

By: Bryant

H.B. No. 1257

A BILL TO BE ENTITLED

AN ACT

relating to the compensation of public school educators, the public school finance system, public school prekindergarten and kindergarten programs, and the school health and related services program.

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

ARTICLE 1. COMPENSATION OF PUBLIC SCHOOL EDUCATORS

SECTION 1.01. Section 21.402, Education Code, is amended by amending Subsections (a) and (g) and adding Subsections (a-1) and (i) to read as follows:

(a) A [Except as provided by Subsection (e-1) or (f), a] school district must pay each employee who is employed as a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse not less than the highest annual minimum [minimum monthly] salary described by the following schedule applicable to [based on] the employee's certification, if any, and years [level] of experience:

(1) for an employee with less than five years of experience who holds:

(A) no certification . . . . . \$40,000;

(B) a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B . . . \$42,000;

(C) the base certificate required under Section

21.003(a) for employment in the employee's position other than a

1 certificate described by Paragraph (B) . . . . . \$45,000; or  
2 (D) a designation under Section 21.3521 . .  
3 \$48,000;  
4 (2) for an employee with at least five years of  
5 experience who holds:  
6 (A) no certification . . . . . \$50,000;  
7 (B) a teacher intern, teacher trainee, or  
8 probationary certificate issued under Subchapter B . . . \$52,000;  
9 (C) the base certificate required under Section  
10 21.003(a) for employment in the employee's position other than a  
11 certificate described by Paragraph (B) . . . . . \$55,000; or  
12 (D) a designation under Section 21.3521 . . .  
13 \$58,000;  
14 (3) for an employee with at least 10 years of  
15 experience who holds:  
16 (A) no certification . . . . . \$60,000;  
17 (B) a teacher intern, teacher trainee, or  
18 probationary certificate issued under Subchapter B . . . \$62,000;  
19 (C) the base certificate required under Section  
20 21.003(a) for employment in the employee's  
21 position . . . . . \$65,000; or  
22 (D) a designation under Section 21.3521 . . .  
23 \$68,000; or  
24 (4) for an employee with at least 15 years of  
25 experience, an additional five percent of the applicable amount  
26 described by Subdivision (3) for every five years of experience  
27 over 10 years [~~in addition to other factors, as determined by~~

1 ~~commissioner rule, determined by the following formula:~~

2 ~~[MS = SF x FS~~

3 ~~[where:~~

4 ~~["MS" is the minimum monthly salary,~~

5 ~~["SF" is the applicable salary factor specified by Subsection~~  
6 ~~(c), and~~

7 ~~["FS" is the amount, as determined by the commissioner under~~  
8 ~~Subsection (b), of the basic allotment as provided by Section~~  
9 ~~48.051(a) or (b) for a school district with a maintenance and~~  
10 ~~operations tax rate at least equal to the state maximum compressed~~  
11 ~~tax rate, as defined by Section 48.051(a)].~~

12 (a-1) For purposes of Subsection (a), a full-time school  
13 nurse is considered to hold the base certificate required under  
14 Section 21.003(a) for employment as a school nurse, regardless of  
15 the other certifications held by the nurse.

16 (g) The commissioner may adopt rules to govern the  
17 application of this section, including rules that:

18 (1) require the payment of a minimum salary under this  
19 section to a person employed in more than one capacity for which a  
20 minimum salary is provided and whose combined employment in those  
21 capacities constitutes full-time employment; and

22 (2) specify the credentials a person must hold to be  
23 considered a ~~[speech pathologist or]~~ school nurse under this  
24 section.

25 (i) A school district must use at least 50 percent of the  
26 difference between what the district would have paid under Section  
27 825.405, Government Code, based on the salaries paid under this

1 section as it existed on September 1, 2024, and what the district  
2 pays under Section 825.405, Government Code, based on the salaries  
3 paid under this section as it exists after September 1, 2025, to  
4 increase the average total compensation per district employee  
5 employed as a classroom teacher, full-time librarian, full-time  
6 school counselor certified under Subchapter B, or full-time school  
7 nurse. In calculating average total compensation per district  
8 employee under this subsection, a district may not include  
9 compensation paid to a classroom teacher, full-time librarian,  
10 full-time school counselor certified under Subchapter B, or  
11 full-time school nurse in a position added by the school district  
12 for the current school year that increases the ratio of those  
13 employees to enrolled students over the ratio of those employees to  
14 enrolled students for the preceding year. This subsection expires  
15 September 1, 2027.

16 SECTION 1.02. The heading to Section 21.403, Education  
17 Code, is amended to read as follows:

18 Sec. 21.403. DETERMINATION OF YEARS OF EXPERIENCE  
19 [PLACEMENT ON MINIMUM SALARY SCHEDULE].

20 SECTION 1.03. Sections 21.403(b) and (c), Education Code,  
21 are amended to read as follows:

22 (b) For each year of work experience required for  
23 certification in a career or technological field, up to a maximum of  
24 two years, a certified career or technology education teacher is  
25 entitled to ~~[salary step]~~ credit as if the work experience were  
26 teaching experience.

27 (c) The commissioner shall adopt rules for determining the

1 experience for which a teacher, librarian, school counselor, or  
2 nurse is to be given credit for purposes of the minimum salary  
3 schedule under Section 21.402(a) [~~in placing the teacher,~~  
4 ~~librarian, school counselor, or nurse on the minimum salary~~  
5 ~~schedule~~]. A district shall credit the teacher, librarian, school  
6 counselor, or nurse for each year of experience without regard to  
7 whether the years are consecutive.

8 SECTION 1.04. Section 21.4552(d), Education Code, is  
9 amended to read as follows:

10 (d) From funds appropriated for that purpose, a teacher who  
11 attends a literacy achievement academy is entitled to receive a  
12 stipend in the amount determined by the commissioner. A stipend  
13 received under this subsection is not considered in determining  
14 whether a school district is paying the teacher the minimum  
15 [~~monthly~~] salary under Section 21.402.

16 SECTION 1.05. Section 21.4553(d), Education Code, is  
17 amended to read as follows:

18 (d) From funds appropriated for that purpose, a teacher who  
19 attends a mathematics achievement academy is entitled to receive a  
20 stipend in the amount determined by the commissioner. A stipend  
21 received under this subsection is not considered in determining  
22 whether a district is paying the teacher the minimum [~~monthly~~]  
23 salary under Section 21.402.

24 SECTION 1.06. Section 21.4555(f), Education Code, is  
25 amended to read as follows:

26 (f) From funds available for that purpose, a teacher who  
27 attends a civics training program may receive a stipend in an amount

1 determined by the commissioner. A stipend received under this  
2 section is not included in determining whether a district is paying  
3 the teacher the minimum [~~monthly~~] salary under Section 21.402.

4 SECTION 1.07. Section 30.102(b), Education Code, is amended  
5 to read as follows:

6 (b) A classroom teacher, full-time librarian, full-time  
7 school counselor certified under Subchapter B, Chapter 21, or  
8 full-time school nurse employed by the department is entitled to  
9 receive as a minimum salary the [~~monthly~~] salary specified by  
10 Section 21.402. A classroom teacher, full-time librarian,  
11 full-time school counselor, or full-time school nurse may be paid,  
12 from funds appropriated to the department, a salary in excess of the  
13 minimum specified by that section, but the salary may not exceed the  
14 rate of pay for a similar position in the public schools of an  
15 adjacent school district.

16 SECTION 1.08. Section 33.009(h), Education Code, is amended  
17 to read as follows:

18 (h) From funds appropriated for that purpose, a school  
19 counselor who attends the academy under this section is entitled to  
20 receive a stipend in the amount determined by the coordinating  
21 board. If funds are available after all eligible school counselors  
22 have received a stipend under this subsection, the coordinating  
23 board shall pay a stipend in the amount determined by the  
24 coordinating board to a teacher who attends the academy under this  
25 section. A stipend received under this subsection is not  
26 considered in determining whether a district is paying the school  
27 counselor or teacher the minimum [~~monthly~~] salary under Section

1 21.402.

