

AN ACT

appropriating money for the support of state government.

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

SECTION 1. (a) The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated agencies and institutions of education.

(b) Article III, Senate Bill 1, Acts of the 79th Legislature, Regular Session, 2005 (the General Appropriations Act), is amended by adding the following appropriations and riders, and to the extent necessary, by giving all riders under the bill pattern of the agency full force and effect:

TEXAS EDUCATION AGENCY

	For the Years Ending	
	<u>August 31, 2006</u>	<u>August 31, 2007</u>
<b>Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 365,640,734	\$ 366,318,466
Available School Fund No. 002, estimated	1,271,000,000	1,622,000,000
State Textbook Fund No. 003, estimated	19,457,832	1,971,597
Foundation School Fund No. 193, estimated	8,556,398,505	7,979,015,981
Certification and Assessment Fees (General Revenue Fund)	18,359,121	18,378,121
GR MOE for Temporary Assistance for Needy Families	2,000,000	2,000,000
Lottery Proceeds, estimated	1,045,000,000	1,046,000,000
Subtotal, General Revenue Fund	<u>\$ 11,277,856,192</u>	<u>\$ 11,035,684,165</u>

1	<u>General Revenue Fund - Dedicated</u>		
2	Telecommunications Infrastructure Fund No. 345	115,000,000	115,000,000
3	Read to Succeed Account No. 5027	42,960	42,960
4	Subtotal, General Revenue Fund - Dedicated	<u>\$ 115,042,960</u>	<u>\$ 115,042,960</u>
5	<u>Federal Funds</u>		
6	Federal Funds	13,153,500	13,153,500
7	Federal Health, Education and Welfare Fund		
8	No. 148	2,939,024,866	2,938,215,169
9	Federal School Lunch Fund No. 171	1,058,000,000	1,104,000,000
10	Subtotal, Federal Funds	<u>\$ 4,010,178,366</u>	<u>\$ 4,055,368,669</u>
11	<u>Other Funds</u>		
12	Appropriated Receipts (Redistributed Local		
13	Revenue), estimated	1,133,000,000	1,284,000,000
14	State Highway Fund No. 006	50,000,000	50,000,000
15	Permanent School Fund	6,851,389	6,914,804
16	Interagency Contracts	451,636	448,905
17	Subtotal, Other Funds	<u>\$ 1,190,303,025</u>	<u>\$ 1,341,363,709</u>
18	Total, Method of Financing	<u><u>\$16,593,380,543</u></u>	<u><u>\$16,547,459,503</u></u>
19	<b>Other Direct and Indirect Costs Appropriated</b>		
20	<b>Elsewhere in this Act</b>	\$ 1,340,119	\$ 1,319,693
21	<b>This bill pattern represents an estimated 100% of</b>		
22	<b>this agency's estimated total available funds</b>		
23	<b>for the biennium.</b>		
24	<b>Number of Full-Time-Equivalents (FTE):</b>	797.0	797.0
25	<b>Schedule of Exempt Positions:</b>		
26	Commissioner, Group 6	\$164,748	\$164,748
27	Executive Director, State Board for Educator		
28	Certification, Group 3	78,000	78,000
29	<b>Items of Appropriation:</b>		
30	<b>A. Goal: PROGRAM LEADERSHIP</b>		
31	<b>A.1.1. Strategy: FSP - EQUALIZED</b>		
32	OPERATIONS	\$ 11,323,400,000	\$ 11,224,000,000
33	Foundation School Program -		
34	Equalized Operations.		
35	<b>A.1.2. Strategy: FSP - EQUALIZED</b>		
36	FACILITIES	\$ 765,000,000	\$ 774,000,000
37	Foundation School Program -		
38	Equalized Facilities.		
39	<b>A.2.1. Strategy: STUDENT SUCCESS</b>	\$ 253,452,833	\$ 253,463,111
40	Statewide Initiatives to Further		
41	Student Achievement.		
42	<b>A.2.2. Strategy: ACHIEVEMENT OF STUDENTS</b>		
43	AT RISK	\$ 1,317,068,251	\$ 1,317,121,454

