filed by the districts and not otherwise
13 available through the Public Education Information Management
14 System under Sections 48.008 and 48.009 are accurate and complete;
15 and

16 (6) the provision of training and technical assistance
17 to ensure that:

18 (A) appropriately trained personnel are involved
19 in the diagnostic and evaluative procedures operating in all
20 districts and that those personnel routinely serve on district
21 multidisciplinary evaluation teams and admissions, review, and
22 dismissal committees;

23 (B) [~~(7) ensure that~~] an individualized
24 education program for each student with a disability is properly
25 developed, implemented, and maintained in the least restrictive
26 environment that is appropriate to meet the student's educational
27 needs;

1 (C) appropriately trained personnel are
2 available to students with disabilities who have significant
3 behavioral support needs, including by providing behavioral
4 support training for a paraprofessional or teacher placed in a
5 classroom or other setting that is intended to provide specialized
6 behavioral supports to a student with a disability, as needed or at
7 regular intervals as provided in the student's individualized
8 education program;

9 (D) [~~(8)~~ ensure that, when appropriate, each
10 student with a disability is provided an opportunity to participate
11 in career and technology and physical education classes~~[, in~~
12 ~~addition to participating in regular or special classes];~~

13 (E) [~~(9)~~ ensure that] each student with a
14 disability is provided necessary related services;

15 (F) school districts have an opportunity to
16 request technical assistance from the agency or a regional
17 education service center in establishing classroom environments
18 conducive to learning for students with disabilities, including
19 environments for students whose data indicate behavior that
20 significantly impedes the student's own learning and the learning
21 of other students;

22 (G) [~~(10)~~ ensure that] an individual assigned
23 to act as a surrogate parent for a child with a disability, as
24 provided by 20 U.S.C. Section 1415(b), is required to:

25 (i) [~~(A)~~] complete a training program that
26 complies with minimum standards established by agency rule;

27 (ii) [~~(B)~~] visit the child and the child's

1 school;

2 (iii) [~~(C)~~] consult with persons involved
3 in the child's education, including teachers, caseworkers,
4 court-appointed volunteers, guardians ad litem, attorneys ad
5 litem, foster parents, and caretakers;

6 (iv) [~~(D)~~] review the child's educational
7 records;

8 (v) [~~(E)~~] attend meetings of the child's
9 admission, review, and dismissal committee;

10 (vi) [~~(F)~~] exercise independent judgment
11 in pursuing the child's interests; and

12 (vii) [~~(G)~~] exercise the child's due
13 process rights under applicable state and federal law; and

14 (H) [~~(11)~~ ~~ensure that~~] each district develops a
15 process to be used by a teacher who instructs a student with a
16 disability in a general education [~~regular~~] classroom setting:

17 (i) [~~(A)~~] to request a review of the
18 student's individualized education program;

19 (ii) [~~(B)~~] to provide input in the
20 development of the student's individualized education program;

21 (iii) [~~(C)~~] that provides for a timely
22 district response to the teacher's request; and

23 (iv) [~~(D)~~] that provides for notification
24 to the student's parent or legal guardian of that response.

25 SECTION 3.06. Subchapter **A**, Chapter **29**, Education Code, is
26 amended by adding Section 29.0012 to read as follows:

27 Sec. 29.0012. ANNUAL MEETING ON SPECIAL EDUCATION. (a) At

1 least once each year, the board of trustees of a school district or
2 the governing body of an open-enrollment charter school shall
3 include during a public meeting a discussion of the performance of
4 students receiving special education services at the district or
5 school.

6 (b) The agency by rule shall adopt a set of performance
7 indicators for measuring and evaluating the quality of learning and
8 achievement for students receiving special education services at
9 the school district or open-enrollment charter school to be
10 considered at a meeting held under this section. The indicators
11 must include performance on the college, career, or military
12 readiness outcomes described by Section 48.110.

13 SECTION 3.07. Section 29.003, Education Code, is amended to
14 read as follows:

15 Sec. 29.003. ELIGIBILITY CRITERIA. (a) The agency shall
16 develop specific eligibility criteria based on the general
17 classifications established by this section and in accordance with
18 federal law [~~with reference to contemporary diagnostic or~~
19 ~~evaluative terminologies and techniques~~]. Eligible students with
20 disabilities shall enjoy the right to a free appropriate public
21 education, which may include instruction in the general education
22 [~~regular~~] classroom, instruction through special teaching, or
23 instruction through contracts approved under this subchapter.
24 Instruction shall be supplemented by the provision of related
25 services when appropriate.

26 (b) A student is eligible to participate in a school
27 district's special education program [~~if the student~~]:

1 (1) from birth through ~~[is not more than]~~ 21 years of
2 age if the student ~~[and]~~ has a visual ~~[or auditory]~~ impairment, is
3 deaf or hard of hearing, or is deaf-blind and that disability
4 prevents the student from being adequately or safely educated in
5 public school without the provision of special education services;
6 ~~[or]~~

7 (2) from three years of age through nine years of age
8 if the student is experiencing developmental delays as described by
9 20 U.S.C. Section 1401(3)(B) and defined by commissioner rule; or

10 (3) from 3 years of age through ~~[is at least three but~~
11 ~~not more than]~~ 21 years of age if the student ~~[and]~~ has one or more
12 of the ~~[following]~~ disabilities described by 20 U.S.C. Section
13 1401(3)(A) and that disability prevents the student from being
14 adequately or safely educated in public school without the
15 provision of special education services~~+~~

16 ~~[(A) physical disability,~~

17 ~~[(B) intellectual or developmental disability,~~

18 ~~[(C) emotional disturbance,~~

19 ~~[(D) learning disability,~~

20 ~~[(E) autism,~~

21 ~~[(F) speech disability, or~~

22 ~~[(G) traumatic brain injury].~~

23 SECTION 3.08. Sections 29.005(a), (d), and (e), Education
24 Code, are amended to read as follows:

25 (a) Before a child is enrolled in a special education
26 program of a school district, the district shall establish a
27 committee composed of the persons required under 20 U.S.C. Section

1 1414(d) to develop the child's individualized education program.
2 If a committee is required to include a general ~~[regular]~~ education
3 teacher, the ~~[regular education]~~ teacher included must, to the
4 extent practicable, be a teacher who is responsible for
5 implementing a portion of the child's individualized education
6 program.

7 (d) If the primary language of the child's parent is a
8 language other than ~~[is unable to speak]~~ English, the district
9 shall:

10 (1) provide the parent with a written or audiotaped
11 copy of the child's individualized education program translated
12 into Spanish if Spanish is the parent's primary ~~[native]~~ language;
13 or

14 (2) if the parent's primary ~~[native]~~ language is a
15 language other than Spanish, make a good faith effort to provide the
16 parent with a written or audiotaped copy of the child's
17 individualized education program translated into the parent's
18 primary ~~[native]~~ language.

19 (e) The commissioner by rule may require a school district
20 to include in the individualized education program of a student
21 with autism ~~[or another pervasive developmental disorder]~~ any
22 information or requirement determined necessary to ensure the
23 student receives a free appropriate public education as required
24 under the Individuals with Disabilities Education Act (20 U.S.C.
25 Section 1400 et seq.).

26 SECTION 3.09. Section [29.0051](#), Education Code, is amended
27 by adding Subsection (d) to read as follows:

1 (d) From federal money available for the purpose, the
2 commissioner may develop or procure the model form developed under
3 Subsection (a) in a digital format. If the commissioner develops or
4 procures the model form in a digital format, the commissioner shall
5 adopt rules regarding school district use of the form in that
6 format.

7 SECTION 3.10. Subchapter A, Chapter 29, Education Code, is
8 amended by adding Section 29.0056 to read as follows:

9 Sec. 29.0056. INFORMATION REGARDING STATE SUPPORTED LIVING
10 CENTERS. (a) In this section, "state supported living center" has
11 the meaning assigned by Section 531.002, Health and Safety Code.

12 (b) The Health and Human Services Commission, in
13 collaboration with the agency and stakeholders who represent the
14 full continuum of educational residential placement options, shall
15 develop and provide to the agency materials regarding educational
16 residential placement options for children who may qualify for
17 placement in a state supported living center. The agency shall make
18 the materials developed under this subsection available to school
19 districts.

20 (c) At a meeting of a child's admission, review, and
21 dismissal committee at which residential placement is discussed,
22 the school district shall provide to the child's parent the
23 materials developed under Subsection (b).

24 SECTION 3.11. Sections 29.006(a) and (c), Education Code,
25 are amended to read as follows:

26 (a) The governor shall appoint a continuing advisory
27 committee consistent with [~~composed of 17 members, under~~] 20

1 U.S.C. Section 1412(a)(21). At least one member appointed under
2 this subsection must be a director of special education programs
3 for a school district.

4 (c) Members of the committee are appointed for staggered
5 terms of four years with the terms of half of the ~~[eight or nine]~~
6 members or, for an odd number of members, half of the members
7 rounded down or half of the members rounded up expiring on February
8 1 of each odd-numbered year.

9 SECTION 3.12. Section 29.008, Education Code, is amended to
10 read as follows:

11 Sec. 29.008. CONTRACTS FOR SERVICES; RESIDENTIAL AND DAY
12 PLACEMENT PROGRAMS. (a) The commissioner shall set minimum
13 standards for and develop and update as necessary a list of approved
14 public or private facilities, institutions, agencies, or
15 businesses inside or outside of this state that a [A] school
16 district, shared services arrangement unit, or regional education
17 service center may contract with [a public or private facility,
18 institution, or agency inside or outside of this state] for the
19 provision of services to students with disabilities in a
20 residential or day placement program.

21 (a-1) [Each contract for residential placement must be
22 approved by the commissioner.] The commissioner may approve a
23 facility, institution, agency, or business under Subsection (a)
24 [residential placement contract] only after at least a programmatic
25 evaluation of personnel qualifications, costs, adequacy of
26 physical plant and equipment, and curriculum content. ~~[The~~
27 ~~commissioner may approve either the whole or a part of a facility or~~

1 ~~program.]~~

2 (a-2) Each contract described by this section must be
 3 approved by the commissioner. A school district, shared services
 4 arrangement unit, or regional education service center seeking to
 5 place a student in a residential or day placement program that is
 6 not on the list developed under Subsection (a) must submit to the
 7 commissioner an application for approval in accordance with
 8 Subsections (a) and (a-1).

9 (b) Except as provided by Subsection (c), costs of an
 10 approved contract for residential placement may be paid from a
 11 combination of federal, state, and local funds. The local share of
 12 the total contract cost for each student is that portion of the
 13 local tax effort that exceeds the district's local fund assignment
 14 under Section 48.256, divided by the average daily attendance in
 15 the district. If the contract involves a private facility, the
 16 state share of the total contract cost is that amount remaining
 17 after subtracting the local share. If the contract involves a
 18 public facility, the state share is that amount remaining after
 19 subtracting the local share from the portion of the contract that
 20 involves the costs of instructional and related services. For
 21 purposes of this subsection, "local tax effort" means the total
 22 amount of money generated by taxes imposed for debt service and
 23 maintenance and operation less any amounts paid into a tax
 24 increment fund under Chapter 311, Tax Code. This subsection
 25 expires September 1, 2027.