2 SECTION 1.09. Subchapter F, Chapter 48, Education Code, is  
3 amended by adding Section 48.280 to read as follows:

4 Sec. 48.280. SALARY TRANSITION ALLOTMENT. (a) In the  
5 2025-2026 and 2026-2027 school years, a school district is entitled  
6 to receive an annual salary transition allotment equal to the  
7 difference, if that amount is greater than zero, between:

8 (1) the amount calculated under Subsection (b); and

9 (2) the amount calculated under Subsection (c).

10 (b) The agency shall calculate a school district's value for  
11 Subsection (a)(1) by determining the difference in the amount the  
12 district must pay in compensation to employees on the minimum  
13 salary schedule under Section 21.402, as amended by H.B. \_\_\_\_\_, 89th  
14 Legislature, Regular Session, 2025, from the amount paid in  
15 compensation to employees on the minimum salary schedule under that  
16 section as effective in the 2024-2025 school year, less the  
17 difference between:

18 (1) the amount of employer contributions under Section  
19 825.4035, Government Code, and Section 1575.203, Insurance Code,  
20 the district paid in the 2024-2025 school year for employees on the  
21 minimum salary schedule under Section 21.402; and

22 (2) the amount the district would have paid in  
23 employer contributions under Section 825.4035, Government Code,  
24 and Section 1575.203, Insurance Code, in the 2024-2025 school year  
25 for employees on the minimum salary schedule if the changes made to  
26 Section 21.402 by H.B. \_\_\_\_\_, 89th Legislature, Regular Session,  
27 2025, had been in effect.

1       (c) The agency shall calculate a school district's value for  
2 Subsection (a)(2) by determining the total maintenance and  
3 operations revenue for the current school year less the total  
4 maintenance and operations revenue that would have been available  
5 to the district using the basic allotment formula provided by  
6 Section 48.051 and the small and mid-sized district allotment  
7 formulas provided by Section 48.101 as those sections existed on  
8 September 1, 2024.

9       (d) Before making a final determination of the amount of an  
10 allotment to which a school district is entitled under this  
11 section, the agency shall ensure each school district has an  
12 opportunity to review and submit revised information to the agency  
13 for purposes of calculating the values under Subsection (a).

14       (e) A school district is entitled to an allotment in an  
15 amount equal to:

16               (1) for the 2027-2028 school year, two-thirds of the  
17 value determined under Subsection (a); and

18               (2) for the 2028-2029 school year, one-third of the  
19 value determined under Subsection (a).

20       (f) A school district is not entitled to an allotment under  
21 this section in the 2029-2030 school year or a later school year.

22       (g) This section expires September 1, 2031.

23       SECTION 1.10. The following provisions of the Education  
24 Code are repealed:

25               (1) Sections 21.402(b), (c), (c-1), (f), and (h); and

26               (2) Sections 21.403(a) and (d).



ARTICLE 2. PUBLIC SCHOOL FINANCE SYSTEM

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

Sec. 48.005. AVERAGE ENROLLMENT [~~DAILY ATTENDANCE~~]. (a) In this chapter, average enrollment [~~daily attendance~~] is[+]

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

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

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

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

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

(1) the actual average enrollment [~~daily attendance~~] of the preceding school year, if the decline is the result of the

1 closing or reduction in personnel of a military base; or

2 (2) subject to Subsection (e), an average enrollment  
3 [~~daily attendance~~] not to exceed 98 percent of the actual average  
4 enrollment [~~daily attendance~~] of the preceding school year, if the  
5 decline is not the result of the closing or reduction in personnel  
6 of a military base.

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

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

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

1           (2) the total cost to the state does not exceed the  
2 amount specifically appropriated for that year for purposes of  
3 Subsection (b)(2).

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

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

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

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

1 full-time student in average enrollment [~~daily attendance~~] for  
2 purposes of this section.

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

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

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

14 (2) an alternative education program operating under  
15 Section 37.008;

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

19 (4) a school program offered at a correctional  
20 facility; or

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

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

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

1           (2) any campus or site expansion approved on or after  
2 January 1, 2015, provided that the charter school received an  
3 academic accountability performance rating of C or higher, and the  
4 campus or site expansion is approved by the commissioner.

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

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

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

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

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

25           (4) [~~(3)~~] proportionally reduce the average  
26 enrollment [~~daily attendance~~] for a school district if any campus  
27 or instructional program in the district provides fewer than the



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

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

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

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

18           (1) 75 percent must be used to increase the  
19 compensation paid to classroom teachers, full-time librarians,  
20 full-time school counselors certified under Subchapter B, Chapter  
21 21, and full-time school nurses[, ~~prioritizing differentiated~~  
22 ~~compensation for classroom teachers with more than five years of~~  
23 ~~experience~~]; and

24           (2) 25 percent must [~~may~~] be used as determined by the  
25 district to increase compensation paid to full-time district  
26 employees, prioritizing differentiated compensation for employees  
27 other than administrators or those receiving more than \$100,000 per

1 year in salary or wages.

2 (c-3) In calculating the compensation increases under  
3 Subsection (c), a school district may not consider compensation  
4 paid to a district employee employed in a position described by that  
5 subsection added by the district for the current school year that  
6 increases the ratio of those employees to students enrolled in the  
7 district compared to the preceding school year.

8 (c-4) If a school district increases employee compensation  
9 in a school year to comply with Subsection (c), as amended by  
10 H.B. \_\_\_\_\_, 89th Legislature, Regular Session, 2025, the district is  
11 providing compensation for services rendered independently of an  
12 existing employment contract applicable to that year and is not a  
13 violation of Section 53, Article III, Texas Constitution.

14 (c-5) A school district that does not meet the requirements  
15 of Subsection (c) during a school year may satisfy the requirements  
16 of this section by providing an employee a one-time bonus payment  
17 during the following school year in an amount necessary to comply  
18 with Subsection (c) for that school year.

19 SECTION 2.03. Effective September 1, 2026, Section 48.051,  
20 Education Code, is amended by adding Subsection (a-1) to read as  
21 follows:

22 (a-1) Notwithstanding Subsection (a), for each state fiscal  
23 year, the commissioner shall adjust the value of "B" under that  
24 subsection for the preceding state fiscal year by a factor equal to  
25 the average annual inflation rate, if the rate is greater than zero,  
26 for the preceding five years, as determined by the comptroller on  
27 the basis of changes in the Consumer Price Index for All Urban



1 Consumers published by the Bureau of Labor Statistics of the United  
2 States Department of Labor.

3 SECTION 2.04. Section 48.102, Education Code, is amended by  
4 adding Subsection (a-1) to read as follows:

5 (a-1) To address the extraordinary gap between the amount of  
6 the allotment under this section and actual school district  
7 expenses for special education, a school district that for the  
8 preceding state fiscal biennium spent a greater amount for students  
9 in a special education program under Subchapter A, Chapter 29, than  
10 the amount the district received in that biennium from the  
11 allotment under this section is entitled to additional funding for  
12 the current state fiscal biennium in an amount equal to the  
13 difference between the total of those amounts.

14 SECTION 2.05. Section 48.108(a), Education Code, is amended  
15 to read as follows:

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

20 (1) educationally disadvantaged; [~~or~~]

21 (2) an emergent bilingual student, as defined by  
22 Section 29.052, and is in a bilingual education or special language  
23 program under Subchapter B, Chapter 29;

24 (3) a homeless child or youth, as defined by 42 U.S.C.  
25 Section 11434a;

26 (4) in the conservatorship of the Department of Family  
27 and Protective Services;

1           (5) a dependent of an active duty member of the United  
2 States armed forces; or

3           (6) a child of a member of the United States armed  
4 forces who was injured or killed while serving on active duty.