1	Resources for Low-income and Other		
2	At-risk Students.		
3	<b>A.2.3. Strategy:</b> STUDENTS WITH		
4	DISABILITIES	\$ 961,715,519	\$ 961,715,519
5	Resources for Mentally/Physically		
6	Disabled Students		
7	<b>A.2.4. Strategy:</b> SCHOOL IMPROVEMENT &		
8	SUPPORT PGMS	\$ 159,084,132	\$ 159,085,478
9	Grants for School and Program Improvement		
10	and Innovation.		
11	<b>A.2.5. Strategy:</b> ADULT EDUCATION & FAMILY		
12	LITERACY	<u>\$ 74,894,091</u>	<u>\$ 74,894,091</u>
13	<b>Total, Goal A: PROGRAM LEADERSHIP</b>	<u>\$14,854,614,826</u>	<u>\$14,764,279,653</u>
14			
15	<b>B. Goal: OPERATIONAL EXCELLENCE</b>		
16	<b>B.1.1. Strategy:</b> ASSESSMENT &		
17	ACCOUNTABILITY SYSTEM	\$ 61,207,441	\$ 61,207,441
18	<b>B.2.1. Strategy:</b> EDUCATIONAL TECHNOLOGY	\$ 42,220,916	\$ 42,245,510
19	<b>B.2.2. Strategy:</b> SAFE SCHOOLS	\$ 56,696,728	\$ 57,460,542
20	School Safety Programs and Education		
21	in Disciplinary Programs.		
22	<b>B.2.3. Strategy:</b> CHILD NUTRITION PROGRAMS	\$ 1,072,400,000	\$ 1,118,400,000
23	<b>B.2.4. Strategy:</b> WINDHAM SCHOOL DISTRICT	\$ 57,569,745	\$ 57,569,745
24	Educational Resources for Prison Inmates.		
25	<b>B.3.1. Strategy:</b> IMPROVING TEACHER QUALITY	\$ 372,311,979	\$ 372,396,121
26	Funds for Teacher Training and		
27	Education Service Centers.		
28	<b>B.3.2. Strategy:</b> AGENCY OPERATIONS	\$ 31,552,314	\$ 31,653,501
29	<b>B.3.3. Strategy:</b> CENTRAL ADMINISTRATION	\$ 10,337,833	\$ 10,338,027
30	<b>B.3.4. Strategy:</b> INFORMATION SYSTEMS -		
31	TECHNOLOGY	<u>\$ 16,025,761</u>	<u>\$ 13,446,963</u>
32	<b>Total, Goal B: OPERATIONAL EXCELLENCE</b>	<u>\$ 1,720,322,717</u>	<u>\$ 1,764,717,850</u>
33			
34	<b>C. Goal: EDUCATOR CERTIFICATION</b>		
35	State Board for Educator Certification.		
36	<b>C.1.1. Strategy:</b> EDUCATOR QUALITY		
37	AND CREDENTIALING	\$ 4,165,093	\$ 4,165,093
38	Educator Credentialing and		
39	Educator Preparation Program Review.		
40	<b>C.1.2. Strategy:</b> CERTIFICATION EXAM		
41	ADMINISTRATION	\$ 10,381,994	\$ 10,400,994
42	Educator Certification Exam Services.		
43	Estimated and nontransferable.		
44	<b>C.1.3. Strategy:</b> RETENTION, RECRUITMENT	\$ 83,879	\$ 83,879
45	Retention, Recruitment, and Continuing		
46	Professional Development.		
47	<b>C.1.4. Strategy:</b> EDUCATOR PROFESSIONAL		
48	CONDUCT	\$ 3,812,034	\$ 3,812,034
49	<b>Total, Goal C: EDUCATOR CERTIFICATION</b>	<u>\$ 18,443,000</u>	<u>\$ 18,462,000</u>
	<b>Grand Total, TEXAS EDUCATION AGENCY</b>	<u><u>\$16,593,380,543</u></u>	<u><u>\$16,547,459,503</u></u>

1           **Rider 95. Learning Through Listening Educational Outreach**  
2 **Program.** Out of the funds appropriated above in Strategy A.2.3,  
3 Students with Disabilities, the Commission shall expend \$1,000,000  
4 in fiscal year 2006 and \$1,000,000 in fiscal year 2007 for the  
5 purpose of implementing an educational outreach program tied to  
6 digital audio textbooks which assists individuals with print  
7 disabilities affording reading accommodation by providing  
8 instruction and training using digitally recorded audiobooks,  
9 playback equipment, and other resources. The program shall target  
10 economically disadvantaged students in kindergarten through 12th  
11 grade with learning disabilities, dyslexia, vision impairment, and  
12 physical disabilities.