26 (c) When a student, including one for whom the state is
 27 managing conservator, is placed primarily for care or treatment

1 reasons in a private [~~residential~~] facility that operates its own
 2 private education program, none of the costs may be paid from public
 3 education funds. If a [~~residential~~] placement primarily for care
 4 or treatment reasons involves a private [~~residential~~] facility in
 5 which the education program is provided by the school district, the
 6 portion of the costs that includes appropriate education services,
 7 as determined by the school district's admission, review, and
 8 dismissal committee, shall be paid from state and federal education
 9 funds.

10 (d) A district that contracts for the provision of education
 11 services rather than providing the services itself shall oversee
 12 the implementation of the student's individualized education
 13 program and shall annually reevaluate the appropriateness of the
 14 arrangement. The reevaluation must include standards and
 15 expectations that the student would need to meet to be reintegrated
 16 to a regular school setting. An approved facility, institution,
 17 [~~or~~] agency, or business with whom the district contracts shall
 18 periodically report to the district and the agency on the services
 19 the student has received or will receive in accordance with the
 20 contract as well as diagnostic or other evaluative information that
 21 the district or agency requires in order to fulfill its obligations
 22 under this subchapter.

23 (e) The commissioner shall adopt rules for residential and
 24 day placement of students receiving special education services.

25 SECTION 3.13. The heading to Section 29.009, Education
 26 Code, is amended to read as follows:

27 Sec. 29.009. PUBLIC NOTICE CONCERNING EARLY CHILDHOOD

1 SPECIAL EDUCATION [~~PRESCHOOL~~] PROGRAMS [~~FOR STUDENTS WITH~~
2 ~~DISABILITIES~~].

3 SECTION 3.14. Section 29.010, Education Code, is amended to
4 read as follows:

5 Sec. 29.010. GENERAL SUPERVISION AND COMPLIANCE. (a) The
6 agency shall develop [~~adopt~~] and implement a comprehensive system
7 for monitoring school district compliance with federal and state
8 laws relating to special education. The monitoring system must
9 include a comprehensive cyclical process and a targeted risk-based
10 process [~~provide for ongoing analysis of district special education~~
11 ~~data and of complaints filed with the agency concerning special~~
12 ~~education services and for inspections of school districts at~~
13 ~~district facilities~~]. The agency shall establish criteria and
14 instruments for use in determining district compliance under this
15 section [~~use the information obtained through analysis of district~~
16 ~~data and from the complaints management system to determine the~~
17 ~~appropriate schedule for and extent of the inspection~~].

18 (a-1) As part of the monitoring system, the agency may
19 require a school district to obtain specialized technical
20 assistance for a documented noncompliance issue or if data
21 indicates that technical assistance is needed, such as an incident
22 involving injury to staff or students by a student receiving
23 special education services or data indicating an excessive number
24 of restraints are used on students receiving special education
25 services.

26 (b) As part of the monitoring process [~~To complete the~~
27 ~~inspection~~], the agency must obtain information from parents and

1 teachers of students in special education programs in the district.

2 (c) The agency shall develop and implement a system of
3 interventions and sanctions for school districts the agency
4 identifies as being in noncompliance with [~~whose most recent~~
5 ~~monitoring visit shows a failure to comply with major requirements~~
6 ~~of~~] the Individuals with Disabilities Education Act (20 U.S.C.
7 Section 1400 et seq.), federal regulations, state statutes, or
8 agency requirements necessary to carry out federal law or
9 regulations or state law relating to special education.

10 (d) The agency shall establish a system of progressive
11 sanctions and enforcement provisions to apply to [~~For~~] districts
12 that remain in noncompliance for more than one year[, ~~the first~~
13 ~~stage of sanctions shall begin with annual or more frequent~~
14 ~~monitoring visits~~]. The [~~Subsequent~~] sanctions must [~~may~~] range in
15 severity and may include [~~up to~~] the withholding of funds. If funds
16 are withheld, the agency may use the funds, or direct the funds to
17 be used, to provide, through alternative arrangements, services to
18 students and staff members in the district from which the funds are
19 withheld.

20 (e) The agency's complaint management division shall
21 develop a system for expedited investigation and resolution of
22 complaints concerning a district's failure to provide special
23 education or related services to a student eligible to participate
24 in the district's special education program.

25 [~~(f) This section does not create an obligation for or~~
26 ~~impose a requirement on a school district or open-enrollment~~
27 ~~charter school that is not also created or imposed under another~~

~~state law or a federal law.]~~

SECTION 3.15. Section 29.012(d), Education Code, is amended to read as follows:

(d) The Texas Education Agency, the Health and Human Services Commission, the Department of Family and Protective Services, and the Texas Juvenile Justice Department by a cooperative effort shall develop and ~~[by rule]~~ adopt a memorandum of understanding. The memorandum must:

(1) establish the respective responsibilities of school districts and of residential facilities for the provision of a free, appropriate public education, as required by the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.) and its subsequent amendments, including each requirement for children with disabilities who reside in those facilities;

(2) coordinate regulatory and planning functions of the parties to the memorandum;

(3) establish criteria for determining when a public school will provide educational services;

(4) provide for appropriate educational space when education services will be provided at the residential facility;

(5) establish measures designed to ensure the safety of students and teachers; and

(6) provide for binding arbitration consistent with Chapter 2009, Government Code, and Section 154.027, Civil Practice and Remedies Code.

SECTION 3.16. Section 29.013, Education Code, is amended to read as follows:

1 Sec. 29.013. NONEDUCATIONAL COMMUNITY-BASED SUPPORT
 2 SERVICES GRANTS FOR CERTAIN STUDENTS WITH DISABILITIES. (a) The
 3 commissioner [~~agency~~] shall adopt rules establishing [~~establish~~]
 4 procedures and criteria for the allocation of grants [~~funds~~
 5 ~~appropriated~~] under this section, using money appropriated or
 6 otherwise available for the purpose, to students who are eligible
 7 under Subsection (b) and the students' families [~~school districts~~]
 8 for the provision of noneducational community-based support
 9 services [~~to certain students with disabilities and their families~~
 10 ~~so that those students may receive an appropriate free public~~
 11 ~~education in the least restrictive environment~~].

12 (b) A grant [~~The funds~~] may be awarded under this section
 13 [~~used~~] only to a student with a disability [~~for eligible students~~
 14 ~~with disabilities~~] who is [~~would remain or would have to be~~] placed
 15 by the student's admission, review, and dismissal committee in:

16 (1) a residential program approved under Section
 17 29.008; or

18 (2) a day placement program and is at risk of being
 19 placed in a residential program approved under Section 29.008
 20 [~~facilities primarily for educational reasons without the~~
 21 ~~provision of noneducational community-based support services~~].

22 (c) The support services may not be related to the provision
 23 of a free appropriate public education to the student and may
 24 include in-home family support, behavioral and other
 25 disability-related supports for the student's family, respite
 26 care, and case management for the student's family [~~families with a~~
 27 ~~student who otherwise would have been placed by a district in a~~

1 ~~private residential facility~~].

2 (d) A school district shall:

3 (1) notify the parent of a student described by
4 Subsection (b) of the availability of grants under this section;
5 and

6 (2) designate a campus or district staff member to
7 assist families of students described by Subsection (b) in
8 accessing grants under this section.

9 (e) On request by the parent of a student described by
10 Subsection (b), the commissioner shall create an account for the
11 student to access a grant under this section through which the
12 parent may request payment for approved support services.

13 (f) In adopting rules under this section, the commissioner
14 shall adopt rules and guidelines detailing the process to access
15 grant money and the amount of each grant, including a process for a
16 parent to apply for an increase in the grant amount.

17 (g) The provision of services under this section does not
18 supersede or limit the responsibility of a school district or other
19 agencies to provide or pay for costs [of noneducational
20 community-based support services] to enable any student with
21 disabilities to receive a free appropriate public education in the
22 least restrictive environment. [Specifically, services provided
23 under this section may not be used for a student with disabilities
24 who is currently placed or who needs to be placed in a residential
25 facility primarily for noneducational reasons.]

26 (h) The commissioner may designate a regional education
27 service center to administer grants under this section.

SECTION 3.17. Sections 29.014(c) and (d), Education Code, are amended to read as follows:

(c) Notwithstanding any other provision of this code, a student whose appropriate education program is a general ~~[regular]~~ education program may receive services and be counted for attendance purposes for the number of hours per week appropriate for the student's condition if the student:

(1) is temporarily classified as eligible for participation in a special education program because of the student's confinement in a hospital; and

(2) the student's education is provided by a district to which this section applies.

(d) The basic allotment for a student enrolled in a district to which this section applies is adjusted by the tier of intensity of service defined in accordance with ~~[weight for a homebound student under]~~ Section 48.102 and designated by commissioner rule for use under this section ~~[48.102(a)]~~.

SECTION 3.18. Section 29.0162(b), Education Code, is amended to read as follows:

(b) The commissioner by rule shall adopt additional qualifications and requirements for a representative for purposes of Subsection (a)(2). The rules must:

(1) prohibit an individual from being a representative under Subsection (a)(2) opposing a school district if:

(A) the individual has prior employment experience with the district; and

(B) the district raises an objection to the

1 individual serving as a representative;

2 (2) include requirements that the representative have
3 knowledge of:

4 (A) all special education dispute resolution
5 options available to parents, including due process and due process
6 rules, hearings, and procedure; and

7 (B) federal and state special education laws;

8 (3) require, if the representative receives monetary
9 compensation from a person for representation in an impartial due
10 process hearing, that the representative agree to abide by a
11 voluntary code of ethics and professional conduct during the period
12 of representation; and

13 (4) require, if the representative receives monetary
14 compensation from a person for representation in an impartial due
15 process hearing, that the representative enter into a written
16 agreement for representation with the person who is the subject of
17 the special education due process hearing that includes a process
18 for resolving any disputes between the representative and the
19 person.

20 SECTION 3.19. Section 29.018(b), Education Code, is amended
21 to read as follows:

22 (b) A school district is eligible to apply for a grant under
23 this section if:

24 (1) the district does not receive sufficient funds,
25 including state funds provided under Sections [~~Section~~] 48.102 and
26 48.1021 and federal funds, for a student with disabilities to pay
27 for the special education services provided to the student; or

(2) the district does not receive sufficient funds, including state funds provided under Sections ~~[Section]~~ 48.102 and 48.1021 and federal funds, for all students with disabilities in the district to pay for the special education services provided to the students.

