A BILL TO BE ENTITLED

## AN ACT

relating to public school classroom instruction and teacher compensation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 21.402, Education Code, is amended by amending Subsection (d) and adding Subsections (c-1), (c-2), and (c-3) to read as follows:
(c-1) Notwithstanding Subsection (a), for the 2005-2006 school year, a classroom teacher is entitled to a monthly salary that is at least equal to the sum of:
(1) the monthly salary the employee would have received for the 2005-2006 school year, as applicable under the district's salary schedule for the 2004-2005 school year, if that schedule had been in effect for the $2005-2006$ school year, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2005-2006 school year; and
(2) $\$ 311.60$.
(c-2) Notwithstanding Subsection (a), for the 2006-2007 school year, a classroom teacher is entitled to a monthly salary that is at least equal to the sum of:
(1) the monthly salary the employee would have received for the 2006-2007 school year, as applicable under the district's salary schedule for the 2004-2005 school year, if that
schedule had been in effect for the 2006-2007 school year, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2006-2007 school year; and
(2) $\$ 623.20$.
(c-3) Subsection (c-1) expires September 1, 2006. Subsection (c-2) and this subsection expire September 1, 2007.
(d) A classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse employed by a school district in the 2006-2007 [2000-2001] school year is, as long as the employee is employed by the same district, entitled to a salary that is at least equal to the salary the employee received for the 2006-2007 [2000-2001] school year.

SECTION 2. Subchapter I, Chapter 21, Education Code, is amended by adding Section 21.418 to read as follows:

Sec. 21.418. STIPEND FOR CERTAIN TEACHERS. (a) A classroom teacher is entitled to an annual stipend of $\$ 2,000$ if the teacher:
(1) holds an appropriate certificate issued as provided by Subchapter B; and
(2) satisfies one or more of the following requirements:
(A) is assigned to a campus at which at least 75 percent of the students are educationally disadvantaged;
(B) is assigned to an understaffed rural campus as determined in accordance with commissioner rule;
(C) is assigned to a campus that is considered low-performing under Section 39.132; or
(D) teaches in a subject area designated by the commissioner as experiencing a critical shortage of teachers in this state.
(b) A stipend a teacher receives under this section:
(1) is in addition to the regular salary to which a teacher is otherwise entitled under the district's salary schedule; and
(2) is not considered in determining whether the district is paying the teacher the minimum monthly salary under Section 21.402.
(c) A stipend a teacher receives under this section shall be paid using funds appropriated for that purpose. The commissioner shall distribute the funds to each school district at which a teacher who is entitled to a stipend under this section is employed. A teacher is entitled to a stipend under this section only to the extent sufficient state funds are appropriated for that purpose. If state funds are appropriated but are insufficient to fully fund the stipends:
(1) the commissioner shall reduce the amount paid for the stipends to each district at which a teacher who is entitled to a stipend under this section is employed; and
(2) the district shall reduce the amount of the stipend the district pays to each teacher entitled to a stipend under this section proportionately so that each teacher receives the same amount of money.
(d) A decision of the commissioner concerning the amount of money to which a school district is entitled under this section is
final and may not be appealed. Each district shall, in the manner and at the time prescribed by the commissioner, provide to the commissioner proof acceptable to the commissioner of the employment of a teacher entitled to a stipend under this section.
(e) The commissioner may adopt rules necessary to administer this section.

SECTION 3. Section 25.112, Education Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1) and (e) to read as follows:
(a) Except as otherwise authorized by this section or except as provided by Section 25.114, a school district may not enroll more than:
(1) 22 students in a kindergarten, first, second, third, [өx] fourth, or fifth grade class;
(2) 26 students in a class composed primarily of students enrolled in the sixth, seventh, or eighth grade; or
(3) 30 students in a class composed primarily of students enrolled in the 9 th, 10 th, 11 th, or 12 th grade.
(a-1) A limit imposed by Subsection (a) [That limitation] does not apply during:
(1) any 12-week period of the school year selected by the district, in the case of a district whose average daily attendance is adjusted under Section $42.005(c)$; or
(2) the last 12 weeks of any school year in the case of any other district.
(d) On application of a school district, the commissioner may except the district from a [the] limit imposed by [in]

Subsection (a) if the commissioner finds the limit works an undue hardship on the district. An exception expires at the end of the semester for which it is granted, and the commissioner may not grant an exception for $[$ -
[(1)] more than one semester at a time.
(e) On application of a school district, the commissioner may except a district campus from a limit imposed by Subsection (a). The commissioner may except a campus under this subsection only if the campus meets criteria adopted by the commissioner for granting an exception under this subsection. The agency must solicit public comment and hold a public hearing before adopting criteria under this subsection. An exception under this subsection expires at the end of the semester for which it is granted, and the commissioner may not grant an exception for more than one semester at a time.

