

By: Pitts

H.B. No. 3459

A BILL TO BE ENTITLED

AN ACT

1
2 relating to statutory authority to reduce appropriations made by
3 the legislature to certain governmental educational entities and to
4 other fiscal matters involving certain governmental educational
5 entities.

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

7 SECTION 1. Notwithstanding any statute to the contrary, the
8 legislature, in its discretion, may determine the amount of each
9 appropriation of state funds. The amounts required by statute for
10 educational entities that receive state funds under Article III of
11 the General Appropriations Act may be reduced or eliminated in
12 order to achieve a balanced budget.

13 SECTION 2. Subchapter A, Chapter 7, Education Code, is
14 amended by adding Section 7.007 to read as follows:

15 Sec. 7.007. COMPLIANCE MONITORING BY COMMISSIONER OR
16 AGENCY. (a) Notwithstanding any other provision of this code, the
17 commissioner or agency may monitor compliance with requirements
18 applicable to a program provided by a school district, including a
19 program described by Subchapter A, B, C, D, or E, Chapter 29, or
20 Subchapter A, Chapter 37, only to the extent necessary to comply
21 with federal law or regulations.

22 (b) Compliance monitoring under this section must be
23 conducted as part of the review of a school district's audit report
24 under Section 44.008.

1 SECTION 3. Section 8.051(d), Education Code, is amended to
2 read as follows:

3 (d) Each regional education service center may [~~shall~~]
4 maintain core services for purchase by school districts and
5 campuses. The core services are:

6 (1) training and assistance in teaching each subject
7 area assessed under Section 39.023;

8 (2) training and assistance in providing each program
9 that qualifies for a funding allotment under Section 42.151,
10 42.152, 42.153, or 42.156;

11 (3) assistance specifically designed for a school
12 district rated academically unacceptable under Section 39.072(a)
13 or a campus whose performance is considered unacceptable based on
14 the indicators adopted under Section 39.051;

15 (4) training and assistance to teachers,
16 administrators, members of district boards of trustees, and members
17 of site-based decision-making committees;

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

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

24 SECTION 4. Section 31.021(b), Education Code, is amended to
25 read as follows:

26 (b) The State Board of Education shall annually set aside
27 out of the available school fund of the state an amount sufficient

1 for the board, school districts, and open-enrollment charter
2 schools to purchase and distribute the necessary textbooks for the
3 use of the students of this state for the following school year.
4 The board shall determine the amount of the available school fund to
5 set aside for the state textbook fund based on:

6 (1) a report by the commissioner issued on July 1 or,
7 if that date is a Saturday or Sunday, on the following Monday,
8 stating the amount of unobligated money in the fund;

9 (2) ~~[a requirement to provide an allotment to be
10 distributed to each district equal to \$30 per student in average
11 daily attendance, or a greater amount for any year provided by
12 appropriation, to be used only to:~~

13 ~~[(A) provide for the purchase by school districts
14 of electronic textbooks or technological equipment that
15 contributes to student learning; and~~

16 ~~[(B) pay for training educational personnel
17 directly involved in student learning in the appropriate use of
18 electronic textbooks and for providing for access to technological
19 equipment for instructional use;~~

20 ~~[(3)]~~ the commissioner's estimate, based on textbooks
21 selected under Section 31.101 and on attendance reports submitted
22 under Section 31.103 by school districts and open-enrollment
23 charter schools, of the amount of funds, in addition to funds
24 reported under Subdivision (1), that will be necessary for purchase
25 and distribution of textbooks for the following school year; and

26 (3) ~~[(4)]~~ any amount the board determines should be
27 set aside for emergency purposes caused by unexpected increases in

1 attendance.

2 SECTION 5. Subchapter A, Chapter 32, Education Code, is
3 amended by adding Section 32.005 to read as follows:

4 Sec. 32.005. TECHNOLOGY ALLOTMENT. (a) Each school
5 district is entitled to an allotment of \$30 for each student in
6 average daily attendance or a different amount for any year
7 provided by appropriation.

8 (b) An allotment under this section may be used only to:

9 (1) provide for the purchase by school districts of
10 electronic textbooks or technological equipment that contributes
11 to student learning; and

12 (2) pay for training educational personnel directly
13 involved in student learning in the appropriate use of electronic
14 textbooks and for providing for access to technological equipment
15 for instructional use.

16 (c) The allotment under this section may be paid from:

17 (1) the Telecommunications Infrastructure Fund under
18 Subchapter C, Chapter 57, Utilities Code;

19 (2) the available school fund; or

20 (3) any other fund that may be used for that purpose
21 and that is identified in the General Appropriations Act as the
22 source of payment of the allotment.