5           SECTION 2.06. Section 48.115, Education Code, is amended by  
6 amending Subsection (a) and adding Subsections (a-2) and (a-3) to  
7 read as follows:

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

11           (1) the greater of:

12           (A) \$10 for each student in average enrollment  
13 [~~daily attendance~~], plus \$1 for each student in average enrollment  
14 [~~daily attendance~~] per every \$50 by which the district's maximum  
15 basic allotment under Section 48.051 exceeds \$8,947 [~~\$6,160~~],  
16 prorated as necessary; or

17           (B) the amount per student provided to the  
18 district under Paragraph (A) for the preceding school year; and

19           (2) \$85,000 [~~\$15,000~~] per campus.

20           (a-2) Notwithstanding any other provision of this section,  
21 funds allocated to a district under Subsection (a)(2) may be used  
22 only for the purpose of hiring armed security officers in  
23 accordance with Section 37.0814.

24           (a-3) To address the gap between the amount of the allotment  
25 under this section and school district expenses for school safety  
26 and security improvements, a school district that for the 2024-2025  
27 school year spent a greater amount to improve school safety and

1 security than the amount the district received for that school year  
2 from the allotment under this section is entitled to additional  
3 funding for the 2025-2026 school year in an amount equal to the  
4 difference between those amounts. This subsection expires  
5 September 1, 2026.

6 SECTION 2.07. Subchapter C, Chapter 48, Education Code, is  
7 amended by adding Section 48.117 to read as follows:

8 Sec. 48.117. MENTAL HEALTH ALLOTMENT. (a) In this section,  
9 "mental health services" means assessment, diagnosis, treatment,  
10 or counseling by a mental health professional to assist a student  
11 in:

12 (1) alleviating mental or emotional illness,  
13 symptoms, conditions, or disorders, including alcohol or drug  
14 addiction;

15 (2) understanding conscious or subconscious  
16 motivations;

17 (3) resolving emotional, attitudinal, or relationship  
18 conflicts; or

19 (4) modifying feelings, attitudes, or behaviors that  
20 interfere with effective emotional, social, or intellectual  
21 functioning.

22 (b) This section applies only to a school district in which  
23 not less than 60 percent of the campuses in the district offer  
24 students access to mental health services.

25 (c) From funds appropriated or otherwise available for the  
26 purpose, the commissioner shall provide to a school district to  
27 which this section applies an annual allotment for each student who

1 accesses mental health services through the district in an amount  
2 equal to the district's basic allotment or, if applicable, the sum  
3 of the basic allotment and the allotment under Section 48.101 to  
4 which the district is entitled, multiplied by a weight in an amount  
5 determined by the commissioner based on criteria related to the  
6 cost of providing those services.

7 (d) A school district may use money received under this  
8 section to employ a mental health professional or contract with a  
9 mental health services provider to provide mental health services  
10 to students enrolled in the district.

11 SECTION 2.08. Section 48.151(b)(1), Education Code, is  
12 amended to read as follows:

13 (1) "Regular eligible student" means a student who:

14 (A) resides at least one mile [~~two or more miles~~]  
15 from the student's campus of regular attendance, measured along the  
16 shortest route that may be traveled on public roads, and who is not  
17 classified as a student eligible for special education services; or

18 (B) is a homeless child or youth, as defined by 42  
19 U.S.C. Section 11434a.

20 SECTION 2.09. Sections 48.151(c) and (g), Education Code,  
21 are amended to read as follows:

22 (c) Each district or county operating a regular  
23 transportation system is entitled to an allotment based on a rate of  
24 \$1.50 per mile per regular eligible student or a greater rate set by  
25 the legislature in the General Appropriations Act.

26 (g) A school district or county that provides special  
27 transportation services for eligible special education students is

1 entitled to a state allocation at a [~~paid on a previous year's~~  
2 ~~cost-per-mile basis. The~~] rate of \$1.25 per mile or a greater rate  
3 provided [~~allowable shall be set~~] by appropriation [~~based on data~~  
4 ~~gathered from the first year of each preceding biennium~~].  
5 Districts may use a portion of their support allocation to pay  
6 transportation costs, if necessary. The commissioner may grant an  
7 amount set by appropriation for private transportation to reimburse  
8 parents or their agents for transporting eligible special education  
9 students. The mileage allowed shall be computed along the shortest  
10 public road from the student's home to school and back, morning and  
11 afternoon. The need for this type of transportation shall be  
12 determined on an individual basis and shall be approved only in  
13 extreme hardship cases.

14 SECTION 2.10. Section [48.202\(a-1\)](#), Education Code, is  
15 amended to read as follows:

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

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

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

7 ARTICLE 3. PUBLIC SCHOOL PREKINDERGARTEN AND KINDERGARTEN PROGRAMS

8 SECTION 3.01. Section 28.02124(a), Education Code, is  
9 amended to read as follows:

10 (a) Subject to Subsection (c), a parent or guardian may  
11 elect for a student to:

12 (1) repeat prekindergarten;

13 (2) enroll in prekindergarten, if the student would  
14 have been eligible to enroll in prekindergarten during the previous  
15 school year under Section 29.153 [~~29.153(b)~~] and the student has  
16 not yet enrolled in kindergarten;

17 (3) repeat kindergarten;

18 (4) enroll in kindergarten, if the student would have  
19 been eligible to enroll in kindergarten in the previous school year  
20 and has not yet enrolled in first grade; or

21 (5) for grades one through eight, repeat the grade in  
22 which the student was enrolled during the previous school year.

23 SECTION 3.02. Section 29.152, Education Code, is amended to  
24 read as follows:

25 Sec. 29.152. OPERATION OF KINDERGARTENS ON [~~HALF-DAY OR~~]  
26 FULL-DAY BASIS. A public school kindergarten shall [~~may~~] be  
27 operated on a [~~half-day or a~~] full-day basis [~~at the option of the~~

1 ~~board of trustees of the school district].~~

2 SECTION 3.03. Sections 29.153(a-1), (c), (c-1), (d-2), and  
3 (e), Education Code, are amended to read as follows:

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

11 (c) A prekindergarten class under this section ~~[may be~~  
12 ~~operated on a half-day basis for children under four years of age~~  
13 ~~and]~~ shall be operated on a full-day basis ~~[for children who are at~~  
14 ~~least four years of age].~~ ~~[A district is not required to provide~~  
15 ~~transportation for a prekindergarten class, but transportation, if~~  
16 ~~provided, is included for funding purposes as part of the regular~~  
17 ~~transportation system.]~~

18 (c-1) A prekindergarten class under this section ~~[for~~  
19 ~~children who are least four years of age]~~ must comply with the  
20 program standards required for high quality prekindergarten  
21 programs under Subchapter E-1.

22 (d-2) An exemption under Subsection (d) may not be granted  
23 for a period longer than two ~~[three]~~ school years and may be renewed  
24 only once.

25 (e) Each school district shall develop a system to notify  
26 the population in the district with children who are eligible for  
27 enrollment in a prekindergarten class under this section of the

1 availability of the class. The system must include public notices  
2 issued in English, ~~[and]~~ Spanish, and the most common language  
3 other than English or Spanish spoken by people residing in the  
4 district.

5 SECTION 3.04. Section 29.1531(a), Education Code, is  
6 amended to read as follows:

7 (a) A school district may offer on a tuition basis or use  
8 district funds to provide[+]

9 ~~[(1) an additional half-day of prekindergarten~~  
10 ~~classes to children who are eligible for classes under Section~~  
11 ~~29.153 and are under four years of age; and~~

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

14 SECTION 3.05. Sections 29.153(b), (e-1), and (f), Education  
15 Code, are repealed.

16 ARTICLE 4. SCHOOL HEALTH AND RELATED SERVICES PROGRAM

17 SECTION 4.01. Subchapter B, Chapter 32, Human Resources  
18 Code, is amended by adding Sections 32.0271 and 32.04245 to read as  
19 follows:

20 Sec. 32.0271. REIMBURSEMENT FOR CERTAIN SERVICES PROVIDED  
21 TO MEDICAID-ENROLLED STUDENTS BY LOCAL EDUCATION AGENCIES. (a) In  
22 this section, "local education agency" includes a school district  
23 or open-enrollment charter school.

