

1-1 By: Pitts, Luna (Senate Sponsor - Ogden) H.B. No. 1
1-2 (In the Senate - Received from the House July 7, 2005;
1-3 July 7, 2005, read first time and referred to Committee on Finance;
1-4 July 17, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 1; July 17, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1 By: Ogden

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 appropriating money for the support of state government.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. (a) The several sums of money herein specified,
1-13 or so much thereby as may be necessary, are appropriated out of any
1-14 funds in the State Treasury not otherwise appropriated, or out of
1-15 special funds as indicated, for the support, maintenance, or
1-16 improvement of the designated agencies and institutions of
1-17 education.
1-18 (b) Article III, Senate Bill 1, Acts of the 79th
1-19 Legislature, Regular Session, 2005 (the General Appropriations
1-20 Act), is amended by adding the following appropriations and riders,
1-21 and to the extent necessary, by giving all riders under the bill
1-22 pattern of the agency full force and effect:
1-23 TEXAS EDUCATION AGENCY

	For the Years Ending	
	<u>August 31, 2006</u>	<u>August 31, 2007</u>
1-26 Method of Financing:		
1-27 <u>General Revenue Fund</u>		
1-28 General Revenue Fund	\$ 365,640,734	\$ 366,318,466
1-29 Available School Fund No. 002, estimated	1,271,000,000	1,622,000,000
1-30 State Textbook Fund No. 003, estimated	19,457,832	1,971,597
1-31 Foundation School Fund No. 193, estimated	8,556,398,505	7,979,015,981
1-32 Certification and Assessment Fees (General		
1-33 Revenue Fund)	18,359,121	18,378,121
1-34 GR MOE for Temporary Assistance for Needy		
1-35 Families	2,000,000	2,000,000
1-36 Lottery Proceeds, estimated	1,045,000,000	1,046,000,000
1-37 Subtotal, General Revenue Fund	<u>\$ 11,277,856,192</u>	<u>\$ 11,035,684,165</u>
1-38 <u>General Revenue Fund - Dedicated</u>		
1-39 Telecommunications Infrastructure Fund No. 345	115,000,000	115,000,000
1-40 Read to Succeed Account No. 5027	42,960	42,960
1-41 Subtotal, General Revenue Fund - Dedicated	<u>\$ 115,042,960</u>	<u>\$ 115,042,960</u>
1-42 <u>Federal Funds</u>		
1-43 Federal Funds	13,153,500	13,153,500
1-44 Federal Health, Education and Welfare Fund		
1-45 No. 148	2,939,024,866	2,938,215,169
1-46 Federal School Lunch Fund No. 171	1,058,000,000	1,104,000,000
1-47 Subtotal, Federal Funds	<u>\$ 4,010,178,366</u>	<u>\$ 4,055,368,669</u>
1-48 <u>Other Funds</u>		
1-49 Appropriated Receipts (Redistributed Local		
1-50 Revenue), estimated	1,133,000,000	1,284,000,000
1-51 State Highway Fund No. 006	50,000,000	50,000,000
1-52 Permanent School Fund	6,851,389	6,914,804
1-53 Interagency Contracts	451,636	448,905
1-54 Subtotal, Other Funds	<u>\$ 1,190,303,025</u>	<u>\$ 1,341,363,709</u>