23 SECTION 6. Section 39.023(e), Education Code, is amended to
24 read as follows:

25 (e) Under rules adopted by the State Board of Education,
26 every other year, the agency shall release the questions and answer
27 keys to each assessment instrument administered under Subsection

1 (a), (b), (c), (d), or (l) after the last time the instrument is
2 administered for that [a] school year. To ensure a valid bank of
3 questions for use each year, the agency is not required to release a
4 question that is being field-tested and was not used to compute the
5 student's score on the instrument. The agency shall also release,
6 under board rule, each question that is no longer being
7 field-tested and that was not used to compute a student's score.

8 SECTION 7. Section 39.031(a), Education Code, is amended to
9 read as follows:

10 (a) The cost of preparing, administering, or grading the
11 assessment instruments shall be paid from foundation school fund
12 allotments other than [the] funds allotted under Section 42.152,
13 and each district shall bear the cost in the same manner described
14 for a reduction in allotments under Section 42.253. [~~If a district~~
15 ~~does not receive an allotment under Section 42.152, the~~
16 ~~commissioner shall subtract the cost from the district's other~~
17 ~~foundation school fund allotments.~~]

18 SECTION 8. Section 41.002(a), Education Code, is amended to
19 read as follows:

20 (a) A school district may not have a wealth per student that
21 exceeds \$305,000 or a different amount as provided by
22 appropriation.

23 SECTION 9. Section 42.101, Education Code, is amended to
24 read as follows:

25 Sec. 42.101. BASIC ALLOTMENT. For each student in average
26 daily attendance, not including the time students spend each day in
27 special education programs in an instructional arrangement other

1 than mainstream or career and technology education programs, for
2 which an additional allotment is made under Subchapter C, a
3 district is entitled to an allotment of \$2,537. A different
4 [~~greater~~] amount for any school year may be provided by
5 appropriation.

6 SECTION 10. Sections 42.152(i)-(l), (n), and (p), Education
7 Code, are amended to read as follows:

8 (i) From the total amount of funds appropriated for
9 allotments under this section, the commissioner may [~~shall~~], each
10 fiscal year, withhold an [~~\$7,500,000 or a greater~~] amount as
11 determined in the General Appropriations Act and distribute that
12 amount for programs under Subchapter A, Chapter 33. A program
13 established under that subchapter is required only in school
14 districts in which the program is financed by funds distributed
15 under this subsection [~~section~~] or other funds distributed by the
16 commissioner for a program under that subchapter. In distributing
17 those funds, preference shall be given to a school district that
18 received funds for a program under this subsection for the
19 preceding school year.

20 (j) The commissioner shall coordinate any [~~the~~] funds
21 withheld under Subsection (i) and any other funds available for the
22 program and [~~shall~~] distribute those funds. To receive available
23 funds for the program, a school district must apply to the
24 commissioner. In distributing any funds under this subsection,
25 the [~~The~~] commissioner shall give a preference to the districts
26 that apply that have the highest concentration of at-risk students.
27 For each school year that a school district receives funds under

1 this subsection [~~section~~], the district shall allocate an amount of
2 local funds for school guidance and counseling programs that is
3 equal to or greater than the amount of local funds that the school
4 district allocated for that purpose during the preceding school
5 year.

6 (k) After deducting any [~~the~~] amount withheld under
7 Subsection (i) from the total amount appropriated for the allotment
8 under Subsection (a), the commissioner shall reduce each district's
9 tier one allotments in the same manner described for a reduction in
10 allotments under Section 42.253.

11 (l) From the total amount of funds appropriated for
12 allotments under this section, the commissioner may [~~shall~~], each
13 fiscal year, withhold an [~~the~~] amount not more than [~~of~~] \$2.5
14 million for transfer to the investment capital fund under Section
15 7.024.

16 (n) After deducting any [~~the~~] amount withheld under
17 Subsection (l) from the total amount appropriated for the allotment
18 under Subsection (a), the commissioner shall reduce each district's
19 allotment under Subsection (a) proportionately and shall allocate
20 funds to each district accordingly.

21 (p) The commissioner may [~~shall~~]
22 [~~(1)~~] withhold, from the total amount of funds
23 appropriated for allotments under this section, an amount not to
24 exceed five percent of the amounts allocated under this section and
25 distribute that amount for [~~sufficient to finance~~] extended year
26 programs under Section 29.082. In distributing any funds under
27 this subsection, the commissioner shall [~~not to exceed five percent~~

1 ~~of the amounts allocated under this section, and~~

2 [~~2~~] give priority to applications for extended year
3 programs to districts with high concentrations of educationally
4 disadvantaged students.