13           **Rider 96. Renewing Our Communities.** The Texas Education  
14 Agency is hereby appropriated all amounts deposited into the  
15 Renewing Our Communities Account, an account hereby established in  
16 the general revenue fund. The account is eligible to receive gifts,  
17 grants, or donations from public or private sources and shall be  
18 administered by the Texas Education Agency. Funds deposited into  
19 this account are to be used to increase the organizational capacity  
20 of faith and community-based organizations to deliver charitable  
21 and social services to persons in this state.

22           **Rider 97. Contingency Appropriation: House Bill 2 and House**  
23 **Bill 3.** (a) Contingent on passage and enactment of House Bill 2 or  
24 similar legislation relating to public school finance, and House  
25 Bill 3 or similar Legislation relating to the reduction of local  
26 school district property taxes and increasing state revenues by the  
27 79th Legislature, there is hereby appropriated out of the General

1 Revenue Fund \$1,787,800,000 for the 2006-07 biennium to implement  
2 the provisions of the bills increasing total revenue for the  
3 operation of local school districts and for the provision of  
4 textbooks. Also contingent on passage and enactment of House Bill 3  
5 or similar legislation by the 79th Legislature, all additional  
6 state revenue that is received during the 2006-07 biennium that as  
7 estimated by the comptroller is attributable to changes in law made  
8 by House Bill 3 or by similar legislation and that may be spent for  
9 purposes of the Foundation School Program is appropriated to the  
10 Texas Education Agency for the 2006-07 biennium; however, such  
11 appropriations shall not exceed amounts necessary to provide state  
12 aid to school districts in an amount commensurate, as determined by  
13 the Legislative Budget Board, with the loss in local revenue  
14 associated with tax rate reduction. The Legislative Budget Board  
15 is directed to make all necessary adjustments to public education  
16 agencies, strategies, methods of finance, measures and riders  
17 necessary to implement the legislation. The Texas Education Agency  
18 shall develop a plan subject to approval by the Legislative Budget  
19 Board and the Governor, as needed to implement the bill.

20 (b) Included in Strategy A.1.2, Equalized Facilities, is  
21 \$50 million for the purpose of new issuances under the  
22 Instructional Facilities Allotment.

23 **Rider 98. Necessary Adjustments.** For the purposes of  
24 delineating the appropriation authority and expenditure  
25 requirements for the Texas Education Agency for the 2006-07  
26 biennium, the Legislative Budget Board is hereby directed to make  
27 necessary adjustments to the provisions above, such as allocation

1 of appropriated funds among strategies and methods of finance, and  
2 to rider provisions contained in Senate Bill 1, 79th Legislature,  
3 Regular Session, 2005.

4       **Rider 99. Funding for Technology Grants.** The Texas Education  
5 Agency may expend funds on technology grants, pursuant to Texas  
6 Education Code § 32.008 as authorized by House Bill 2, or similar  
7 legislation by the 79th Legislature, only if additional funds are  
8 released to the corpus of the Permanent School Fund from the General  
9 Land Office and are made available to the Texas Education Agency for  
10 expenditure during the 2006-07 biennium. The amount of funds that  
11 may be spent on the technology grants in the 2006-07 biennium shall  
12 be limited to the lesser of the amount of funds made available by  
13 the increased General Land Office contribution or \$65 million.