SECTION 3.20. The heading to Section 29.020, Education Code, is amended to read as follows:

Sec. 29.020. STATE-ADMINISTERED INDIVIDUALIZED EDUCATION PROGRAM FACILITATION ~~[PROJECT]~~.

SECTION 3.21. Sections 29.020(a) and (c), Education Code, are amended to read as follows:

(a) The agency shall develop rules in accordance with this section applicable to state-administered ~~[the administration of a state]~~ individualized education program facilitation ~~[project]~~. The program shall include the provision of an independent individualized education program facilitator as a dispute resolution method that may be used to avoid a potential dispute between a school district and a parent of a student with a disability or to facilitate an admission, review, and dismissal committee meeting with parties who are in a dispute about decisions relating to the provision of a free appropriate public education to a student with a disability. Facilitation ~~[implemented under the project]~~ must comply with rules developed under this subsection.

(c) If the commissioner determines that adequate funding is available, the commissioner may authorize the use of federal funds to implement ~~[the]~~ individualized education program facilitation ~~[project]~~ in accordance with this section.

SECTION 3.22. Sections 29.022(a), (a-1), (b), (c), (c-1), (d), (f), (h), (k), (l), (q), (s), and (t), Education Code, are amended to read as follows:

(a) In order to promote student safety, on receipt of a written request authorized under Subsection (a-1), a school district or open-enrollment charter school shall provide equipment, including a video camera, to the school or schools in the district or the charter school campus or campuses specified in the request. A school or campus that receives equipment as provided by this subsection shall place, operate, and maintain one or more video cameras in special education ~~[self-contained]~~ classrooms and other special education settings ~~[in which a majority of the students in regular attendance are provided special education and related services and are assigned to one or more self-contained classrooms or other special education settings for at least 50 percent of the instructional day]~~, provided that:

(1) a school or campus that receives equipment as a result of the request by a parent or staff member is required to place equipment only in classrooms or settings in which the parent's child is in regular attendance or to which the staff member is assigned, as applicable; and

(2) a school or campus that receives equipment as a result of the request by a board of trustees, governing body, principal, or assistant principal is required to place equipment only in classrooms or settings identified by the requestor, if the requestor limits the request to specific classrooms or settings subject to this subsection.

(a-1) For purposes of Subsection (a):

(1) a parent of a child who receives special education services in one or more special education [~~self-contained~~] classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the child receives those services;

(2) a board of trustees or governing body may request in writing that equipment be provided to one or more specified schools or campuses at which one or more children receive special education services in special education [~~self-contained~~] classrooms or other special education settings;

(3) the principal or assistant principal of a school or campus at which one or more children receive special education services in special education [~~self-contained~~] classrooms or other special education settings may request in writing that equipment be provided to the principal's or assistant principal's school or campus; and

(4) a staff member assigned to work with one or more children receiving special education services in special education [~~self-contained~~] classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the staff member works.

(b) A school or campus that places a video camera in a special education classroom or other special education setting in accordance with Subsection (a) shall operate and maintain the video camera in the classroom or setting, as long as the classroom or setting continues to satisfy the requirements under Subsection (a),

1 for the remainder of the school year in which the school or campus
2 received the request, unless the requestor withdraws the request in
3 writing. If for any reason a school or campus will discontinue
4 operation of a video camera during a school year, not later than the
5 fifth school day before the date the operation of the video camera
6 will be discontinued, the school or campus must notify the parents
7 of each student in regular attendance in the classroom or setting
8 that operation of the video camera will not continue unless
9 requested by a person eligible to make a request under Subsection
10 (a-1). Not later than the 10th school day before the end of each
11 school year, the school or campus must notify the parents of each
12 student in regular attendance in the classroom or setting that
13 operation of the video camera will not continue during the
14 following school year unless a person eligible to make a request for
15 the next school year under Subsection (a-1) submits a new request.

16 (c) Except as provided by Subsection (c-1), video cameras
17 placed under this section must be capable of:

18 (1) covering all areas of the special education
19 classroom or other special education setting, including a room
20 attached to the classroom or setting used for time-out; and

21 (2) recording audio from all areas of the special
22 education classroom or other special education setting, including a
23 room attached to the classroom or setting used for time-out.

24 (c-1) The inside of a bathroom or any area in the special
25 education classroom or other special education setting in which a
26 student's clothes are changed may not be visually monitored, except
27 for incidental coverage of a minor portion of a bathroom or changing

1 area because of the layout of the classroom or setting.

2 (d) Before a school or campus activates a video camera in a
3 special education classroom or other special education setting
4 under this section, the school or campus shall provide written
5 notice of the placement to all school or campus staff and to the
6 parents of each student attending class or engaging in school
7 activities in the classroom or setting.

8 (f) A school district or open-enrollment charter school may
9 solicit and accept gifts, grants, and donations from any person for
10 use in placing video cameras in special education classrooms or
11 other special education settings under this section.

12 (h) A school district or open-enrollment charter school may
13 not:

14 (1) allow regular or continual monitoring of video
15 recorded under this section; or

16 (2) use video recorded under this section for teacher
17 evaluation or for any other purpose other than the promotion of
18 safety of students receiving special education services in a
19 special education [~~self-contained~~] classroom or other special
20 education setting.

21 (k) The commissioner may adopt rules to implement and
22 administer this section, including rules regarding the special
23 education classrooms and other special education settings to which
24 this section applies.

25 (l) A school district or open-enrollment charter school
26 policy relating to the placement, operation, or maintenance of
27 video cameras under this section must:

1 (1) include information on how a person may appeal an
2 action by the district or school that the person believes to be in
3 violation of this section or a policy adopted in accordance with
4 this section, including the appeals process under Section 7.057;

5 (2) require that the district or school provide a
6 response to a request made under this section not later than the
7 seventh school business day after receipt of the request by the
8 person to whom it must be submitted under Subsection (a-3) that
9 authorizes the request or states the reason for denying the
10 request;

11 (3) except as provided by Subdivision (5), require
12 that a school or a campus begin operation of a video camera in
13 compliance with this section not later than the 45th school
14 business day, or the first school day after the 45th school business
15 day if that day is not a school day, after the request is authorized
16 unless the agency grants an extension of time;

17 (4) permit the parent of a student whose admission,
18 review, and dismissal committee has determined that the student's
19 placement for the following school year will be in a special
20 education classroom or other special education setting in which a
21 video camera may be placed under this section to make a request for
22 the video camera by the later of:

23 (A) the date on which the current school year
24 ends; or

25 (B) the 10th school business day after the date
26 of the placement determination by the admission, review, and
27 dismissal committee; and

(5) if a request is made by a parent in compliance with Subdivision (4), unless the agency grants an extension of time, require that a school or campus begin operation of a video camera in compliance with this section not later than the later of:

(A) the 10th school day of the fall semester; or

(B) the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the date the request is made.

(q) The agency shall collect through the Public Education Information Management System (PEIMS) data relating to requests made under this section and actions taken by a school district or open-enrollment charter school in response to a request, including the number of requests made, authorized, and denied.

(s) This section applies to the placement, operation, and maintenance of a video camera in a special education ~~[self-contained]~~ classroom or other special education setting during the regular school year and extended school year services.

(t) A video camera placed under this section is not required to be in operation for the time during which students are not present in the special education classroom or other special education setting.

SECTION 3.23. Sections 29.022(u)(3) and (4), Education Code, are amended to read as follows:

(3) "Special education classroom or other special education setting" means a classroom or setting primarily used for delivering special education services to students who spend on average less than 50 percent of an instructional day in a general

education classroom or setting [~~"Self-contained classroom" does not include a classroom that is a resource room instructional arrangement under Section 48.102~~].

(4) "Staff member" means a teacher, related service provider, paraprofessional, counselor, or educational aide assigned to work in a special education [~~self-contained~~] classroom or other special education setting.

SECTION 3.24. Subchapter A, Chapter 29, Education Code, is amended by adding Sections 29.023, 29.024, 29.025, and 29.026 to read as follows:

Sec. 29.023. GRANT PROGRAM PROVIDING SERVICES TO STUDENTS WITH AUTISM. (a) From money appropriated or otherwise available for the purpose, the commissioner shall establish a program to award grants to school districts and open-enrollment charter schools that provide innovative services to students with autism.

(b) A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, and an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014, may apply for a grant under this section.

(c) A program is eligible for a grant under this section if the program:

(1) incorporates:

(A) evidence-based and research-based design;

(B) the use of empirical data on student achievement and improvement;

(C) parental support and collaboration;

1 (D) the use of technology;
2 (E) meaningful inclusion; and
3 (F) the ability to replicate the program for
4 students statewide; and

5 (2) gives priority for enrollment to students with
6 autism.

7 (d) A school district or open-enrollment charter school may
8 not:

9 (1) charge a fee for the program, other than those
10 authorized by law for students in public schools;

11 (2) require a parent to enroll a child in the program;

12 (3) allow an admission, review, and dismissal
13 committee to place a student in the program without the written
14 consent of the student's parent or guardian; or

15 (4) continue the placement of a student in the program
16 after the student's parent or guardian revokes consent, in writing,
17 to the student's placement in the program.

18 (e) A program under this section may:

19 (1) alter the length of the school day or school year
20 or the number of minutes of instruction received by students;

21 (2) coordinate services with private or
22 community-based providers;

23 (3) allow the enrollment of students without
24 disabilities or with other disabilities, if approved by the
25 commissioner; and

26 (4) adopt staff qualifications and staff-to-student
27 ratios that differ from the applicable requirements of this title.

1 (f) The commissioner shall create an external panel of
2 stakeholders, including parents of students with disabilities, to
3 provide assistance in the selection of applications for the award
4 of grants under this section.

5 (g) In selecting programs to receive a grant under this
6 section, the commissioner shall prioritize programs that are
7 collaborations between multiple school districts, multiple charter
8 schools, or school districts and charter schools. The selected
9 programs must reflect the diversity of this state.

10 (h) A program selected to receive a grant under this section
11 is to be funded for two years.

12 (i) A grant awarded to a school district or open-enrollment
13 charter school under this section is in addition to the Foundation
14 School Program money that the district or charter school is
15 otherwise entitled to receive. A grant awarded under this section
16 may not come out of Foundation School Program money.

17 (j) The commissioner and any program selected under this
18 section may accept gifts, grants, and donations from any public or
19 private source, person, or group to implement and administer the
20 program. The commissioner and any program selected under this
21 section may not require any financial contribution from parents to
22 implement and administer the program.

23 (k) A regional education service center may administer
24 grants awarded under this section.

25 Sec. 29.024. GRANT PROGRAM PROVIDING TRAINING IN DYSLEXIA
26 FOR TEACHERS AND STAFF. (a) From money appropriated or otherwise
27 available for the purpose, the commissioner shall establish a

program to award grants each school year to school districts and open-enrollment charter schools to increase local capacity to appropriately serve students with dyslexia.