24 (b) This section applies only with respect to a child who is  
25 enrolled in Medicaid and is eligible to receive services under the  
26 school health and related services program, regardless of whether  
27 the child has an individualized education program.



1       (c) The commission shall ensure that reimbursement under  
2 the school health and related services program is provided to a  
3 local education agency for all mental and behavioral health  
4 services covered under the program that are provided to a child  
5 described by Subsection (b).

6       (d) The parent or legal guardian of a child to whom this  
7 section applies must provide written consent for any services  
8 provided to the child under this section. The parent or legal  
9 guardian may revoke that consent at any time.

10       (e) A local education agency that provides mental or  
11 behavioral health services to a child under this section shall  
12 provide a written summary of each of the child's service visits to:

13               (1) if the child is younger than 18 years of age, the  
14 child's parent or legal guardian; and

15               (2) if the child's parent or legal guardian provides  
16 consent, the child's primary care provider.

17       (f) This section does not require a local education agency  
18 to enroll as a Medicaid provider.

19       Sec. 32.04245. SCHOOL HEALTH AND RELATED SERVICES PROGRAM:  
20 THIRD-PARTY INSURERS. The commission may not provide reimbursement  
21 under the school health and related services program to a  
22 third-party health insurer for any service provided in order to  
23 facilitate the coordination of benefits.

24       SECTION 4.02. As soon as practicable after the effective  
25 date of this Act, the Health and Human Services Commission shall  
26 seek any necessary amendment to the state Medicaid plan or other  
27 appropriate authorization from the Centers for Medicare and

1 Medicaid Services or other appropriate federal agency to implement  
2 Section 32.0271, Human Resources Code, as added by this Act, and may  
3 delay implementing that section until the amendment or other  
4 authorization is granted.

5 ARTICLE 5. CONFORMING CHANGES

6 SECTION 5.01. Section 7.062(a), Education Code, is amended  
7 to read as follows:

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

13 SECTION 5.02. Section 11.052(f), Education Code, is amended  
14 to read as follows:

15 (f) If single-member trustee districts are adopted or  
16 approved as provided by this section, the board shall divide the  
17 school district into the appropriate number of trustee districts,  
18 based on the number of members of the board that are to be elected  
19 from single-member trustee districts, and shall number each trustee  
20 district. The trustee districts must be compact and contiguous and  
21 must be as nearly as practicable of equal population. In a district  
22 with 150,000 or more students in average enrollment [~~daily  
23 attendance~~], the boundary of a trustee district may not cross a  
24 county election precinct boundary except at a point at which the  
25 boundary of the school district crosses the county election  
26 precinct boundary. Trustee districts must be drawn not later than  
27 the 90th day before the date of the first election of trustees from

1 those districts.

2 SECTION 5.03. Sections 12.106(a), (a-2), and (d), Education  
3 Code, are amended to read as follows:

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

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

17 (1) the product of:

18 (A) the quotient of:

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

21 (ii) the total number of students in  
22 average enrollment [~~daily attendance~~] in school districts that  
23 receive an allotment under Section 48.101(b) or (c); and

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

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

1 (ii) the total number of students in  
2 average enrollment [~~daily attendance~~] in school districts  
3 statewide; and

4 (2) \$125.

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

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

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

16 SECTION 5.04. Sections 12.263(a), (b), and (c), Education  
17 Code, are amended to read as follows:

18 (a) Except as otherwise provided by this section, funding  
19 for an adult education program operated under a charter granted  
20 under this subchapter is an amount per participant through the  
21 Foundation School Program equal to the amount of state funding per  
22 student in weighted average enrollment [~~daily attendance~~] that  
23 would be allocated under the Foundation School Program for the  
24 student's enrollment [~~attendance~~] at an open-enrollment charter  
25 school in accordance with Section 12.106.

26 (b) For purposes of determining the average enrollment  
27 [~~daily attendance~~] of an adult education program operated under a

1 charter granted under this subchapter, a student is considered to  
2 be in average enrollment [~~daily attendance, with a 100 percent~~  
3 ~~attendance rate,~~] for:

4 (1) all of the instructional days of the school year,  
5 if the student is enrolled for at least 75 percent of the school  
6 year;

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

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

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

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

21 SECTION 5.05. Section 13.051(c), Education Code, is amended  
22 to read as follows:

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

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

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

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

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

9 SECTION 5.06. Section 13.102, Education Code, is amended to  
10 read as follows:

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

17 SECTION 5.07. Section 13.283, Education Code, is amended to  
18 read as follows:

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

23 SECTION 5.08. Section 19.009(d-2), Education Code, is  
24 amended to read as follows:

25 (d-2) Beginning with the 2009-2010 school year, the  
26 district shall increase the [~~monthly~~] salary of each classroom  
27 teacher, full-time speech pathologist, full-time librarian,

1 full-time school counselor certified under Subchapter B, Chapter  
2 21, and full-time school nurse employed by the district by the  
3 greater of:

4 (1) \$80 per month; or

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

13 SECTION 5.09. Section 25.038, Education Code, is amended to  
14 read as follows:

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

25 SECTION 5.10. Section 25.045(c), Education Code, is amended  
26 to read as follows:

27 (c) A student who transfers to another school district under

1 this section may not be charged tuition. The student is included in  
2 the average enrollment [~~daily attendance~~] of the district in which  
3 the student attends school.

4 SECTION 5.11. Sections 25.081(e) and (f), Education Code,  
5 are amended to read as follows:

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

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

15 SECTION 5.12. Section 25.087(d), Education Code, is amended  
16 to read as follows:

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

27 SECTION 5.13. Section 25.111, Education Code, is amended to



1 read as follows:

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

7           SECTION 5.14. Sections 25.112(a) and (b), Education Code,  
8 are amended to read as follows:

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

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

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

18           (b) Not later than the 30th day after the first day of the  
19 12-week period for which a district whose average enrollment [~~daily~~  
20 ~~attendance~~] is adjusted under Section 48.005(c) is claiming an  
21 exemption under Subsection (a), the district shall notify the  
22 commissioner in writing that the district is claiming an exemption  
23 for the period stated in the notice.

24           SECTION 5.15. Section 29.008(b), Education Code, is amended  
25 to read as follows:

26           (b) Except as provided by Subsection (c), costs of an  
27 approved contract for residential placement may be paid from a

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

15 SECTION 5.16. Section 29.014(b), Education Code, is amended  
16 to read as follows:

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

21 SECTION 5.17. Section 29.081(f), Education Code, is amended  
22 to read as follows:

23 (f) The commissioner shall include a student who  
24 successfully completes a course offered through a program under  
25 Subsection (e) in the computation of the district's or school's  
26 average enrollment [~~daily attendance~~] for funding purposes. [~~For a~~  
27 ~~student who successfully completes a remote course offered through~~

1 ~~the program, the commissioner shall include the student in the~~  
2 ~~computation of the district's or school's average daily attendance~~  
3 ~~with an attendance rate equal to:~~

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

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

11 SECTION 5.18. Section 29.0822(d), Education Code, is  
12 amended to read as follows:

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

27 ~~[(1) set maximum funding amounts for an individual~~

1 ~~course under this section; and~~

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

8 SECTION 5.19. Section 29.184(b), Education Code, is amended  
9 to read as follows:

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

14 SECTION 5.20. Sections 29.203(a) and (c), Education Code,  
15 are amended to read as follows:

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

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

23 (1) accept a number of students using public education  
24 grants that is at least one percent of the district's average  
25 enrollment [~~daily attendance~~] for the preceding school year; and

26 (2) provide services to each student until the student  
27 either voluntarily decides to attend a school in a different

1 district or graduates from high school.