			C.S.H.B. No. 1
2-1	Total, Method of Financing	<u>\$16,593,380,543</u>	<u>\$16,547,459,503</u>
2-2	Other Direct and Indirect Costs Appropriated		
2-3	Elsewhere in this Act	\$ 1,340,119	\$ 1,319,693
2-4	This bill pattern represents an estimated 100% of		
2-5	this agency's estimated total available funds		
2-6	for the biennium.		
2-7	Number of Full-Time-Equivalents (FTE):	797.0	797.0
2-8	Schedule of Exempt Positions:		
2-9	Commissioner, Group 6	\$164,748	\$164,748
2-10	Executive Director, State Board for Educator		
2-11	Certification, Group 3	78,000	78,000
2-12	Items of Appropriation:		
2-13	A. Goal: PROGRAM LEADERSHIP		
2-14	A.1.1. Strategy: FSP - EQUALIZED		
2-15	OPERATIONS	\$ 11,323,400,000	\$ 11,224,000,000
2-16	Foundation School Program -		
2-17	Equalized Operations.		
2-18	A.1.2. Strategy: FSP - EQUALIZED		
2-19	FACILITIES	\$ 765,000,000	\$ 774,000,000
2-20	Foundation School Program -		
2-21	Equalized Facilities.		
2-22	A.2.1. Strategy: STUDENT SUCCESS	\$ 253,452,833	\$ 253,463,111
2-23	Statewide Initiatives to Further		
2-24	Student Achievement.		
2-25	A.2.2. Strategy: ACHIEVEMENT OF STUDENTS		
2-26	AT RISK	\$ 1,317,068,251	\$ 1,317,121,454
2-27	Resources for Low-income and Other		
2-28	At-risk Students.		
2-29	A.2.3. Strategy: STUDENTS WITH		
2-30	DISABILITIES	\$ 961,715,519	\$ 961,715,519
2-31	Resources for Mentally/Physically		
2-32	Disabled Students		
2-33	A.2.4. Strategy: SCHOOL IMPROVEMENT &		
2-34	SUPPORT PGMS	\$ 159,084,132	\$ 159,085,478
2-35	Grants for School and Program Improvement		
2-36	and Innovation.		
2-37	A.2.5. Strategy: ADULT EDUCATION & FAMILY		
2-38	LITERACY	<u>\$ 74,894,091</u>	<u>\$ 74,894,091</u>
2-39	Total, Goal A: PROGRAM LEADERSHIP	<u>\$14,854,614,826</u>	<u>\$14,764,279,653</u>
2-40			
2-41	B. Goal: OPERATIONAL EXCELLENCE		
2-42	B.1.1. Strategy: ASSESSMENT &		
2-43	ACCOUNTABILITY SYSTEM	\$ 61,207,441	\$ 61,207,441
2-44	B.2.1. Strategy: EDUCATIONAL TECHNOLOGY	\$ 42,220,916	\$ 42,245,510
2-45	B.2.2. Strategy: SAFE SCHOOLS	\$ 56,696,728	\$ 57,460,542
2-46	School Safety Programs and Education		
2-47	in Disciplinary Programs.		
2-48	B.2.3. Strategy: CHILD NUTRITION PROGRAMS	\$ 1,072,400,000	\$ 1,118,400,000
2-49	B.2.4. Strategy: WINDHAM SCHOOL DISTRICT	\$ 57,569,745	\$ 57,569,745
2-50	Educational Resources for Prison Inmates.		
2-51	B.3.1. Strategy: IMPROVING TEACHER QUALITY	\$ 372,311,979	\$ 372,396,121
2-52	Funds for Teacher Training and		
2-53	Education Service Centers.		
2-54	B.3.2. Strategy: AGENCY OPERATIONS	\$ 31,552,314	\$ 31,653,501
2-55	B.3.3. Strategy: CENTRAL ADMINISTRATION	\$ 10,337,833	\$ 10,338,027
2-56	B.3.4. Strategy: INFORMATION SYSTEMS -		
2-57	TECHNOLOGY	<u>\$ 16,025,761</u>	<u>\$ 13,446,963</u>
2-58	Total, Goal B: OPERATIONAL EXCELLENCE	<u>\$ 1,720,322,717</u>	<u>\$ 1,764,717,850</u>
2-59	C. Goal: EDUCATOR CERTIFICATION		
2-60	State Board for Educator Certification.		
2-61	C.1.1. Strategy: EDUCATOR QUALITY		

			C.S.H.B. No. 1
3-1	AND CREDENTIALING	\$ 4,165,093	\$ 4,165,093
3-2	Educator Credentialing and		
3-3	Educator Preparation Program Review.		
3-4	C.1.2. Strategy: CERTIFICATION EXAM		
3-5	ADMINISTRATION	\$ 10,381,994	\$ 10,400,994
3-6	Educator Certification Exam Services.		
3-7	Estimated and nontransferable.		
3-8	C.1.3. Strategy: RETENTION, RECRUITMENT	\$ 83,879	\$ 83,879
3-9	Retention, Recruitment, and Continuing		
3-10	Professional Development.		
3-11	C.1.4. Strategy: EDUCATOR PROFESSIONAL		
3-12	CONDUCT	<u>\$ 3,812,034</u>	<u>\$ 3,812,034</u>
3-13	Total, Goal C: EDUCATOR CERTIFICATION	<u>\$ 18,443,000</u>	<u>\$ 18,462,000</u>