(b) A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, or an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014, is eligible to apply for a grant under this section if the district or school submits to the commissioner a proposal on the use of grant funds that:

(1) incorporates evidence-based and research-based design; and

(2) increases local capacity to appropriately serve students with dyslexia by providing:

(A) high-quality training to classroom teachers and administrators in meeting the needs of students with dyslexia; or

(B) training to intervention staff resulting in appropriate credentialing related to dyslexia, with priority for training staff to earn the credentials necessary to become a licensed dyslexia therapist or certified academic language therapist.

(c) The commissioner shall create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.

(d) A grant awarded to a school district or open-enrollment

1 charter school under this section is in addition to the Foundation
2 School Program money that the district or charter school is
3 otherwise entitled to receive. A grant awarded under this section
4 may not come out of Foundation School Program money.

5 (e) The commissioner and any grant recipient selected under
6 this section may accept gifts, grants, and donations from any
7 public or private source, person, or group to implement and
8 administer the grant. The commissioner and any grant recipient
9 selected under this section may not require any financial
10 contribution from parents to implement and administer the grant.

11 (f) A regional education service center may administer
12 grants awarded under this section.

13 Sec. 29.025. SUPPORTS FOR RECRUITING AND RETAINING SPECIAL
14 EDUCATION STAFF. (a) From money appropriated or otherwise
15 available for the purpose, the agency shall provide grants each
16 school year to school districts and open-enrollment charter schools
17 to increase the number of qualified and appropriately credentialed
18 special education staff, including special education teachers,
19 special education paraprofessionals, evaluation personnel,
20 ancillary instruction personnel, certified interpreters,
21 board-certified behavior analysts, registered behavior
22 technicians, and related service personnel.

23 (b) A school district or open-enrollment charter school
24 that receives a grant under this section shall require each person
25 the district or school uses the grant money to assist in becoming
26 licensed, certified, or otherwise credentialed as described by
27 Subsection (a) to work at the district or school for a period

established by commissioner rule.

(c) A regional education service center may administer grants awarded under this section.

(d) The commissioner shall adopt rules establishing the period of required employment described by Subsection (b) and any other rules necessary to implement this section.

Sec. 29.026. RULES. The commissioner may adopt rules as necessary to implement this subchapter.

SECTION 3.25. The heading to Subchapter [A-1](#), Chapter [29](#), Education Code, is amended to read as follows:

SUBCHAPTER A-1. PARENT-DIRECTED [~~SUPPLEMENTAL SPECIAL EDUCATION~~]
SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES
[PROGRAM]

SECTION 3.26. Sections [29.041](#)(2) and (3), Education Code, are amended to read as follows:

(2) "Supplemental [~~special education~~] instructional materials" includes textbooks, computer hardware or software, other technological devices, and other materials suitable for addressing an educational need of a student receiving special education services under Subchapter A.

(3) "Supplemental [~~special education~~] services" means an additive service that provides an educational benefit to a student receiving special education services under Subchapter A, including:

(A) occupational therapy, physical therapy, and speech therapy; and

(B) private tutoring and other supplemental

1 private instruction or programs.

2 SECTION 3.27. Section 29.042, Education Code, is amended by
3 amending Subsections (a) and (c) and adding Subsection (e) to read
4 as follows:

5 (a) The agency by rule shall establish and administer a
6 parent-directed ~~[supplemental special education services and~~
7 ~~instructional materials]~~ program for students receiving special
8 education services through which a parent may direct supplemental
9 services and supplemental instructional materials for the parent's
10 student ~~[students]~~ who meets ~~[meet]~~ the eligibility requirements
11 for participation in the program. Subject to Subsection (c), the
12 agency shall provide each student approved as provided by this
13 subchapter a grant in the amount provided under Section 48.306 ~~[of~~
14 ~~not more than \$1,500]~~ to purchase supplemental ~~[special education]~~
15 services and supplemental ~~[special education]~~ instructional
16 materials.

17 (c) A student may receive one grant under this subchapter
18 unless the legislature appropriates money for an additional grant
19 in the General Appropriations Act ~~[The commissioner shall set aside~~
20 ~~an amount set by appropriation for each state fiscal year to fund~~
21 ~~the program under this section. For each state fiscal year, the~~
22 ~~total amount provided for student grants under Subsection (a) may~~
23 ~~not exceed the amount set aside by the commissioner under this~~
24 ~~subsection]~~.

25 (e) The agency shall maintain an online user-friendly
26 application system for parents to apply for a grant described by
27 Subsection (a).

SECTION 3.28. Section 29.045, Education Code, is amended to read as follows:

Sec. 29.045. APPROVAL OF APPLICATION; ASSIGNMENT OF ACCOUNT. The ~~[Subject to available funding the]~~ agency shall approve each student who meets the program eligibility criteria established under Section 29.044 and assign to the student an account maintained under Section 29.042(b). The account may only be used by the student's parent to purchase supplemental ~~[special education]~~ services or supplemental ~~[special education]~~ instructional materials for the student, subject to Sections 29.046 and 29.047.

SECTION 3.29. Sections 29.046(a) and (b), Education Code, are amended to read as follows:

(a) Money in an account assigned to a student under Section 29.045 may be used only for supplemental ~~[special education]~~ services and supplemental ~~[special education]~~ instructional materials.

(b) Supplemental ~~[special education]~~ services must be provided by an agency-approved provider.

SECTION 3.30. Sections 29.047(a), (c), (d), and (e), Education Code, are amended to read as follows:

(a) The agency shall establish criteria necessary for agency approval for each category of provider of a professional service that is a supplemental ~~[special education]~~ service, as identified by the agency.

(c) The agency shall provide a procedure for providers of supplemental ~~[special education]~~ services to apply to the agency to

1 become an agency-approved provider.

2 (d) The agency may establish criteria for agency approval of
3 vendors for each category of supplemental ~~[special education]~~
4 instructional materials identified by the agency.

5 (e) If the agency establishes criteria for agency approval
6 for a vendor of a category of supplemental ~~[special education]~~
7 instructional materials, the agency shall provide a procedure for
8 vendors of that category to apply to the agency to become an
9 agency-approved vendor.

10 SECTION 3.31. Section 29.048, Education Code, is amended to
11 read as follows:

12 Sec. 29.048. ADMISSION, REVIEW, AND DISMISSAL COMMITTEE
13 DUTIES. (a) A student's admission, review, and dismissal
14 committee shall develop a student's individualized education
15 program under Section 29.005, in compliance with the Individuals
16 with Disabilities Education Act (20 U.S.C. Section 1400 et seq.),
17 without consideration of any supplemental ~~[special education]~~
18 services or supplemental instructional materials that may be
19 provided under the program under this subchapter.

20 (b) Unless the district first verifies that an account has
21 been assigned to the student under Section 29.045, the ~~[The]~~
22 admission, review, and dismissal committee of a student approved
23 for participation in the program shall provide to the student's
24 parent at an admission, review, and dismissal committee meeting for
25 the student:

26 (1) information regarding the types of supplemental
27 ~~[special education]~~ services or supplemental instructional

1 materials available under the program and provided by
2 agency-approved providers for which an account maintained under
3 Section 29.042(b) for the student may be used; and

4 (2) instructions regarding accessing an account
5 described by Subdivision (1).

6 SECTION 3.32. Subchapter A-1, Chapter 29, Education Code,
7 is amended by adding Section 29.0485 to read as follows:

8 Sec. 29.0485. DETERMINATION OF COMMISSIONER FINAL.
9 Notwithstanding Section 7.057, a determination of the commissioner
10 under this subchapter is final and may not be appealed.

11 SECTION 3.33. Section 29.049, Education Code, is amended to
12 read as follows:

13 Sec. 29.049. RULES. The commissioner shall adopt rules as
14 necessary to administer the supplemental [~~special education~~]
15 services and supplemental instructional materials program under
16 this subchapter.

17 SECTION 3.34. Section 29.153, Education Code, is amended by
18 amending Subsection (b) and adding Subsection (b-2) to read as
19 follows:

20 (b) A child is eligible for enrollment in a prekindergarten
21 class under this section if the child is at least three years of age
22 and:

23 (1) is unable to speak and comprehend the English
24 language;

25 (2) is educationally disadvantaged;

26 (3) is homeless, regardless of the residence of the
27 child, of either parent of the child, or of the child's guardian or

1 other person having lawful control of the child;

2 (4) is the child of an active duty member of the armed
3 forces of the United States, including the state military forces or
4 a reserve component of the armed forces, who is ordered to active
5 duty by proper authority;

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

10 (6) is or ever has been in:

11 (A) the conservatorship of the Department of
12 Family and Protective Services following an adversary hearing held
13 as provided by Section 262.201, Family Code; or

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

16 (7) is the child of a person eligible for the Star of
17 Texas Award as:

18 (A) a peace officer under Section 3106.002,
19 Government Code;

20 (B) a firefighter under Section 3106.003,
21 Government Code; or

22 (C) an emergency medical first responder under
23 Section 3106.004, Government Code; or

24 (8) is a child eligible for special education services
25 under Subchapter A and the child's admission, review, and dismissal
26 committee determines the prekindergarten class to be the most
27 appropriate placement for the child under the child's

1 individualized education program.

2 (b-2) A child described by Subsection (b)(8) who is at least
3 three years of age but younger than four years of age may be
4 enrolled in a prekindergarten class offered to children who are at
5 least four years of age if:

6 (1) the school district does not offer a
7 prekindergarten program for children who are at least three years
8 of age; and

9 (2) the child's admission, review, and dismissal
10 committee determines the prekindergarten class to be the most
11 appropriate placement for the child under the child's
12 individualized education program.

13 SECTION 3.35. Section 29.301(1), Education Code, is amended
14 to read as follows:

15 (1) "Admission, review, and dismissal committee"
16 means the committee required by [~~State Board of Education rules to~~
17 ~~develop the individualized education program required by~~] the
18 Individuals with Disabilities Education Act (20 U.S.C. Section 1400
19 et seq.) for any student needing special education.

20 SECTION 3.36. Sections 29.304(a) and (c), Education Code,
21 are amended to read as follows:

22 (a) A student who is deaf or hard of hearing must have an
23 education in which teachers, psychologists, speech language
24 pathologists [~~therapists~~], progress assessors, administrators, and
25 others involved in education understand the unique nature of
26 deafness and the hard-of-hearing condition. A teacher of students
27 who are deaf or hard of hearing either must be proficient in

1 appropriate language modes or use an interpreter certified in
2 appropriate language modes if certification is available.

3 (c) General [~~Regular~~] and special education personnel who
4 work with students who are deaf or hard of hearing must be
5 adequately prepared to provide educational instruction and
6 services to those students.