2 SECTION 5.21. Section 29.403(b), Education Code, is amended  
3 to read as follows:

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

7 SECTION 5.22. Section 29.457(a), Education Code, is amended  
8 to read as follows:

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

15 SECTION 5.23. Section 29.912(c), Education Code, is amended  
16 to read as follows:

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

22 (1) offer college and career pathways that align with  
23 regional labor market projections for high-wage, high-demand  
24 careers; and

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

26 (A) has or will have at the time students are  
27 served under the partnership the capacity to effectively coordinate

1 the partnership;

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

8 (C) is an eligible entity as defined by Section  
9 [12.101\(a\)](#); and

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

14 SECTION 5.24. Section [30.003\(b\)](#), Education Code, is amended  
15 to read as follows:

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

22 SECTION 5.25. Section [30.102\(a\)](#), Education Code, is amended  
23 to read as follows:

24 (a) The Texas Juvenile Justice Department is entitled to  
25 receive the state available school fund apportionment based on the  
26 average enrollment [~~daily—attendance~~] in the department's  
27 educational programs of students who are at least three years of age

1 and not older than 21 years of age.

2 SECTION 5.26. Section 30A.151(f), Education Code, is  
3 amended to read as follows:

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

13 [~~(1) hours of contact with the student;~~

14 [~~(2) the student's successful completion of a course;~~

15 ~~or~~

16 [~~(3) a method approved by the commissioner.~~]

17 SECTION 5.27. Section 33.157, Education Code, is amended to  
18 read as follows:

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

26 SECTION 5.28. Section 37.0061, Education Code, is amended  
27 to read as follows:

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

19           SECTION 5.29. Section 37.008(f), Education Code, is amended  
20 to read as follows:

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

25           SECTION 5.30. Section 37.011(a-4), Education Code, is  
26 amended to read as follows:

27           (a-4) A school district located in a county considered to be



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

7 (1) the district's disciplinary alternative education  
8 program; or

9 (2) a contracted placement with:

10 (A) another school district;

11 (B) an open-enrollment charter school;

12 (C) an institution of higher education;

13 (D) an adult literacy council; or

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

17 SECTION 5.31. Sections 39.027(c) and (f), Education Code,  
18 are amended to read as follows:

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

23 (1) to more than five percent of the students in the  
24 special education program, in the case of a district or shared  
25 services arrangement with an average enrollment [~~daily attendance~~]  
26 of at least 1,600;

27 (2) to more than 10 percent of the students in the

1 special education program, in the case of a district or shared  
2 services arrangement with an average enrollment [~~daily attendance~~]  
3 of at least 190 and not more than 1,599; or

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

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

11 SECTION 5.32. Section 39.053(g-1), Education Code, is  
12 amended to read as follows:

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

16 (1) students who are ordered by a court to attend a  
17 high school equivalency certificate program but who have not yet  
18 earned a high school equivalency certificate;

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

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

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

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

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

7           (B) provided services by an open-enrollment  
8 charter school exclusively as the result of having been detained at  
9 the facility;

10          (6) students who are incarcerated in state jails and  
11 federal penitentiaries as adults and as persons certified to stand  
12 trial as adults; and

13          (7) students who have suffered a condition, injury, or  
14 illness that requires substantial medical care and leaves the  
15 student:

16           (A) unable to attend school; and

17           (B) assigned to a medical or residential  
18 treatment facility.

19          SECTION 5.33. Section 39.262(a), Education Code, is amended  
20 to read as follows:

21          (a) The governor may present a financial award to the  
22 schools or districts that the commissioner determines have  
23 demonstrated the highest levels of sustained success or the  
24 greatest improvement in achieving the education goals. For each  
25 student in average enrollment [~~daily attendance~~], each of those  
26 schools or districts is entitled to an amount set for the award for  
27 which the school or district is selected by the commissioner,

1 subject to any limitation set by the commissioner on the total  
2 amount that may be awarded to a school or district.

3 SECTION 5.34. Section 43.001(c), Education Code, is amended  
4 to read as follows:

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

12 SECTION 5.35. Section 44.004(c), Education Code, is amended  
13 to read as follows:

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

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

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

21 "The (name of school district) will hold a public meeting at  
22 (time, date, year) in (name of room, building, physical location,  
23 city, state). The purpose of this meeting is to discuss the school  
24 district's budget that will determine the tax rate that will be  
25 adopted. Public participation in the discussion is invited." The  
26 statement of the purpose of the meeting must be in bold type. In  
27 reduced type, the notice must state: "The tax rate that is

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

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

17 (A) maintenance and operations;

18 (B) debt service; and

19 (C) total expenditures;

20 (3) contain a section entitled "Total Appraised Value  
21 and Total Taxable Value," which must show the total appraised value  
22 and the total taxable value of all property and the total appraised  
23 value and the total taxable value of new property taxable by the  
24 district in the preceding tax year and the current tax year as  
25 calculated under Section [26.04](#), Tax Code;

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

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

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

8                   (i) the school district's "Last Year's  
9 Rate";

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

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

23                           (b) in the case of "Interest & Sinking  
24 Fund," is the tax rate that, when applied to the current taxable  
25 value for the district, as certified by the chief appraiser under  
26 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
27 the chief appraiser as of the time the notice is prepared, and when

1 multiplied by the district's anticipated collection rate, would  
2 impose taxes in an amount that, when added to state funds to be  
3 distributed to the district under Chapter 46 and any excess taxes  
4 collected to service the district's debt during the preceding tax  
5 year but not used for that purpose during that year, would provide  
6 the amount required to service the district's debt; and

7 (iii) the "Proposed Rate";

8 (B) contain fourth and fifth columns aligned with  
9 the columns required by Paragraph (A) that show, for each row  
10 required by Paragraph (A):

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

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

24 (C) contain an asterisk after each calculation  
25 for "Interest & Sinking Fund" and a footnote to the section that, in  
26 reduced type, states "The Interest & Sinking Fund tax revenue is  
27 used to pay for bonded indebtedness on construction, equipment, or

1 both. The bonds, and the tax rate necessary to pay those bonds, were  
2 approved by the voters of this district.";

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

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

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

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

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

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

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

26 (7) contain the following statement in bold print:  
27 "Under state law, the dollar amount of school taxes imposed on the



1 residence of a person 65 years of age or older or of the surviving  
2 spouse of such a person, if the surviving spouse was 55 years of age  
3 or older when the person died, may not be increased above the amount  
4 paid in the first year after the person turned 65, regardless of  
5 changes in tax rate or property value.";

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

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

21 SECTION 5.36. Sections 45.0011(a), (d), and (e), Education  
22 Code, are amended to read as follows:

23 (a) This section applies only to an independent school  
24 district that, at the time of the issuance of obligations and  
25 execution of credit agreements under this section, has:

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

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

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

5                 (1) 25 percent of the sum of:

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

9                         (B) the aggregate principal amount of all bonds  
10 payable from ad valorem taxes that have been authorized but not  
11 issued;

12                 (2) \$25 million, in a district that has at least 3,500  
13 but not more than 15,000 students in average enrollment [~~daily~~  
14 ~~attendance~~]; or

15                 (3) \$50 million, in a district that has more than  
16 15,000 students in average enrollment [~~daily attendance~~].

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

19           SECTION 5.37. Section 45.006(a), Education Code, is amended  
20 to read as follows:

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

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

24                         (2) is located in whole or part in a municipality with  
25 a population of less than 25,000 that is located in a county with a  
26 population of 200,000 or more bordering another county with a  
27 population of 2.8 million or more.

1           SECTION 5.38. Section 45.105(d), Education Code, is amended  
2 to read as follows:

3           (d) An independent school district that has in its limits a  
4 municipality with a population of 150,000 or more or that contains  
5 at least 170 square miles, has \$850 million or more assessed value  
6 of taxable property on the most recent approved tax roll and has a  
7 growth in average enrollment [~~daily attendance~~] of 11 percent or  
8 more for each of the preceding five years as determined by the  
9 agency may, in buying school sites or additions to school sites and  
10 in building school buildings, issue and deliver negotiable or  
11 nonnegotiable notes representing all or part of the cost to the  
12 school district of the land or building. The district may secure  
13 the notes by a vendor's lien or deed of trust lien against the land  
14 or building. By resolution or order of the governing body made at  
15 or before the delivery of the notes, the district may set aside and  
16 appropriate as a trust fund, and the sole and only fund, for the  
17 payment of the principal of and interest on the notes that part of  
18 the local school funds, levied and collected by the school district  
19 in that year or subsequent years, as the governing body determines.  
20 The aggregate amount of local school funds set aside in or for any  
21 subsequent year for the retirement of the notes may not exceed, in  
22 any one subsequent year, 10 percent of the local school funds  
23 collected during that year. The district may issue the notes only  
24 if approved by majority vote of the qualified voters voting in an  
25 election conducted in the manner provided by Section 45.003 for  
26 approval of bonds.