14       (c) Texas Education Agency Rider 48 in Article III, Senate  
15 Bill 1, Acts of the 79th Legislature, Regular Session, 2005 (the  
16 General Appropriations Act), is amended to read as follows:

17       **Rider 48. Student Success Initiative.** Out of the funds  
18 appropriated above in Strategy A.2.1, Student Success,  
19 \$158,005,369 in General Revenue in fiscal year 2006 and  
20 \$158,005,369 in General Revenue in fiscal year 2007 are allocated  
21 for the Student Success Initiative. The Commissioner shall expend  
22 these funds for allocations to schools for the purpose of  
23 implementation of scientific, research-based programs for students  
24 who have been identified as unlikely to achieve the third grade TAKS  
25 reading standard by the end of the third grade, including those  
26 students with dyslexia and related disorders, students unlikely to  
27 achieve the TAKS reading or math standards by the end of the fifth

1 grade, and/or students unlikely to achieve TAKS reading or math  
2 standards in the eighth grade assessments administered in 2008.

3 a. From funds appropriated for the Student Success  
4 Initiative, the Commissioner may set aside \$15 million for  
5 intensive reading instruction programs for schools that have  
6 failed to improve student performance in reading and \$5 million  
7 for intensive ~~[or]~~ math instruction programs for schools that  
8 have failed to improve student performance in ~~[reading or]~~  
9 math. The Commissioner shall determine which schools have  
10 achieved the least gains in reading or math performance, and  
11 shall require those schools to submit a reading or math  
12 improvement plan detailing proposed efforts to improve  
13 reading or math performance as a condition of receiving  
14 funding. The reading or math improvement plan must establish  
15 the performance outcome of literacy or numeracy among its  
16 student population and outline specific steps that will be  
17 taken to achieve that goal. The plan may include the use of  
18 technology to achieve reading or math goals. A school  
19 identified as in need of improvement in reading or math  
20 instruction shall implement only those assessments, progress  
21 monitoring instruments, reading or math strategies and  
22 programs approved by the Commissioner. Programs must  
23 demonstrate a record of proven success in improving student  
24 reading or math achievement.

25 b. Adolescent Literacy Initiative. Out of any funds  
26 appropriated to the agency, the Commissioner shall set aside  
27 \$2 million for each year of the 2006-2007 biennium for the

development of a supplemental diagnostic screening instrument and intensive reading instruction programs for students determined at risk to not perform at proficient levels on the 8th grade TAKS reading assessment. It is the intent of the legislature that the Texas Education Agency pursue federal funds to provide training in the use of the diagnostic instrument and distribution of the instrument to school districts and charter schools. Any balances as of August 31, 2006 are appropriated for fiscal year 2007 for the same purpose.

c. Any balances as of August 31, 2006, are appropriated for fiscal year 2007 for the same purposes.

(d) Texas Education Agency Rider 69 in Article III, Senate Bill 1, Acts of the 79th Legislature, Regular Session, 2005 (the General Appropriations Act), is amended to read as follows:

**Rider 69. ~~[Guaranteed Yield and]~~ Per Pupil Allotment.** Funds allocated above in Strategy A.1.1, FSP - Equalized Operations, include funds sufficient to ensure the ~~[an increase to the Guaranteed Yield Program and]~~ maintenance~~[, for districts not eligible for the Guaranteed Yield Program,]~~ of the \$110 per weighted student allocation authorized in Rider 82, page III-23, 2003 General Appropriations Act, as modified by House Bill 3459.

~~[a. Pursuant to Texas Education Code § 42.302, the Guaranteed Yield per weighted student per penny of tax effort is hereby set at \$29.12 in fiscal year 2006 and at \$29.85 in fiscal year 2007.]~~

~~[b. School districts not receiving state aid as~~



~~provided in subsection (a) are hereby entitled to receive an allocation of General Revenue to maintain per pupil funding levels pursuant to the \$110 per WADA allocation authorized in Rider 82, page III-23, General Appropriations Act, 2003, as they received in the 2004-05 biennium.~~

[~~c.~~] The total amount of payment under this section is subject to reduction to the extent that districts not otherwise entitled to state aid from the Foundation School Fund receive a benefit from the change in the distributions from the Available School Fund caused by the adoption of amendments to the Texas Constitution, Article VII, § 5, at the election held September 13, 2003.