7 SECTION 3.37. Section 29.310, Education Code, is amended by
8 amending Subsection (c) and adding Subsection (d) to read as
9 follows:

10 (c) The procedures and materials for the assessment and
11 placement of a student who is deaf or hard of hearing shall be in the
12 student's preferred mode of communication. All other procedures
13 and materials used with any student who is deaf or hard of hearing
14 and who is an emergent bilingual student as defined by Section
15 29.052 [~~has limited English proficiency~~] shall be in the student's
16 preferred mode of communication.

17 (d) In recognizing the need for development of language and
18 communication abilities in students who are deaf or hard of hearing
19 but also calling for the use of methods of communication that will
20 meet the needs of each individual student, each student who is deaf
21 or hard of hearing must be thoroughly assessed to ascertain the
22 student's potential for communicating through a variety of means.

23 SECTION 3.38. Section 29.313, Education Code, is amended to
24 read as follows:

25 Sec. 29.313. EVALUATION OF DEAF AND HARD OF HEARING
26 SERVICES [~~PROGRAMS~~]. (a) Each school district must provide
27 continuous evaluation of the effectiveness of the district's

1 services [~~programs of the district~~] for students who are deaf or
2 hard of hearing. The [~~If practicable,~~] evaluations shall follow
3 program excellence indicators established by the agency.

4 (b) Each school district shall submit the evaluations under
5 this section to the agency on a schedule set by the agency.

6 SECTION 3.39. Section 29.314, Education Code, is amended to
7 read as follows:

8 Sec. 29.314. TRANSITION INTO GENERAL EDUCATION [~~REGULAR~~]
9 CLASS. In addition to satisfying requirements of the admission,
10 review, and dismissal committee and to satisfying requirements
11 under state and federal law for vocational training, each school
12 district shall develop and implement a transition plan for the
13 transition of a student who is deaf or hard of hearing into a
14 general education [~~regular~~] class [~~program~~] if the student is to be
15 transferred from a special class or center or nonpublic,
16 nonsectarian school into a general education [~~regular~~] class in a
17 public school for any part of the school day. The transition plan
18 must provide for activities:

19 (1) to integrate the student into the general
20 [~~regular~~] education program and specify the nature of each activity
21 and the time spent on the activity each day; and

22 (2) to support the transition of the student from the
23 special education program into the general [~~regular~~] education
24 program.

25 SECTION 3.40. Section 29.315, Education Code, is amended to
26 read as follows:

27 Sec. 29.315. TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF

1 UNDERSTANDING. The Texas Education Agency and the Texas School for
2 the Deaf shall develop~~[, agree to, and by commissioner rule adopt no~~
3 ~~later than September 1, 1998,]~~ a memorandum of understanding to
4 establish:

5 (1) the method for developing and reevaluating a set
6 of indicators of the quality of learning at the Texas School for the
7 Deaf;

8 (2) the process for the agency to conduct and report on
9 an annual evaluation of the school's performance on the indicators;

10 (3) the requirements for the school's board to
11 publish, discuss, and disseminate an annual report describing the
12 educational performance of the school; and

13 ~~(4) [the process for the agency to assign an~~
14 ~~accreditation status to the school, to reevaluate the status on an~~
15 ~~annual basis, and, if necessary, to conduct monitoring reviews; and~~

16 ~~[(5)]~~ the type of information the school shall be
17 required to provide through the Public Education Information
18 Management System (PEIMS).

19 SECTION 3.41. Section 29.316, Education Code, is amended to
20 read as follows:

21 Sec. 29.316. LANGUAGE ACQUISITION. (a) In this section,
22 "language [+

23 ~~[(1) "Center" means the Educational Resource Center on~~
24 ~~Deafness at the Texas School for the Deaf.~~

25 ~~[(2) "Division" means the Division for Early Childhood~~
26 ~~Intervention Services of the Health and Human Services Commission.~~

27 ~~[(3) "Language]~~ acquisition" includes expressive and

receptive language acquisition and literacy development in English, American Sign Language, or both, or, if applicable, in another language primarily used by a child's parent or guardian, and is separate from any modality used to communicate in the applicable language or languages.

(b) Each school district ~~[The commissioner and the executive commissioner of the Health and Human Services Commission jointly]~~ shall ensure that the language acquisition of each child eight years of age or younger who is deaf or hard of hearing is regularly assessed using a tool or assessment approved by the commissioner ~~[determined to be valid and reliable as provided by Subsection (d)]~~.

(c) On a schedule determined by the commissioner, each school district shall report to the commissioner through the Public Education Information Management System (PEIMS) or another method set by commissioner rule the assessment data collected under Subsection (b) ~~[Not later than August 31 of each year, the agency, the division, and the center jointly shall prepare and post on the agency's, the division's, and the center's respective Internet websites a report on the language acquisition of children eight years of age or younger who are deaf or hard of hearing. The report must:~~

~~[(1) include:~~

~~[(A) existing data reported in compliance with federal law regarding children with disabilities; and~~

~~[(B) information relating to the language acquisition of children who are deaf or hard of hearing and also~~

~~have other disabilities;~~

~~[(2) state for each child:~~

~~[(A) the instructional arrangement used with the child, as described by Section 48.102, including the time the child spends in a mainstream instructional arrangement;~~

~~[(B) the specific language acquisition services provided to the child, including:~~

~~[(i) the time spent providing those services; and~~

~~[(ii) a description of any hearing amplification used in the delivery of those services, including:~~

~~[(a) the type of hearing amplification used;~~

~~[(b) the period of time in which the child has had access to the hearing amplification; and~~

~~[(c) the average amount of time the child uses the hearing amplification each day;~~

~~[(C) the tools or assessments used to assess the child's language acquisition and the results obtained;~~

~~[(D) the preferred unique communication mode used by the child at home; and~~

~~[(E) the child's age, race, and gender, the age at which the child was identified as being deaf or hard of hearing, and any other relevant demographic information the commissioner determines to likely be correlated with or have an impact on the child's language acquisition;~~

~~[(3) compare progress in English literacy made by~~

1 ~~children who are deaf or hard of hearing to progress in that subject~~
2 ~~made by children of the same age who are not deaf or hard of hearing,~~
3 ~~by appropriate age range, and~~

4 ~~[(4) be redacted as necessary to comply with state and~~
5 ~~federal law regarding the confidentiality of student medical or~~
6 ~~educational information].~~

7 (d) The commissioner~~[, the executive commissioner of the~~
8 ~~Health and Human Services Commission, and the center]~~ shall adopt
9 rules establishing the assessment data required to be reported
10 under Subsection (c) ~~[enter into a memorandum of understanding~~
11 ~~regarding:~~

12 ~~[(1) the identification of experts in deaf education,~~
13 ~~and~~

14 ~~[(2) the determination, in consultation with those~~
15 ~~experts, of the tools and assessments that are valid and reliable,~~
16 ~~in both content and administration, for use in assessing the~~
17 ~~language acquisition of children eight years of age or younger who~~
18 ~~are deaf or hard of hearing].~~

19 (e) The commissioner shall annually post on the agency's
20 Internet website a report on the language acquisition of children
21 eight years of age or younger who are deaf or hard of hearing using
22 the assessment data reported under Subsection (c) ~~[agency shall use~~
23 ~~existing collected data and data collected and transferred from the~~
24 ~~Department of State Health Services and the Health and Human~~
25 ~~Services Commission, as agreed upon in the memorandum of~~
26 ~~understanding, for the report under this section].~~

27 (f) The commissioner shall use the assessment data reported

under Subsection (c) in determining whether to award a grant under Section 29.018 or in seeking federal money available for projects aimed at improving outcomes for students with disabilities ~~[and the executive commissioner of the Health and Human Services Commission jointly shall adopt rules as necessary to implement this section, including rules for:~~

~~[(1) assigning each child eight years of age or younger who is deaf or hard of hearing a unique identification number for purposes of the report required under Subsection (c) and to enable the tracking of the child's language acquisition, and factors affecting the child's language acquisition, over time; and~~

~~[(2) implementing this section in a manner that complies with federal law regarding confidentiality of student medical or educational information, including the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.) and the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), and any state law relating to the privacy of student information].~~

SECTION 3.42. The heading to Section 30.002, Education Code, is amended to read as follows:

Sec. 30.002. STATE PLAN [EDUCATION] FOR CHILDREN WITH VISUAL IMPAIRMENTS, WHO ARE DEAF OR HARD OF HEARING, OR WHO ARE DEAF-BLIND.

SECTION 3.43. Sections 30.002(a), (b), (c), and (e), Education Code, are amended to read as follows:

(a) The agency shall develop and administer a comprehensive statewide plan for the education of children ~~[with visual~~

1 ~~impairments]~~ who are under 22 ~~[21]~~ years of age and who have visual
2 impairments, are deaf or hard of hearing, or are deaf-blind that
3 will ensure that the children have an opportunity for achievement
4 equal to the opportunities afforded their peers who do not have
5 visual impairments, are not deaf or hard of hearing, or are not
6 deaf-blind ~~[with normal vision]~~.

7 (b) The agency shall:

8 (1) develop standards and guidelines for all special
9 education and related services for children who have visual
10 impairments, are deaf or hard of hearing, or are deaf-blind ~~[with~~
11 ~~visual impairments]~~ that it is authorized to provide or support
12 under this code and federal law;

13 (2) supervise regional education service centers and
14 other entities in assisting school districts in serving children
15 who have visual impairments, are deaf or hard of hearing, or are
16 deaf-blind ~~[with visual impairments]~~ more effectively; and

17 ~~(3) [develop and administer special education~~
18 ~~services for students with both serious visual and auditory~~
19 ~~impairments,~~

20 ~~[(4) evaluate special education services provided for~~
21 ~~children with visual impairments by school districts and approve or~~
22 ~~disapprove state funding of those services, and~~

23 ~~[(5)]~~ maintain an effective liaison between special
24 education programs provided for children who have visual
25 impairments, are deaf or hard of hearing, or are deaf-blind ~~[with~~
26 ~~visual impairments]~~ by school districts and related initiatives of
27 the Health and Human Services Commission, ~~[the Department of State~~

~~Health Services Mental Health and Substance Abuse Division,~~ the Texas Workforce Commission, and other related programs, agencies, or facilities as appropriate.