27           SECTION 5.39. Section 46.003(a), Education Code, is amended

1 to read as follows:

2 (a) For each year, except as provided by Sections 46.005 and  
 3 46.006, a school district is guaranteed a specified amount per  
 4 student in state and local funds for each cent of tax effort, up to  
 5 the maximum rate under Subsection (b), to pay the principal of and  
 6 interest on eligible bonds issued to construct, acquire, renovate,  
 7 or improve an instructional facility. The amount of state support  
 8 is determined by the formula:

$$9 \quad \text{FYA} = (\text{FYL} \times \underline{\text{AE}} [\text{ADA}] \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

10 where:

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

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

16 "AE" [~~"ADA"~~] is the greater of the number of students in  
 17 average enrollment [~~daily attendance~~], as determined under Section  
 18 48.005, in the district or 400;

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

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

1 SECTION 5.40. Section 46.005, Education Code, is amended to  
2 read as follows:

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

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

9 (2) the greater of:

10 (A) \$100,000; or

11 (B) the product of the number of students in  
12 average enrollment [~~daily attendance~~] in the district multiplied by  
13 \$250.

14 SECTION 5.41. Section 46.006(g), Education Code, is amended  
15 to read as follows:

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

21 SECTION 5.42. Section 46.032(a), Education Code, is amended  
22 to read as follows:

23 (a) Each school district is guaranteed a specified amount  
24 per student in state and local funds for each cent of tax effort to  
25 pay the principal of and interest on eligible bonds. The amount of  
26 state support, subject only to the maximum amount under Section  
27 46.034, is determined by the formula:

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

2 where:

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

5           "EDGL" is the dollar amount guaranteed level of state and  
6 local funds per student per cent of tax effort, which is the lesser  
7 of:

8           (1) \$40 or a greater amount for any year provided by  
9 appropriation; or

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

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

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

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

27           SECTION 5.43. Sections 48.0051(a) and (b), Education Code,

1 are amended to read as follows:

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

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

10 (2) offers an additional 30 days of half-day  
11 instruction for students enrolled in prekindergarten through fifth  
12 grade.

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

21 SECTION 5.44. Section 48.006, Education Code, is amended to  
22 read as follows:

23 Sec. 48.006. AVERAGE ENROLLMENT [~~DAILY ATTENDANCE~~] FOR  
24 DISTRICTS IN DISASTER AREA. (a) The commissioner may adjust the  
25 average enrollment [~~daily attendance~~] of a school district all or  
26 part of which is located in an area declared a disaster area by the  
27 governor under Chapter 418, Government Code, if the district

1 experiences a decline in average enrollment [~~daily attendance~~] that  
2 is reasonably attributable to the impact of the disaster.

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

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

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

14 (e) A district that receives an adjustment under this  
15 section may not receive any additional adjustment under Section  
16 48.005(d) for the decline in average enrollment [~~daily attendance~~]  
17 on which the adjustment under this section is based.

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

22 SECTION 5.45. Sections 48.010(a) and (b), Education Code,  
23 are amended to read as follows:

24 (a) Not later than July 1 of each year, the commissioner  
25 shall determine for each school district whether the estimated  
26 amount of state and local funding per student in weighted average  
27 enrollment [~~daily attendance~~] to be provided to the district under



1 the Foundation School Program for maintenance and operations for  
2 the following school year is less than the amount provided to the  
3 district for the 2010-2011 school year. If the amount estimated to  
4 be provided is less, the commissioner shall certify the percentage  
5 decrease in funding to be provided to the district.

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

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

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

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

17 SECTION 5.46. Sections 48.052(a) and (c), Education Code,  
18 are amended to read as follows:

19 (a) Notwithstanding Section 48.051, a school district that  
20 has fewer than 130 students in average enrollment [~~daily~~  
21 ~~attendance~~] shall be provided a basic allotment on the basis of 130  
22 students in average enrollment [~~daily attendance~~] if it offers a  
23 kindergarten through grade 12 program and has preceding or current  
24 year's average enrollment [~~daily attendance~~] of at least 90  
25 students or is 30 miles or more by bus route from the nearest high  
26 school district. A district offering a kindergarten through grade 8  
27 program whose preceding or current year's average enrollment [~~daily~~

1 ~~attendance~~] was at least 50 students or which is 30 miles or more by  
2 bus route from the nearest high school district shall be provided a  
3 basic allotment on the basis of 75 students in average enrollment  
4 [~~daily attendance~~]. An average enrollment [~~daily attendance~~] of 60  
5 students shall be the basis of providing the basic allotment if a  
6 district offers a kindergarten through grade 6 program and has  
7 preceding or current year's average enrollment [~~daily attendance~~]  
8 of at least 40 students or is 30 miles or more by bus route from the  
9 nearest high school district.

10 (c) Notwithstanding Subsection (a) or Section 48.051, a  
11 school district to which this subsection applies, as provided by  
12 Subsection (b), that has fewer than 130 students in average  
13 enrollment [~~daily attendance~~] shall be provided a basic allotment  
14 on the basis of 130 students in average enrollment [~~daily~~  
15 ~~attendance~~] if it offers a kindergarten through grade four program  
16 and has preceding or current year's average enrollment [~~daily~~  
17 ~~attendance~~] of at least 75 students or is 30 miles or more by bus  
18 route from the nearest high school district.

19 SECTION 5.47. Section 48.101, Education Code, is amended to  
20 read as follows:

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

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

26 (2) "AE" [~~"ADA"~~] is the number of students in average  
27 enrollment [~~daily attendance~~] for which the district is entitled to

1 an allotment under Section 48.051; and

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

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

$$8 \quad AA = ((1,600 - \underline{AE} [\underline{ADA}]) \times .0004) \times BA$$

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

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

$$17 \quad (2) \quad AA = ((5,000 - \underline{AE} [\underline{ADA}]) \times .000025) \times BA.$$

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

$$24 \quad AA = ((1,600 - \underline{AE} [\underline{ADA}]) \times .00047) \times BA$$

25 SECTION 5.48. Sections 48.102(a) and (j), Education Code,  
26 are amended to read as follows:

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

1 ~~attendance]~~ in a special education program under Subchapter A,  
2 Chapter 29, in a mainstream instructional arrangement, a school  
3 district is entitled to an annual allotment equal to the basic  
4 allotment, or, if applicable, the sum of the basic allotment and the  
5 allotment under Section 48.101 to which the district is entitled,  
6 multiplied by 1.15. For each full-time equivalent student in  
7 average enrollment [~~daily attendance~~] in a special education  
8 program under Subchapter A, Chapter 29, in an instructional  
9 arrangement other than a mainstream instructional arrangement, a  
10 district is entitled to an annual allotment equal to the basic  
11 allotment, or, if applicable, the sum of the basic allotment and the  
12 allotment under Section 48.101 to which the district is entitled,  
13 multiplied by a weight determined according to instructional  
14 arrangement as follows:

15	Homebound . . . . .	5.0
16	Hospital class . . . . .	3.0
17	Speech therapy . . . . .	5.0
18	Resource room . . . . .	3.0
19	Self-contained, mild and moderate,	
20	regular campus . . . . .	3.0
21	Self-contained, severe, regular campus . . . . .	3.0
22	Off home campus . . . . .	2.7
23	Nonpublic day school . . . . .	1.7
24	Vocational adjustment class . . . . .	2.3

25 (j) A school district that provides an extended year program  
26 required by federal law for special education students who may  
27 regress is entitled to receive funds in an amount equal to 75

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

13 SECTION 5.49. Section 48.105(a), Education Code, is amended  
14 to read as follows:

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

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

21 (A) 0.1; or

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

25 (2) for a student not described by Subdivision (1),  
26 0.05 if the student is in a bilingual education program using a dual  
27 language immersion/two-way program model.

