

## **BILL ANALYSIS**

C.S.H.B. 693  
By: Van Arsdale  
Public Education  
Committee Report (Substituted)

### **BACKGROUND**

Current law provides that when a child wishes to participate in the Public Education Grant (PEG) program the district to which the child chooses to transfer has the option of rejecting the child for any reason provided the rejection is not due to discrimination. Many districts have opted not to accept any children under the PEG even when they have room available. Consequently, few children are presently attending a public school under the PEG.

### **PURPOSE**

The purpose of C.S.H.B. 693 is to provide an incentive to school districts to accept students under the PEG program by offering these districts additional funds from the district in which the student resides. In order to ease the financial burden to the district in which the PEG student resides, C.S.H.B. 693 also repeals the existing law to the extent it requires the PEG student's residing district to provide free transportation to the school in the accepting district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 693 amends the Education Code to provide that a school district which accepts a student under the PEG program is entitled to funds from the district in which the student resides in an amount equal to the difference between: 125 percent of the amount of state aid that the accepting district would receive if the student were a resident of the district; and the amount of state aid that the accepting district receives as a result of the student's attendance in the accepting district.

The bill defines "attending district" as the school district in which a student attends school under the PEG program but does not reside. The bill defines "residing district" as the school district in which a student using a PEG resides.

The bill repeals Section 29.203(f), Education Code requiring free transportation by the residing district to the accepting district.

### **EFFECTIVE DATE**

September 1, 2003.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 693 modifies the original version by amending Sections 29.203(b) and 29.203(g) rather than Section 29.203(d), Education Code. C.S.H.B. 693 modifies the original by adding a repeal of Section 29.203(f) of the Education Code which requires the residing district to provide free transportation to the attending district.