(c) The comprehensive statewide plan for the education of children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ must:

(1) adequately provide for comprehensive diagnosis and evaluation of each school-age child who has a visual impairment, is deaf or hard of hearing, or is deaf-blind and adequately outline the expectations of a school district for such a child under three years of age ~~[with a serious visual impairment];~~

(2) include the procedures, format, and content of the individualized education program for each child who has a visual impairment, is deaf or hard of hearing, or is deaf-blind ~~[with a visual impairment];~~

(3) emphasize providing educational services to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ in their home communities whenever possible;

(4) include information regarding the establishment of regional day school programs for the deaf under Subchapter D and the parameters of those programs ~~[methods to ensure that children with visual impairments receiving special education services in school districts receive, before being placed in a classroom setting or within a reasonable time after placement:~~

~~[(A) evaluation of the impairment; and~~

~~[(B) instruction in an expanded core curriculum,~~

1 ~~which is required for students with visual impairments to succeed~~
2 ~~in classroom settings and to derive lasting, practical benefits~~
3 ~~from the education provided by school districts, including~~
4 ~~instruction in:~~

5 ~~[(i) compensatory skills, such as braille~~
6 ~~and concept development, and other skills needed to access the rest~~
7 ~~of the curriculum;~~

8 ~~[(ii) orientation and mobility;~~

9 ~~[(iii) social interaction skills;~~

10 ~~[(iv) career planning;~~

11 ~~[(v) assistive technology, including~~
12 ~~optical devices;~~

13 ~~[(vi) independent living skills;~~

14 ~~[(vii) recreation and leisure enjoyment;~~

15 ~~[(viii) self-determination; and~~

16 ~~[(ix) sensory efficiency];~~

17 (5) provide for flexibility on the part of school
18 districts to meet the unique ~~[special]~~ needs of children who have
19 visual impairments, are deaf or hard of hearing, or are deaf-blind
20 ~~[with visual impairments]~~ through:

21 (A) specialty staff and resources provided by the
22 district;

23 (B) contractual arrangements with other
24 qualified public or private agencies;

25 (C) supportive assistance from regional
26 education service centers or adjacent school districts;

27 (D) short-term or long-term services through the

1 Texas School for the Blind and Visually Impaired, the Texas School
2 for the Deaf, regional day school programs for the deaf, or related
3 facilities or programs; or

4 (E) other instructional and service arrangements
5 approved by the agency;

6 (6) ~~[include a statewide admission, review, and~~
7 ~~dismissal process,~~

8 ~~[(7)]~~ provide for effective interaction between the
9 ~~[visually impaired child's]~~ classroom setting of the child who has
10 a visual impairment, is deaf or hard of hearing, or is deaf-blind
11 and the child's home environment, including providing for parental
12 training and counseling either by school district staff or by
13 representatives of other organizations directly involved in the
14 development and implementation of the individualized education
15 program for the child;

16 (7) describe recommended and required professional
17 development activities based on the special education and related
18 services provided by school district staff to children who have
19 visual impairments, are deaf or hard of hearing, or are deaf-blind
20 ~~[(8) require the continuing education and professional~~
21 ~~development of school district staff providing special education~~
22 ~~services to children with visual impairments];~~

23 (8) [(9)] provide for adequate monitoring and precise
24 evaluation of special education services provided to children who
25 have visual impairments, are deaf or hard of hearing, or are
26 deaf-blind ~~[with visual impairments]~~ through school districts;
27 ~~[and]~~

1 (9) [(10)] require that school districts providing
2 special education services to children who have visual impairments,
3 are deaf or hard of hearing, or are deaf-blind [~~with visual~~
4 ~~impairments~~] develop procedures for assuring that staff assigned to
5 work with the children have prompt and effective access directly to
6 resources available through:

7 (A) cooperating agencies in the area;

8 (B) the Texas School for the Blind and Visually
9 Impaired;

10 (C) the Texas School for the Deaf;

11 (D) the statewide outreach center at the Texas
12 School for the Deaf;

13 (E) the Central Media Depository for specialized
14 instructional materials and aids made specifically for use by
15 students with visual impairments;

16 (F) [(D)] sheltered workshops participating in
17 the state program of purchases of blind-made goods and services;
18 and

19 (G) [(E)] related sources; and

20 (10) assist in the coordination of educational
21 programs with other public and private agencies, including:

22 (A) agencies operating early childhood
23 intervention programs;

24 (B) preschools;

25 (C) agencies operating child development
26 programs;

27 (D) private nonsectarian schools;

1 (E) agencies operating regional occupational
2 centers and programs; and

3 (F) as appropriate, postsecondary and adult
4 programs for persons who are deaf or hard of hearing.

5 (e) Each eligible [~~blind or visually impaired~~] student who
6 has a visual impairment, is deaf or hard of hearing, or is
7 deaf-blind is entitled to receive educational programs according to
8 an individualized education program that:

9 (1) is developed in accordance with federal and state
10 requirements for providing special education services;

11 (2) is developed by a committee composed as required
12 by federal law;

13 (3) reflects that the student has been provided a
14 detailed explanation of the various service resources available to
15 the student in the community and throughout the state;

16 (4) provides a detailed description of the
17 arrangements made to provide the student with the evaluation and
18 instruction required under this subchapter and Subchapter A,
19 Chapter 29 [~~Subsection (c)(4)]~~; and

20 (5) sets forth the plans and arrangements made for
21 contacts with and continuing services to the student beyond regular
22 school hours to ensure the student learns the skills and receives
23 the instruction required under this subchapter and Subchapter A,
24 Chapter 29 [~~Subsection (c)(4)(B)]~~.

25 SECTION 3.44. Subchapter A, Chapter 30, Education Code, is
26 amended by adding Section 30.0021 to read as follows:

27 Sec. 30.0021. REQUIREMENTS FOR CHILDREN WITH VISUAL

IMPAIRMENTS. (a) Each child with a visual impairment must receive instruction in an expanded core curriculum required for children with visual impairments to succeed in classroom settings and to derive lasting, practical benefits from education in a school district, including instruction in:

(1) compensatory skills, such as braille and concept development, and other skills necessary to access the rest of the curriculum;

(2) orientation and mobility;

(3) social interaction skills;

(4) career education;

(5) assistive technology, including optical devices;

(6) independent living skills;

(7) recreation and leisure enjoyment;

(8) self-determination; and

(9) sensory efficiency.

(b) To determine a child's eligibility for a school district's special education program under Subchapter A, Chapter 29, on the basis of a visual impairment, the full individual and initial evaluation of the child under Section 29.004 and any reevaluation of the child must, in accordance with commissioner rule:

(1) include an orientation and mobility evaluation conducted:

(A) by a person who is appropriately certified as an orientation and mobility specialist, as determined by commissioner rule; and

1 (B) in a variety of lighting conditions and
2 settings, including in the child's home, school, and community and
3 in settings unfamiliar to the child; and

4 (2) provide for a person who is appropriately
5 certified as an orientation and mobility specialist, as determined
6 by commissioner rule, to participate, as part of a
7 multidisciplinary team, in evaluating the data on which the
8 determination of the child's eligibility is based.

9 (c) In developing an individualized education program under
10 Section 29.005 for a child with a visual impairment, proficiency in
11 reading and writing must be a significant indicator of the child's
12 satisfactory educational progress. The individualized education
13 program must include instruction in braille and the use of braille
14 unless the child's admission, review, and dismissal committee
15 documents a determination, based on an evaluation of the child's
16 appropriate literacy media and literacy skills and the child's
17 current and future instructional needs, that braille is not an
18 appropriate literacy medium for the child.

19 (d) Braille instruction:

20 (1) may be used in combination with other special
21 education services appropriate to the educational needs of a child
22 with a visual impairment; and

23 (2) must be provided by a teacher certified to teach
24 children with visual impairments under Subchapter B, Chapter 21.

25 (e) A school district shall provide to each person assisting
26 in the development of an individualized education program for a
27 child with a visual impairment information describing the benefits

of braille instruction.

(f) To facilitate implementation of this section, the commissioner shall develop a system to distribute from the foundation school fund to school districts or regional education service centers a special supplemental allowance for each student with a visual impairment. The supplemental allowance may be spent only for special education services uniquely required by the nature of the child's disabilities and may not be used in lieu of educational funds otherwise available under this code or through state or local appropriations.

SECTION 3.45. Section 30.003, Education Code, is amended by amending Subsections (b), (d), (f-1), and (g) and adding Subsection (b-1) to read as follows:

(b) If the student is admitted to the school for a full-time program for the equivalent of two long semesters, the district's share of the cost is an amount equal to the dollar amount of maintenance and debt service taxes imposed by the district for that year, subject to Subsection (b-1), divided by the district's average daily attendance for the preceding year.

(b-1) The commissioner shall reduce the amount of maintenance taxes imposed by the district that are obligated to be paid under Subsection (b) for a year by the amount, if any, by which the district is required to reduce the district's local revenue level under Section 48.257 for that year.

(d) Each school district and state institution shall provide to the commissioner the necessary information to determine the district's share under this section. The information must be

1 reported to the commissioner on or before a date set by commissioner
2 rule [~~of the State Board of Education~~]. After determining the
3 amount of a district's share for all students for which the district
4 is responsible, the commissioner shall deduct that amount from the
5 payments of foundation school funds payable to the district. Each
6 deduction shall be in the same percentage of the total amount of the
7 district's share as the percentage of the total foundation school
8 fund entitlement being paid to the district at the time of the
9 deduction, except that the amount of any deduction may be modified
10 to make necessary adjustments or to correct errors. The
11 commissioner shall provide for remitting the amount deducted to the
12 appropriate school at the same time at which the remaining funds are
13 distributed to the district. If a district does not receive
14 foundation school funds or if a district's foundation school
15 entitlement is less than the amount of the district's share under
16 this section, the commissioner shall direct the district to remit
17 payment to the commissioner, and the commissioner shall remit the
18 district's share to the appropriate school.

19 (f-1) The commissioner shall determine the total amount
20 that the Texas School for the Blind and Visually Impaired and the
21 Texas School for the Deaf would have received from school districts
22 in accordance with this section if the following provisions had not
23 reduced the districts' share of the cost of providing education
24 services:

25 (1) H.B. No. 1, Acts of the 79th Legislature, 3rd
26 Called Session, 2006;

27 (2) Subsection (b-1) of this section;

1 (3) Section 45.0032;

2 (4) [~~(3)~~] Section 48.255; and

3 (5) [~~(4)~~] Section 48.2551.

4 (g) The commissioner [~~State Board of Education~~] may adopt
5 rules as necessary to implement this section.

6 SECTION 3.46. Section 30.004(b), Education Code, is amended
7 to read as follows:

8 (b) The commissioner [~~State Board of Education~~] shall adopt
9 rules prescribing the form and content of information required by
10 Subsection (a).

11 SECTION 3.47. Section 30.005, Education Code, is amended to
12 read as follows:

13 Sec. 30.005. TEXAS SCHOOL FOR THE BLIND AND VISUALLY
14 IMPAIRED MEMORANDUM OF UNDERSTANDING. The Texas Education Agency
15 and the Texas School for the Blind and Visually Impaired shall
16 develop[~~, agree to, and by commissioner rule adopt~~] a memorandum of
17 understanding to establish:

18 (1) the method for developing and reevaluating a set
19 of indicators of the quality of learning at the Texas School for the
20 Blind and Visually Impaired;

21 (2) the process for the agency to conduct and report on
22 an annual evaluation of the school's performance on the indicators;

23 (3) the requirements for the school's board to
24 publish, discuss, and disseminate an annual report describing the
25 educational performance of the school; and

26 (4) [~~the process for the agency to:~~

27 [~~(A) assign an accreditation status to the~~

1 school,

2 ~~[(B) reevaluate the status on an annual basis,~~

3 and

4 ~~[(C) if necessary, conduct monitoring reviews,~~

5 and

6 ~~[(5)]~~ the type of information the school shall be
7 required to provide through the Public Education Information
8 Management System (PEIMS).