1 SECTION 5.50. Sections 48.106(a) and (a-1), Education Code,  
2 are amended to read as follows:

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

9 (1) 1.1 for a full-time equivalent student in career  
10 and technology education courses not in an approved program of  
11 study;

12 (2) 1.28 for a full-time equivalent student in levels  
13 one and two career and technology education courses in an approved  
14 program of study, as identified by the agency; and

15 (3) 1.47 for a full-time equivalent student in levels  
16 three and four career and technology education courses in an  
17 approved program of study, as identified by the agency.

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

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

24 (2) a campus that is a member of the New Tech Network  
25 and that focuses on project-based learning and work-based  
26 education.

27 SECTION 5.51. Section 48.107(a), Education Code, is amended

1 to read as follows:

2 (a) Except as provided by Subsection (b), for each student  
3 in average enrollment [~~daily attendance~~] who is using a public  
4 education grant under Subchapter G, Chapter 29, to attend school in  
5 a district other than the district in which the student resides, the  
6 district in which the student attends school is entitled to an  
7 annual allotment equal to the basic allotment multiplied by a  
8 weight of 0.1.

9 SECTION 5.52. Section 48.109(c), Education Code, is amended  
10 to read as follows:

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

14 SECTION 5.53. Section 48.115(a), Education Code, is amended  
15 to read as follows:

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

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

24 (2) \$15,000 per campus.

25 SECTION 5.54. Section 48.118(a), Education Code, is amended  
26 to read as follows:

27 (a) For each full-time equivalent student in average

1 enrollment [~~daily attendance~~] in grades 9 through 12 in a college or  
2 career pathway offered through a partnership under the Rural  
3 Pathway Excellence Partnership (R-PEP) program under Section  
4 29.912, a school district is entitled to an allotment equal to the  
5 basic allotment, or, if applicable, the sum of the basic allotment  
6 and the allotment under Section 48.101 to which the district is  
7 entitled, multiplied by:

8 (1) 1.15 if the student is educationally  
9 disadvantaged; or

10 (2) 1.11 if the student is not educationally  
11 disadvantaged.

12 SECTION 5.55. Sections 48.152(d) and (e), Education Code,  
13 are amended to read as follows:

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

21 (e) For purposes of this section, the number of additional  
22 students in average enrollment [~~daily attendance~~] at a facility is  
23 the difference between the number of students in average enrollment  
24 [~~daily attendance~~] in the current year at that facility and the  
25 number of students in average enrollment [~~daily attendance~~] at that  
26 facility in the preceding year.

27 SECTION 5.56. Section 48.153, Education Code, is amended to



1 read as follows:

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

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

10           SECTION 5.57. Section 48.202(a), Education Code, is amended  
11 to read as follows:

12           (a) Each school district is guaranteed a specified amount  
13 per weighted student in state and local funds for each cent of tax  
14 effort over that required for the district's local fund assignment  
15 up to the maximum level specified in this subchapter. The amount of  
16 state support, subject only to the maximum amount under Section  
17 48.203, is determined by the formula:

18                           
$$\text{GYA} = (\text{GL} \times \text{WAE} [\text{WADA}] \times \text{DTR} \times 100) - \text{LR}$$

19 where:

20           "GYA" is the guaranteed yield amount of state funds to be  
21 allocated to the district;

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

26           "WAE" [~~"WADA"~~] is the number of students in weighted average  
27 enrollment [~~daily attendance~~], which is calculated by dividing the

1 sum of the school district's allotments under Subchapters B and C by  
2 the basic allotment for the applicable year;

3 "DTR" is the district enrichment tax rate of the school  
4 district, which is determined by subtracting the amounts specified  
5 by Subsection (b) from the total amount of maintenance and  
6 operations taxes collected by the school district for the  
7 applicable school year and dividing the difference by the quotient  
8 of the district's taxable value of property as determined under  
9 Subchapter M, Chapter 403, Government Code, or, if applicable,  
10 under Section 48.258 or by the quotient of the value of "DPV" as  
11 determined under Section 48.256(d) if that subsection applies to  
12 the district, divided by 100; and

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

19 SECTION 5.58. Section 48.252(b), Education Code, is amended  
20 to read as follows:

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

27 (1) the amount described by Section 12.106; and

1           (2) the amount to which the district would be entitled  
2 under this chapter.

3           SECTION 5.59. Section 48.2642(a), Education Code, is  
4 amended to read as follows:

5           (a) Notwithstanding any other provision of this chapter,  
6 the commissioner shall count toward a school district's or  
7 open-enrollment charter school's average enrollment [~~daily~~  
8 ~~attendance~~] under Section 48.005 each student who graduates early  
9 from high school in the district or school under the Texas First  
10 Early High School Completion Program established under Section  
11 28.0253 for the period in which the student is enrolled at an  
12 eligible institution using state credit awarded under the Texas  
13 First Scholarship Program established under Subchapter K-1,  
14 Chapter 56, based on a 100 percent attendance rate.

15           SECTION 5.60. Section 48.273(a)(4), Education Code, is  
16 amended to read as follows:

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

21           SECTION 5.61. Section 48.277(a), Education Code, is amended  
22 to read as follows:

23           (a) A school district or open-enrollment charter school is  
24 entitled to receive an annual allotment for each student in average  
25 enrollment [~~daily attendance~~] in the amount equal to the  
26 difference, if the difference is greater than zero, that results  
27 from subtracting the total maintenance and operations revenue per

1 student in average enrollment [~~daily attendance~~] for the current  
2 school year from the lesser of:

3 (1) 103 percent of the district's or school's total  
4 maintenance and operations revenue per student in average  
5 enrollment [~~daily attendance~~] for the 2019-2020 school year that  
6 the district or school would have received under former Chapters 41  
7 and 42, as those chapters existed on January 1, 2019; or

8 (2) 128 percent of the statewide average amount of  
9 maintenance and operations revenue per student in average  
10 enrollment [~~daily attendance~~] that would have been provided for the  
11 2019-2020 school year under former Chapters 41 and 42, as those  
12 chapters existed on January 1, 2019.

13 SECTION 5.62. Section 49.001(2), Education Code, is amended  
14 to read as follows:

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

17 SECTION 5.63. Section 49.002, Education Code, is amended to  
18 read as follows:

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

23 (1) consolidation with another district as provided by  
24 Subchapter B;

25 (2) detachment of territory as provided by Subchapter  
26 C;

27 (3) purchase of average enrollment [~~daily attendance~~]

1 credit as provided by Subchapter D;

2 (4) education of nonresident students as provided by  
3 Subchapter E; or

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

6 SECTION 5.64. Section 49.003, Education Code, is amended to  
7 read as follows:

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

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

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

17 SECTION 5.65. Section 49.158(a), Education Code, is amended  
18 to read as follows:

19 (a) Sections 49.154 and 49.157 apply only to a district  
20 that:

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

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

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

3           (A) to an extent that does not provide more than  
4 10 percent of the reduction in local revenue required for the  
5 district to achieve a local revenue level that is equal to or less  
6 than the level established under Section 48.257; and

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

14           SECTION 5.66. Section 49.201, Education Code, is amended to  
15 read as follows:

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

1 local revenue level being greater than the level established under  
2 Section 48.257 and that the agreement requires an expenditure per  
3 student in weighted average enrollment [~~daily attendance~~] that is  
4 at least equal to the amount per student in weighted average  
5 enrollment [~~daily attendance~~] required under Section 49.153.

6 SECTION 5.67. Section 49.203, Education Code, is amended to  
7 read as follows:

8 Sec. 49.203. WEIGHTED AVERAGE ENROLLMENT [~~WADA~~] COUNT. For  
9 purposes of Chapter 48, students served under an agreement under  
10 this subchapter are counted only in the weighted average enrollment  
11 [~~daily attendance~~] of the district providing the services, except  
12 that students served under an agreement authorized by Section  
13 49.205 are counted in a manner determined by the commissioner.