The Texas Education Agency shall develop and promulgate rules as necessary to carry out this provision. Such rules are subject to prior approval by the Legislative Budget Board and the Governor.

(e) Texas Education Agency Rider 78 in Article III, Senate Bill 1, Acts of the 79th Legislature, Regular Session, 2005 (the General Appropriations Act), is amended to read as follows:

**Rider 78. Textbook Proclamations.** It is the intent of the Legislature that the State Board of Education forego the issuance of all Proclamations of textbook purchases until such time as the Legislature has implemented reforms to the system by which the state and school districts procure and purchase textbooks.

Contingent upon passage and enactment of House Bill 2, or similar legislation relating to public school finance by the 79th Legislature, First Called Session, 2005, it is the intent of the Legislature that the State Board of Education rescind Proclamation

1 2004 and conduct activities related to instructional materials in  
2 accordance with the provisions of House Bill 2.

3 SECTION 2. APPROPRIATION REDUCTIONS. (a) If this Act  
4 takes effect immediately after it receives a vote of two-thirds of  
5 all the members elected to each house, as provided by Section 39,  
6 Article III, Texas Constitution, then appropriations made in  
7 Article IX, Section 13.18 of Senate Bill 1, 79th Legislature,  
8 Regular Session, 2005, from the General Revenue Fund, General  
9 Revenue-Dedicated Accounts, and General Revenue related funds are  
10 reduced by:

11 (1) \$11,277,856,192 from the General Revenue Fund,  
12 which is the amount of appropriation made in Section 1 of this Act  
13 to the Texas Education Agency for the fiscal year ending August 31,  
14 2006;

15 (2) \$11,035,684,165 from the General Revenue Fund,  
16 which is the amount of appropriation made in Section 1 of this Act  
17 to the Texas Education Agency for the fiscal year ending August 31,  
18 2007;

19 (3) \$115,042,960 from the General Revenue Fund -  
20 Dedicated, which is the amount of the appropriation made in Section  
21 1 of this Act to the Texas Education Agency for the fiscal year  
22 ending August 31, 2006; and

23 (4) \$115,042,960 from the General Revenue Fund -  
24 Dedicated, which is the amount of the appropriation made in Section  
25 1 of this Act to the Texas Education Agency for the fiscal year  
26 ending August 31, 2007.

27 (b) If this Act does not receive the vote necessary for

1 immediate effect and this Act takes effect on the 91st day after the  
2 last day of the legislative session, then:

3 (1) appropriations made in Section 1 of this Act from  
4 the General Revenue Fund to the Texas Education Agency for the  
5 fiscal year ending August 31, 2006, are reduced by \$5,530,000,000;  
6 and the appropriation reduction identified in Section 2(a)(1) above  
7 is lowered by an equal amount.

8 SECTION 3. EFFECTIVE DATE. This Act takes effect  
9 immediately if it receives a vote of two-thirds of all the members  
10 elected to each house, as provided by Section 39, Article III, Texas  
11 Constitution, and appropriations are available to meet funding  
12 needs of the Texas Education Agency in fiscal years 2005, 2006, and  
13 2007 as determined by the Legislative Budget Board. If this Act  
14 does not receive the vote necessary for immediate effect, this Act  
15 takes effect on the 91st day after the last day of the legislative  
16 session.

H.B. No. 1

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1 was passed by the House on July 6, 2005, by the following vote: Yeas 140, Nays 1, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1 on July 20, 2005, by the following vote: Yeas 144, Nays 3, 1 present, not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

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Chief Clerk of the House

I certify that H.B. No. 1 was passed by the Senate, with amendments, on July 19, 2005, by the following vote: Yeas 29, Nays 0; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

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Secretary of the Senate

H.B. No. 1

I certify that the amounts appropriated in the herein H.B. No. 1, 1st Called Session of the 79th Legislature, are within amounts estimated to be available in the affected fund.

Certified\_\_\_\_\_

\_\_\_\_\_

Comptroller of Public Accounts

APPROVED: \_\_\_\_\_

Date

\_\_\_\_\_

Governor