9 SECTION 3.48. Section 30.021(e), Education Code, is amended
10 to read as follows:

11 (e) The school shall cooperate with public and private
12 agencies and organizations serving students and other persons with
13 visual impairments in the planning, development, and
14 implementation of effective educational and rehabilitative service
15 delivery systems associated with educating students with visual
16 impairments. To maximize and make efficient use of state
17 facilities, funding, and resources, the services provided in this
18 area may include conducting a cooperative program with other
19 agencies to serve students who have graduated from high school by
20 completing all academic requirements applicable to students in
21 general ~~[regular]~~ education, excluding satisfactory performance
22 under Section 39.025, who are younger than 22 years of age on
23 September 1 of the school year and who have identified needs related
24 to vocational training, independent living skills, orientation and
25 mobility, social and leisure skills, compensatory skills, or
26 remedial academic skills.

27 SECTION 3.49. Section 30.081, Education Code, is amended to

1 read as follows:

2 Sec. 30.081. LEGISLATIVE INTENT CONCERNING REGIONAL DAY
3 SCHOOLS FOR THE DEAF. The legislature, by this subchapter, intends
4 to continue a process of providing on a statewide basis a suitable
5 education to deaf or hard of hearing students who are under 22 ~~[21]~~
6 years of age and assuring that those students have the opportunity
7 to become independent citizens.

8 SECTION 3.50. Section 30.083, Education Code, is amended to
9 read as follows:

10 Sec. 30.083. STATEWIDE PLAN. ~~[(a)]~~ The director of
11 services shall develop and administer a comprehensive statewide
12 plan for educational services for students who are deaf or hard of
13 hearing and receive special education and related services through
14 a regional day school program for the deaf~~[, including continuing~~
15 ~~diagnosis and evaluation, counseling, and teaching]~~. The plan
16 shall be included as part of the comprehensive state plan under
17 Section 30.002 ~~[designed to accomplish the following objectives:~~

18 ~~[(1) providing assistance and counseling to parents of~~
19 ~~students who are deaf or hard of hearing in regional day school~~
20 ~~programs for the deaf and admitting to the programs students who~~
21 ~~have a hearing loss that interferes with the processing of~~
22 ~~linguistic information,~~

23 ~~[(2) enabling students who are deaf or hard of hearing~~
24 ~~to reside with their parents or guardians and be provided an~~
25 ~~appropriate education in their home school districts or in regional~~
26 ~~day school programs for the deaf,~~

27 ~~[(3) enabling students who are deaf or hard of hearing~~

~~who are unable to attend schools at their place of residence and whose parents or guardians live too far from facilities of regional day school programs for the deaf for daily commuting to be accommodated in foster homes or other residential school facilities provided for by the agency so that those children may attend a regional day school program for the deaf,~~

~~[(4) enrolling in the Texas School for the Deaf those students who are deaf or hard of hearing whose needs can best be met in that school and designating the Texas School for the Deaf as the statewide educational resource for students who are deaf or hard of hearing,~~

~~[(5) encouraging students in regional day school programs for the deaf to attend general education classes on a part-time, full-time, or trial basis, and~~

~~[(6) recognizing the need for development of language and communications abilities in students who are deaf or hard of hearing, but also calling for the use of methods of communication that will meet the needs of each individual student, with each student assessed thoroughly so as to ascertain the student's potential for communications through a variety of means, including through oral or aural means, fingerspelling, or sign language].~~

~~[(b) The director of services may establish separate programs to accommodate diverse communication methodologies.]~~

SECTION 3.51. Section 37.146(a), Education Code, is amended to read as follows:

(a) A complaint alleging the commission of a school offense must, in addition to the requirements imposed by Article 45A.101,

Code of Criminal Procedure:

(1) be sworn to by a person who has personal knowledge of the underlying facts giving rise to probable cause to believe that an offense has been committed; and

(2) be accompanied by a statement from a school employee stating:

(A) whether the child is eligible for or receives special education services under Subchapter A, Chapter 29; and

(B) the graduated sanctions, if required under Section 37.144, that were imposed on the child before the complaint was filed.

SECTION 3.52. Section 38.003(c-1), Education Code, is amended to read as follows:

(c-1) The agency by rule shall develop procedures designed to allow the agency to:

(1) effectively audit and monitor and periodically conduct site visits of all school districts to ensure that districts are complying with this section, including the program approved by the State Board of Education under this section;

(2) identify any problems school districts experience in complying with this section, including the program approved by the State Board of Education under this section;

(3) develop reasonable and appropriate remedial strategies to address school district noncompliance and ensure the purposes of this section are accomplished, which may include the publication of a recommended evidence-based dyslexia program list;

~~and~~

(4) solicit input from parents of students enrolled in a school district during the auditing and monitoring of the district under Subdivision (1) regarding the district's implementation of the program approved by the State Board of Education under this section; and

(5) engage in general supervision activities, including activities under the comprehensive system for monitoring described by Section 29.010, to ensure school district compliance with the program approved by the State Board of Education under this section and Part B, Individuals with Disabilities Education Act (20 U.S.C. Section 1411 et seq.).

SECTION 3.53. Section 48.009(b), Education Code, is amended to read as follows:

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

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

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

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

(4) the total number of students, other than students described by Subdivision (5), enrolled in the district or school with whom the district or school, as applicable, used intervention

strategies, as that term is defined by Section 26.004, at any time during the year for which the report is made;

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

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

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

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

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

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

(A) are at least 18 years of age and under 26 years of age;

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

(C) enroll in the program at the district or

1 school after not attending school for a period of at least nine
2 months; and

3 (8) students enrolled in a special education program
4 under Subchapter A, Chapter 29, as necessary for the agency to
5 adequately perform general supervision activities and determine
6 funding under Sections 48.102 and 48.1021.

7 SECTION 3.54. Subchapter A, Chapter 48, Education Code, is
8 amended by adding Section 48.011 to read as follows:

9 Sec. 48.011. COMMISSIONER AUTHORITY TO RESOLVE UNINTENDED
10 CONSEQUENCES. (a) Subject to Subsection (b), the commissioner
11 may, as necessary to implement changes made by the legislature to
12 public school finance and school district maintenance and
13 operations tax rates during the preceding four state fiscal years:

14 (1) adjust a school district's entitlement under this
15 chapter if the funding formulas used to determine the district's
16 entitlement result in an unanticipated loss, gain, or other result
17 for a school district; and

18 (2) modify dates relating to the adoption of a school
19 district's maintenance and operations tax rate and, if applicable,
20 an election required for the district to adopt that tax rate.

21 (b) Before making an adjustment under Subsection (a), the
22 commissioner shall notify and must receive approval from the
23 Legislative Budget Board and the office of the governor.

24 (c) If the commissioner makes an adjustment under
25 Subsection (a), the commissioner must provide to the legislature an
26 explanation regarding the changes necessary to resolve the
27 unintended consequences.

SECTION 3.55. Section 48.102, Education Code, is amended to read as follows:

Sec. 48.102. SPECIAL EDUCATION. (a) For each student in average daily attendance in a special education program under Subchapter A, Chapter 29, ~~[in a mainstream instructional arrangement]~~, a school district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight in an amount set by the legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualifies ~~[1-15]~~.

(a-1) Notwithstanding Subsection (a), for the 2025-2026 and 2026-2027 school years, the amount of an allotment under this section shall be determined in accordance with Section 48.1022. This subsection expires September 1, 2027. ~~[For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight determined according to instructional arrangement as follows:~~

[Homebound	5.0
[Hospital class	3.0
[Speech therapy	5.0
[Resource room	3.0

1	[Self-contained, mild and moderate, regular campus	3.0
2	[Self-contained, severe, regular campus	3.0
3	[Off home campus	2.7
4	[Nonpublic day school	1.7
5	[Vocational adjustment class	2.3]

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

(c) In defining the tiers of intensity of service under Subsection (b), the commissioner shall consider:

- (1) the type, frequency, and nature of services provided to a student;
- (2) the required certifications, licensures, or other qualifications for personnel serving the student;
- (3) any identified or curriculum-required provider-to-student ratios for the student to receive the

appropriate services; and

(4) any equipment or technology required for the services ~~[For funding purposes, the number of contact hours credited per day for each student in the off home campus instructional arrangement may not exceed the contact hours credited per day for the multidistrict class instructional arrangement in the 1992-1993 school year].~~

~~(d) [For funding purposes the contact hours credited per day for each student in the resource room; self-contained, mild and moderate; and self-contained, severe, instructional arrangements may not exceed the average of the statewide total contact hours credited per day for those three instructional arrangements in the 1992-1993 school year.~~

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

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

~~[(g) The commissioner shall adopt rules and procedures governing contracts for residential placement of special education~~

1 ~~students. The legislature shall provide by appropriation for the~~
 2 ~~state's share of the costs of those placements.~~

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

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

10 (f) ~~[(j)]~~ A school district that provides an extended year
 11 program required by federal law for special education students who
 12 may 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 daily attendance, multiplied by the amount designated for
 18 the highest tier of intensity of service for which the student
 19 qualifies ~~[student's instructional arrangement]~~ under this
 20 section, for each day the program is provided divided by the number
 21 of days in the minimum school year. ~~[The total amount of state~~
 22 ~~funding for extended year services under this section may not~~
 23 ~~exceed \$10 million per year.]~~ A school district may use funds
 24 received under this section only in providing an extended year
 25 program.

26 (g) ~~[(k)]~~ From the total amount of funds appropriated for
 27 special education under this section, the commissioner shall

1 withhold an amount specified in the General Appropriations Act, and
2 distribute that amount to school districts for programs under
3 Section 29.014. The program established under that section is
4 required only in school districts in which the program is financed
5 by funds distributed under this subsection and any other funds
6 available for the program. After deducting the amount withheld
7 under this subsection from the total amount appropriated for
8 special education, the commissioner shall reduce each district's
9 allotment proportionately and shall allocate funds to each district
10 accordingly.

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

16 SECTION 3.56. Subchapter C, Chapter 48, Education Code, is
17 amended by adding Sections 48.1021 and 48.1022 to read as follows:

18 Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT.

19 (a) For each student in a special education program under
20 Subchapter A, Chapter 29, a school district is entitled to an
21 allotment in an amount set by the legislature in the General
22 Appropriations Act for the service group for which the student
23 receives services.