14 SECTION 5.68. Section 49.257(b), Education Code, is amended  
15 to read as follows:

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

20 SECTION 5.69. Section 49.258, Education Code, is amended to  
21 read as follows:

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

26 SECTION 5.70. Sections 49.305(c) and (d), Education Code,  
27 are amended to read as follows:

1 (c) If the detachment of whole parcels or items of property  
2 as provided by Subsection (a) would result in a district's local  
3 revenue level that is less than the level established under Section  
4 48.257 by more than the product of \$10,000 multiplied by weighted  
5 average enrollment [~~daily attendance~~], the commissioner may not  
6 detach the last parcel or item of property and shall detach the next  
7 one or more parcels or items of property in descending order of  
8 taxable value that would result in the school district having a  
9 local revenue level that is equal to or less than the level  
10 established under Section 48.257 by not more than the product of  
11 \$10,000 multiplied by weighted average enrollment [~~daily~~  
12 ~~attendance~~].

13 (d) Notwithstanding Subsections (a), (b), and (c), the  
14 commissioner may detach only a portion of a parcel or item of  
15 property if:

16 (1) it is not possible under this subchapter to reduce  
17 the district's local revenue level to a level that is equal to or  
18 less than the level established under Section 48.257 unless some or  
19 all of the parcel or item of property is detached and the detachment  
20 of the whole parcel or item would result in the district from which  
21 it is detached having a local revenue level that is less than the  
22 level established under Section 48.257 by more than the product of  
23 \$10,000 multiplied by weighted average enrollment [~~daily~~  
24 ~~attendance~~]; or

25 (2) the commissioner determines that a partial  
26 detachment of that parcel or item of property is preferable to the  
27 detachment of one or more other parcels or items having a lower



1 taxable value in order to minimize the number of parcels or items of  
2 property to be detached consistent with the purposes of this  
3 chapter.

4 SECTION 5.71. Section 49.306(i), Education Code, is amended  
5 to read as follows:

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

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

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

23 SECTION 5.72. Section 49.311, Education Code, is amended to  
24 read as follows:

25 Sec. 49.311. STUDENT ATTENDANCE. A student who is a  
26 resident of real property detached from a school district may  
27 choose to attend school in that district or in the district to which

1 the property is annexed. For purposes of determining average  
2 enrollment [~~daily attendance~~] under Section 48.005, the student  
3 shall be counted in the district to which the property is annexed.  
4 If the student chooses to attend school in the district from which  
5 the property is detached, the state shall withhold any foundation  
6 school funds from the district to which the property is annexed and  
7 shall allocate to the district in which the student is attending  
8 school those funds and the amount of funds equal to the difference  
9 between the state funds the district is receiving for the student  
10 and the district's cost in educating the student.

11 SECTION 5.73. Section 49.354(e), Education Code, is amended  
12 to read as follows:

13 (e) A restored district's proportionate share of fund  
14 balances, personal property, or indebtedness is equal to the  
15 proportion that the number of students in average enrollment [~~daily~~  
16 ~~attendance~~] in the restored district bears to the number of  
17 students in average enrollment [~~daily attendance~~] in the  
18 consolidated district.

19 SECTION 5.74. Section 403.104(d), Government Code, is  
20 amended to read as follows:

21 (d) The proportionate share of an independent school  
22 district is determined by multiplying the total amount of the  
23 payment available for distribution to school districts by the ratio  
24 that the average number of [~~daily attendance for~~] students who  
25 reside in the county and are enrolled in [~~who attend~~] that school  
26 district bears to the average number of [~~daily attendance for~~] all  
27 students who reside in the county and are enrolled in [~~who attend~~]

1 any independent school district. However, if there are fewer than  
2 10 independent school districts located in whole or part in the  
3 county and if an independent school district would receive under  
4 this formula less than 10 percent of the total payment available for  
5 distribution to independent school districts, the school  
6 district's share shall be increased to 10 percent of the total  
7 payment and the shares of the school districts that would receive  
8 more than 10 percent under the formula shall be reduced  
9 proportionately, but not to an amount less than 10 percent of the  
10 total payment. [~~Each independent school district shall develop a  
11 reasonable method for determining the average daily attendance for  
12 students who reside in the county and who attend the school  
13 district.~~]

14 SECTION 5.75. Section [1371.001\(4\)](#), Government Code, is  
15 amended to read as follows:

16 (4) "Issuer" means:

17 (A) a home-rule municipality that:

18 (i) adopted its charter under Section [5](#),  
19 Article XI, Texas Constitution;

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

21 (iii) has outstanding long-term  
22 indebtedness that is rated by a nationally recognized rating agency  
23 for municipal securities in one of the four highest rating  
24 categories for a long-term obligation;

25 (B) a conservation and reclamation district  
26 created and organized as a river authority under Section [52](#),  
27 Article III, or Section [59](#), Article XVI, Texas Constitution;

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

3 (D) a metropolitan rapid transit authority,  
4 regional transportation authority, or coordinated county  
5 transportation authority created, organized, or operating under  
6 Chapter 451, 452, or 460, Transportation Code;

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

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

13 (G) a state agency, including a state institution  
14 of higher education;

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

17 (i) has a population of more than 3.3  
18 million; or

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

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

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

27 (K) a county:

1 (i) that has a population of more than 3.3  
2 million; or

3 (ii) that, on the date of issuance of  
4 obligations under this chapter, has authorized, outstanding, or any  
5 combination of authorized and outstanding, indebtedness of at least  
6 \$100 million secured by and payable from the county's ad valorem  
7 taxes and the authorized long-term indebtedness of which is rated  
8 by a nationally recognized rating agency of securities issued by  
9 local governments in one of the four highest rating categories for a  
10 long-term obligation;

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

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

16 (N) a district created under Chapter 335, Local  
17 Government Code;

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

21 (P) an issuer, as defined by Section 1201.002,  
22 that has:

23 (i) a principal amount of at least \$100  
24 million in outstanding long-term indebtedness, in long-term  
25 indebtedness proposed to be issued, or in a combination of  
26 outstanding or proposed long-term indebtedness; and

27 (ii) some amount of long-term indebtedness

1 outstanding or proposed to be issued that is rated in one of the  
2 four highest rating categories for long-term debt instruments by a  
3 nationally recognized rating agency for municipal securities,  
4 without regard to the effect of any credit agreement or other form  
5 of credit enhancement entered into in connection with the  
6 obligation.

7 SECTION 5.76. Section 1431.001(3), Government Code, is  
8 amended to read as follows:

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

13 SECTION 5.77. Section 325.011(a), Local Government Code, is  
14 amended to read as follows:

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

23 SECTION 5.78. Section 1, Article 2688d, Vernon's Texas  
24 Civil Statutes, is amended to read as follows:

25 Section 1. In all counties of the State where, according to  
26 the preceding annual statistical report of the schools said county  
27 has not more than four (4) school districts, with one (1) of such

1 districts comprising more than half of the county and having more  
2 than two thousand (2,000) pupils in average enrollment [~~daily~~  
3 ~~attendance~~] in the one (1) district alone, and such district having  
4 an assessed valuation of more than Twenty Million Dollars  
5 (\$20,000,000) and where there is only one (1) common school  
6 district in such county with an average enrollment [~~daily~~  
7 ~~attendance~~] of less than sixteen (16), the office of county  
8 superintendent is hereby abolished, to be effective at the end of  
9 the term of the incumbent county superintendent, as is now provided  
10 by law.

11 SECTION 5.79. The following provisions of the Education  
12 Code are repealed:

- 13 (1) Section [29.0822\(d-1\)](#); and  
14 (2) Section [48.007](#).

15 ARTICLE 6. EFFECTIVE DATE

16 SECTION 6.01. Except as otherwise provided by this Act,  
17 this Act takes effect September 1, 2025.