SECTION 4. Section 25.113(a), Education Code, is amended to read as follows:
(a) A campus or district that is granted an exception under Section $25.112(d)$ or (e) from class size limits shall provide written notice of the exception to the parent of or person standing in parental relation to each student affected by the exception. The notice must be in conspicuous bold or underlined print and:
(1) specify the class for which an exception from $\underline{a}$ [the] limit imposed by Section $25.112(a)$ was granted;
(2) state the number of children in the class for which the exception was granted; and
(3) be included in a regular mailing or other communication from the campus or district, such as information sent
home with students.
SECTION 5. Subchapter D, Chapter 25, Education Code, is amended by adding Section 25.114 to read as follows:

Sec. 25.114. MAXIMUM CLASS SIZE FOR CERTAIN ELEMENTARY SCHOOL STUDENTS. If a student in the third, fourth, or fifth grade at a campus does not perform satisfactorily on an assessment instrument administered under Section 39.023(a), that campus may not enroll the student in a class with more than nine other students until the student completes the sixth grade.

SECTION 6. Section 29.153(c), Education Code, is amended to read as follows:
(c) A prekindergarten class under this section shall be operated on a full-day [half-day] basis. A district is not required to provide transportation for a prekindergarten class, but transportation, if provided, is included for funding purposes as part of the regular transportation system.

SECTION 7. Section 29.1531(a), Education Code, is amended to read as follows:
(a) A school district may offer on a tuition basis or use district funds to provide [:
[(1) an additional half-day of prekindexgaxten elasses to children eligible for classes under Section 29.153; and
[(2)] half-day and full-day prekindergarten classes to children not eligible for classes under Section 29.153.

SECTION 8. Subchapter E, Chapter 42 , Education Code, is amended by adding Section 42.2516 to read as follows:

Sec. 42.2516. ADDITIONAL STATE AID OR CREDIT AGAINST COST

OF ATTENDANCE CREDITS FOR CLASSROOM TEACHER SALARIES. (a) A school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount, as determined by the commissioner, equal to the product of $\$ 6,232$ multiplied by the number of classroom teachers employed by the district and entitled to a minimum salary under Section 21.402 .
(a-1) Subsection (a) applies beginning with the 2006-2007 school year. For the 2005-2006 school year, a school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount, as determined by the commissioner, equal to the product of $\$ 3,116$ multiplied by the number of classroom teachers employed by the district and entitled to the minimum salary under Section 21.402 . This subsection expires September 1, 2006.
(b) A school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized wealth level is entitled to a credit, in the amount of state aid to which the district is entitled under this section, against the total amount required under Section 41.093 for the district to purchase attendance credits.
(c) A determination by the commissioner under this section is final and may not be appealed.
(d) The commissioner may adopt rules to implement this section.

SECTION 9. Section 822.201(b), Government Code, is amended to read as follows:
(b) "Salary and wages" as used in Subsection (a) means:
(1) normal periodic payments of money for service the right to which accrues on a regular basis in proportion to the service performed;
(2) amounts by which the member's salary is reduced under a salary reduction agreement authorized by Chapter 610;
(3) amounts that would otherwise qualify as salary and wages under Subdivision (1) but are not received directly by the member pursuant to a good faith, voluntary written salary reduction agreement in order to finance payments to a deferred compensation or tax sheltered annuity program specifically authorized by state law or to finance benefit options under a cafeteria plan qualifying under Section 125, [ $\theta$ the] Internal Revenue Code of 1986, if:
(A) the program or benefit options are made available to all employees of the employer; and
(B) the benefit options in the cafeteria plan are limited to one or more options that provide deferred compensation, group health and disability insurance, group term life insurance, dependent care assistance programs, or group legal services plans;
(4) performance pay awarded to an employee by a school district as part of a total compensation plan approved by the board of trustees of the district and meeting the requirements of Subsection (e);
(5) the benefit replacement pay a person earns under Subchapter H, Chapter 659, except as provided by Subsection (c);
(6) stipends paid to teachers in accordance with Section 21.410, 21.411, or 21.412[, or 21.413], Education Code, Section 21.413, Education Code, as added by Chapter 430, Acts of the

78th Legislature, Regular Session, 2003, or Section 21.418, Education Code;
(7) amounts by which the member's salary is reduced or that are deducted from the member's salary as authorized by Subchapter J, Chapter 659; and
(8) a merit salary increase made under Section 51.962, Education Code. SECTION 10. This Act applies beginning with the 2005-2006 school year. SECTION 11. This Act takes effect September 1, 2005.