24 (a-1) Notwithstanding Subsection (a), for the 2025-2026 and
25 2026-2027 school years, the amount of an allotment under this
26 section shall be determined in accordance with Section 48.1022.
27 This subsection expires September 1, 2027.

1 (b) The commissioner by rule shall establish at least four
2 service groups for use in determining funding under this section.
3 In establishing the groups, the commissioner must consider:

4 (1) the type, frequency, and nature of services
5 provided to a student;

6 (2) the required certifications, licensures, or other
7 qualifications for personnel serving the student;

8 (3) any identified or curriculum-required
9 provider-to-student ratios for the student to receive the
10 appropriate services; and

11 (4) any equipment or technology required for the
12 services.

13 (c) At least 55 percent of the funds allocated under this
14 section must be used for a special education program under
15 Subchapter A, Chapter 29.

16 (d) Not later than December 1 of each even-numbered year,
17 the commissioner shall submit to the Legislative Budget Board, for
18 purposes of the allotment under this section, proposed amounts of
19 funding for the service groups for the next state fiscal biennium.

20 Sec. 48.1022. SPECIAL EDUCATION TRANSITION FUNDING.

21 (a) For the 2025-2026 and 2026-2027 school years, the commissioner
22 may adjust weights or amounts provided under Section 48.102 or
23 48.1021 as necessary to ensure compliance with requirements
24 regarding maintenance of state financial support under 20 U.S.C.
25 Section 1412(a)(18) and maintenance of local financial support
26 under applicable federal law.

27 (b) For the 2025-2026 and 2026-2027 school years, the

commissioner shall determine the formulas through which school districts receive funding under Sections 48.102 and 48.1021. In determining the formulas, the commissioner shall ensure the estimated statewide increase from the allotment under Section 48.102 for the 2024-2025 school year to the sum of the allotments under Sections 48.102 and 48.1021 for the 2025-2026 school year is approximately \$800 million.

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

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

(e) This section expires September 1, 2028.

SECTION 3.57. Sections 48.103(b), (c), and (d), Education Code, are amended to read as follows:

(b) A school district is entitled to an allotment under Subsection (a) only for a student who:

(1) is receiving:

(A) instruction, services, or accommodations for dyslexia or a related disorder in accordance with~~+~~

~~[(A)]~~ an individualized education program developed for the student under Section 29.005; or

(B) accommodations for dyslexia or a related disorder in accordance with a plan developed for the student under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794); or

(2) ~~[is receiving instruction that:~~

1 ~~[(A) meets applicable dyslexia program criteria~~
2 ~~established by the State Board of Education; and~~

3 ~~[(B) is provided by a person with specific~~
4 ~~training in providing that instruction; or~~

5 ~~[(3)]~~ is permitted, on the basis of having dyslexia or
6 a related disorder, to use modifications in the classroom or
7 accommodations in the administration of assessment instruments
8 under Section [39.023](#) without a program or plan described by
9 Subdivision (1).

10 (c) A school district may receive funding for a student
11 under each provision of this section, ~~[and]~~ Section [48.102](#), and
12 Section 48.1021 for which ~~[if]~~ the student qualifies ~~[satisfies the~~
13 ~~requirements of both sections]~~.

14 (d) A school district may use ~~[an amount not to exceed 20~~
15 ~~percent of]~~ the allotment provided for a qualifying student under
16 this section to contract with a private provider to provide
17 supplemental academic services to the student that are recommended
18 under the student's program or plan described by Subsection (b). A
19 student may not be excused from school to receive supplemental
20 academic services provided under this subsection.

21 SECTION 3.58. Section [48.110](#)(d), Education Code, is amended
22 to read as follows:

23 (d) For each annual graduate in a cohort described by
24 Subsection (b) who demonstrates college, career, or military
25 readiness as described by Subsection (f) in excess of the minimum
26 number of students determined for the applicable district cohort
27 under Subsection (c), a school district is entitled to an annual

1 outcomes bonus of:

2 (1) if the annual graduate is educationally
3 disadvantaged, \$5,000;

4 (2) if the annual graduate is not educationally
5 disadvantaged, \$3,000; and

6 (3) if the annual graduate is enrolled in a special
7 education program under Subchapter A, Chapter 29, \$4,000 [~~\$2,000~~],
8 regardless of whether the annual graduate is educationally
9 disadvantaged.

10 SECTION 3.59. Section 48.151(g), Education Code, is amended
11 to read as follows:

12 (g) A school district or county that provides special
13 transportation services for eligible special education students is
14 entitled to a state allocation at a [~~paid on a previous year's~~
15 ~~cost-per-mile basis. The~~] rate per mile equal to the sum of the
16 rate per mile set under Subsection (c) and \$0.13, or a greater
17 amount provided [~~allowable shall be set~~] by appropriation [~~based on~~
18 ~~data gathered from the first year of each preceding biennium~~].
19 Districts may use a portion of their support allocation to pay
20 transportation costs, if necessary. The commissioner may grant an
21 amount set by appropriation for private transportation to reimburse
22 parents or their agents for transporting eligible special education
23 students. The mileage allowed shall be computed along the shortest
24 public road from the student's home to school and back, morning and
25 afternoon. The need for this type of transportation shall be
26 determined on an individual basis and shall be approved only in
27 extreme hardship cases.

SECTION 3.60. Subchapter D, Chapter 48, Education Code, is amended by adding Section 48.158 to read as follows:

Sec. 48.158. SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL EVALUATION. For each child for whom a school district conducts a full individual and initial evaluation under Section 29.004 or 20 U.S.C. Section 1414(a)(1), the district is entitled to an allotment of \$1,000 or a greater amount provided by appropriation.

SECTION 3.61. Section 48.265(a), Education Code, is amended to read as follows:

(a) If ~~[Notwithstanding any other provision of law, if]~~ the commissioner determines that the amount appropriated for the purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter, the commissioner may provide ~~[by rule shall establish a grant program through which excess funds are awarded as]~~ grants using the excess money for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education classrooms or other special education settings required under Section 29.022.

SECTION 3.62. Section 48.279(e), Education Code, is amended to read as follows:

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

SECTION 3.63. Subchapter G, Chapter 48, Education Code, is amended by adding Sections 48.304, 48.306, and 48.315 to read as follows:

Sec. 48.304. DAY PLACEMENT PROGRAM OR COOPERATIVE FUNDING.

(a) For each qualifying day placement program or cooperative that a regional education service center, school district, or open-enrollment charter school establishes, the program or cooperative is entitled to an allotment of:

(1) \$250,000 for the first year of the program's or cooperative's operation; and

(2) the sum of:

(A) \$100,000 for each year of the program's or cooperative's operation after the first year; and

(B) \$150,000 if at least three students are enrolled in the program or cooperative for a year described by Paragraph (A).

(b) A day placement program or cooperative qualifies for purposes of Subsection (a) if:

(1) the program or cooperative complies with commissioner rules adopted for purposes of this section under Section 48.004;

(2) the program or cooperative offers services to students who are enrolled at any school district or open-enrollment charter school in the county in which the program or cooperative is offered, unless the commissioner by rule waives or modifies the requirement under this subdivision for the program or cooperative to serve all students in a county; and

1 (3) the agency has designated the program or
2 cooperative for service in the county in which the program or
3 cooperative is offered and determined that, at the time of
4 designation, the program or cooperative increases the availability
5 of day placement services in the county.

6 (c) The agency may not designate more than one day placement
7 program or cooperative for service per county each year.

8 (d) The agency may designate a regional education service
9 center to implement and administer this section.

10 (e) Notwithstanding any other provision of this section,
11 the agency may not provide an allotment under this section to more
12 than 20 day placement programs or cooperatives for a year.

13 Sec. 48.306. PARENT-DIRECTED SERVICES FOR STUDENTS
14 RECEIVING SPECIAL EDUCATION SERVICES GRANT. (a) A student to whom
15 the agency awards a grant under Subchapter [A-1](#), Chapter [29](#), is
16 entitled to receive an amount of \$1,500 or a greater amount provided
17 by appropriation.

18 (b) The legislature shall include in the appropriations for
19 the Foundation School Program state aid sufficient for the agency
20 to award grants under Subchapter [A-1](#), Chapter [29](#), in the amount
21 provided by this section.

22 (c) A student may receive one grant under Subchapter [A-1](#),
23 Chapter [29](#), unless the legislature appropriates money for an
24 additional grant in the General Appropriations Act.

25 (d) A regional education service center designated to
26 administer the program under Subchapter [A-1](#), Chapter [29](#), for a
27 school year is entitled to an amount equal to four percent of each

grant awarded under that subchapter for that school year.

(e) Notwithstanding Section 7.057, a determination of the commissioner under this section is final and may not be appealed.

Sec. 48.315. FUNDING FOR REGIONAL DAY SCHOOL PROGRAMS FOR THE DEAF. (a) The program administrator or fiscal agent of a regional day school program for the deaf is entitled to receive for each school year an allotment of \$6,925, or a greater amount provided by appropriation, for each student receiving services from the program.

(b) Notwithstanding Subsection (a), the agency shall adjust the amount of an allotment under that subsection for a school year to ensure the total amount of allotments provided under that subsection is at least \$35 million for that school year.

SECTION 3.64. The following provisions of the Education Code are repealed:

- (1) Section 7.055(b)(24);
- (2) Sections 7.102(c)(18), (19), (20), (21), and (22);
- (3) Section 29.002;
- (4) Section 29.0041(c);
- (5) Section 29.005(f);
- (6) Section 29.0161;
- (7) Sections 29.018(c), (d), and (e);
- (8) Sections 29.308, 29.309, 29.311, 30.001, and 30.0015;
- (9) Sections 30.002(c-1), (c-2), (f), (f-1), and (g);
- (10) Section 30.084;
- (11) Section 30.087(b); and

(12) Section 38.003(d).

SECTION 3.65. The commissioner of education shall award a grant under Subchapter A-1, Chapter 29, Education Code, as amended by this Act, for the 2025-2026 school year to each eligible applicant who applied but was not accepted for the 2024-2025 school year.

ARTICLE 4. TRANSITION AND EFFECTIVE DATE

SECTION 4.01. (a) Except as otherwise provided by this Act and by Subsection (b) of this section, the changes made by this Act to Chapters 7, 8, 12A, 21, 25, 28, 29, 30, 37, and 38, Education Code, apply beginning with the 2025-2026 school year.

(b) Section 21.0032, Education Code, as added by this Act, and Section 29.008, Education Code, as amended by this Act, apply beginning with the 2026-2027 school year.

SECTION 4.02. (a) Except as otherwise provided by this Act and as provided by Subsection (b) of this section, this Act takes effect September 1, 2025.

(b) The changes made by this Act to Chapters 7, 8, 12A, 21, 25, 28, 29, 30, 37, and 38, Education Code, and Section 48.283, Education Code, take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, those changes take effect September 1, 2025.