3-14	Grand Total, TEXAS EDUCATION AGENCY	<u>\$16,593,380,543</u>	<u>\$16,547,459,503</u>
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3-15 **Rider 95. Learning Through Listening Educational Outreach**
 3-16 **Program.** Out of the funds appropriated above in Strategy A.2.3,
 3-17 Students with Disabilities, the Commissioner of Education shall
 3-18 expend \$1,000,000 in fiscal year 2006 and \$1,000,000 in fiscal year
 3-19 2007 for the purpose of implementing an educational outreach
 3-20 program tied to digital audio textbooks which assists individuals
 3-21 with print disabilities affording reading accommodation by
 3-22 providing instruction and training using digitally recorded
 3-23 audiobooks, playback equipment, and other resources. The program
 3-24 shall target economically disadvantaged students in kindergarten
 3-25 through 12th grade with learning disabilities, dyslexia, vision
 3-26 impairment, and physical disabilities.

3-27 **Rider 96. Renewing Our Communities.** The Texas Education
 3-28 Agency is hereby appropriated all amounts deposited into the
 3-29 Renewing Our Communities Account, an account hereby established in
 3-30 the general revenue fund. The account is eligible to receive gifts,
 3-31 grants, or donations from public or private sources and shall be
 3-32 administered by the Texas Education Agency. Funds deposited into
 3-33 this account are to be used to increase the organizational capacity
 3-34 of faith and community-based organizations to deliver charitable
 3-35 and social services to persons in this state.

3-36 **Rider 97. Contingency Appropriation: House Bill 2 and House**
 3-37 **Bill 3.** Contingent on passage and enactment of House Bill 2 or
 3-38 similar legislation relating to public school finance, and House
 3-39 Bill 3 or similar Legislation relating to the reduction of local
 3-40 school district property taxes and increasing state revenues by the
 3-41 79th Legislature, First Called Session, 2005, there is hereby
 3-42 appropriated out of the General Revenue Fund \$1,787,800,000 for the
 3-43 2006-08 biennium to implement the provisions of the bills
 3-44 increasing total revenue for the operation of local school
 3-45 districts. Included in the contingency amount specified is \$25
 3-46 million in each year of the biennium to increase allocations to
 3-47 school districts in the Instructional Facilities Allotment. Also
 3-48 contingent on passage and enactment of House Bill 3 or similar
 3-49 legislation by the 79th Legislature, First Called Session, 2005,
 3-50 all additional state revenue that is received during the 2006-07
 3-51 biennium that as estimated by the comptroller is attributable to
 3-52 changes in law made by House Bill 3 or by similar legislation and
 3-53 that may be spent for purposes of the Foundation School Program is
 3-54 appropriated to the Texas Education Agency for the 2006-07
 3-55 biennium. The Legislative Budget Board is directed to make all
 3-56 necessary adjustments to public education agencies, strategies,
 3-57 methods of finance, measures and riders necessary to implement the
 3-58 legislation. The Texas Education Agency shall develop a plan
 3-59 subject to approval by the Legislative Budget Board and the
 3-60 Governor, as needed to implement the bill.

3-61 **Rider 98. Necessary Adjustments.** For the purposes of
 3-62 delineating the appropriation authority and expenditure
 3-63 requirements for the Texas Education Agency for the 2006-07
 3-64 biennium, the Legislative Budget Board is hereby directed to make
 3-65 necessary adjustments to the provisions above and to rider
 3-66 provisions contained in Senate Bill 1, 79th Legislature, Regular
 3-67 Session, 2005.

(c) Texas Education Agency Rider 48 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 48. Student Success Initiative. Out of the funds appropriated above in Strategy A.2.1, Student Success, \$158,005,369 in General Revenue in fiscal year 2006 and \$158,005,369 in General Revenue in fiscal year 2007 are allocated for the Student Success Initiative. The Commissioner shall expend these funds for allocations to schools for the purpose of implementation of scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade, including those students with dyslexia and related disorders, students unlikely to achieve the TAKS reading or math standards by the end of the fifth grade, and/or students unlikely to achieve TAKS reading or math standards in the eighth grade assessments administered in 2008.

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

b. Adolescent Literacy Initiative. Out of any funds appropriated to the agency, the Commissioner shall set aside \$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.

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

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

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

2007;

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

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

(b) If this Act does not receive the vote necessary for immediate effect and this Act takes effect on the 91st day after the last day of the legislative session, then:

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

SECTION 3. EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

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