5 SECTION 11. Section 42.302(a), Education Code, is amended
6 to read as follows:

7 (a) Each school district is guaranteed a specified amount
8 per weighted student in state and local funds for each cent of tax
9 effort over that required for the district's local fund assignment
10 up to the maximum level specified in this subchapter. The amount of
11 state support, subject only to the maximum amount under Section
12 42.303, is determined by the formula:

$$13 \text{ GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

14 where:

15 "GYA" is the guaranteed yield amount of state funds to be
16 allocated to the district;

17 "GL" is the dollar amount guaranteed level of state and local
18 funds per weighted student per cent of tax effort, which is \$27.14
19 or a different [~~greater~~] amount for any year provided by
20 appropriation;

21 "WADA" is the number of students in weighted average daily
22 attendance, which is calculated by dividing the sum of the school
23 district's allotments under Subchapters B and C, less any allotment
24 to the district for transportation, any allotment under Section
25 42.158, and 50 percent of the adjustment under Section 42.102, by
26 the basic allotment for the applicable year;

27 "DTR" is the district enrichment tax rate of the school

1 district, which is determined by subtracting the amounts specified
2 by Subsection (b) from the total amount of maintenance and
3 operations taxes collected by the school district for the
4 applicable school year and dividing the difference by the quotient
5 of the district's taxable value of property as determined under
6 Subchapter M, Chapter 403, Government Code, or, if applicable,
7 under Section 42.2521, divided by 100; and

8 "LR" is the local revenue, which is determined by multiplying
9 "DTR" by the quotient of the district's taxable value of property as
10 determined under Subchapter M, Chapter 403, Government Code, or, if
11 applicable, under Section 42.2521, divided by 100.

12 SECTION 12. Section 43.001(b), Education Code, is amended
13 to read as follows:

14 (b) The available school fund, which shall be apportioned
15 annually to each county according to its scholastic population,
16 consists of:

17 (1) the interest and dividends arising from any
18 securities or funds belonging to the permanent school fund,
19 including unrealized interest and dividends;

20 (2) all interest derivable from the proceeds of the
21 sale of land set apart for the permanent school fund;

22 (3) all money derived from the lease of land belonging
23 to the permanent school fund;

24 (4) one-fourth of all revenue derived from all state
25 occupation taxes, exclusive of delinquencies and cost of
26 collection;

27 (5) one-fourth of revenue derived from state gasoline

1 and special fuels excise taxes as provided by law; and

2 (6) all other appropriations to the available school
3 fund made by the legislature for public school purposes.

4 SECTION 13. Section 264.756(a), Family Code, is amended to
5 read as follows:

6 (a) The department may [~~shall~~] develop and implement an
7 equitable formula for the funding of local Communities In Schools
8 programs. [~~The formula may provide for the reduction of funds~~
9 ~~annually contributed by the state to a local program by an amount~~
10 ~~not more than 50 percent of the amount contributed by the state for~~
11 ~~the first year of the program.~~] The formula must consider the
12 financial resources of individual communities and school
13 districts. [~~Savings accomplished through the implementation of the~~
14 ~~formula may be used to extend services to counties and~~
15 ~~municipalities currently not served by a local program or to extend~~
16 ~~services to counties and municipalities currently served by an~~
17 ~~existing local program.~~]

18 SECTION 14. Section 57.046, Utilities Code, is amended by
19 amending Subsection (a) and adding Subsection (c) to read as
20 follows:

21 (a) The board shall use money in the public schools account
22 to:

23 (1) to the extent directed in the General
24 Appropriations Act, fund the technology allotment under Section
25 32.005, Education Code; and

26 (2) award grants and loans in accordance with this
27 subchapter to fund:

1 (A) [~~(1)~~] equipment for public schools,
2 including computers, printers, computer labs, and video equipment;
3 and

4 (B) [~~(2)~~] intracampus and intercampus wiring to
5 enable those public schools to use the equipment.

6 (c) Section 57.047(d) does not apply to the use of money in
7 the public schools account for the purpose specified by Subsection
8 (a)(1).

9 SECTION 15. Sections 8.051(a) and 8.121, Education Code,
10 are repealed.

11 SECTION 16. This Act takes effect immediately if it
12 receives a vote of two-thirds of all the members elected to each
13 house, as provided by Section 39, Article III, Texas Constitution.
14 If this Act does not receive the vote necessary for immediate
15 effect, this Act takes effect September 1, 2003.