

By: Truitt

H.B. No. 131

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the cost of education adjustment under the Foundation  
3 School Program.

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

5 SECTION 1. Section 42.102, Education Code, is amended by  
6 amending Subsection (b) and adding Subsections (c) through (f) to  
7 read as follows:

8 (b) The commissioner shall determine the cost of education  
9 adjustment for each school district based on a statistical analysis  
10 conducted by an organization independent from the agency and the  
11 Legislative Budget Board that:

12 (1) isolates the independent effects of  
13 uncontrollable factors on the compensation that school districts  
14 must pay, including teachers' salaries, benefits paid under Chapter  
15 1579, Insurance Code, and other benefits, but excluding benefits  
16 paid by the state; and

17 (2) includes variations, determined using the average  
18 value for the preceding three years for uncontrollable cost  
19 factors, in the characteristics of teachers, teachers' working  
20 environments, and the economic and social conditions of the  
21 communities in which teachers reside [~~is the cost of education~~  
22 ~~index adjustment adopted by the foundation school fund budget~~  
23 ~~committee and contained in Chapter 203, Title 19, Texas~~  
24 ~~Administrative Code, as that chapter existed on March 26, 1997].~~

1       (c) Not later than July 15 of each year, the commissioner  
2 shall notify each school district of the district's cost of  
3 education adjustment for the following school year.

4       (d) Notwithstanding Subsection (b) and except as provided  
5 by Subsection (e), a school district's cost of education adjustment  
6 may not be less than the sum of:

7           (1) 80 percent of the district's cost of education  
8 adjustment for the 2006-2007 school year; and

9           (2) 20 percent of the district's cost of education  
10 adjustment determined under Subsection (b).

11       (e) To the extent that money specifically authorized to be  
12 used under this section is available, the commissioner shall adjust  
13 the amount of state aid to which each district is entitled by  
14 application of this section so that no district receives less than  
15 the amount to which the district would be entitled using the  
16 district's cost of education adjustment for the 2006-2007 school  
17 year.

18       (f) The commissioner shall use the cost of education  
19 adjustment determined under Subsection (b) for the 2007-2008,  
20 2008-2009, and 2009-2010 school years. Not later than January 1,  
21 2009, and each four years thereafter, the commissioner shall  
22 contract with an organization independent from the agency and the  
23 Legislative Budget Board to conduct an analysis of variations in  
24 known resource costs and costs of education beyond the control of a  
25 school district and to make recommendations to the commissioner as  
26 to methods of adjusting funding under this chapter to reflect  
27 variations in resource costs and costs of education. The analysis

1 must include the factors specified by Subsections (b)(1) and (2).  
2 The commissioner shall review the recommendations and determine  
3 cost of education adjustments as provided by Subsection (b).

4 SECTION 2. Effective September 1, 2008, Section 42.102(d),  
5 Education Code, as added by Section 1 of this Act, is amended to  
6 read as follows:

7 (d) Notwithstanding Subsection (b) and except as provided  
8 by Subsection (e), a school district's cost of education adjustment  
9 may not be less than the sum of:

10 (1) 50 percent of the district's cost of education  
11 adjustment for the 2006-2007 school year; and

12 (2) 50 percent of the district's cost of education  
13 adjustment determined under Subsection (b).

14 SECTION 3. Effective September 1, 2009, Section 42.102(d),  
15 Education Code, as added by Section 1 of this Act, is amended to  
16 read as follows:

17 (d) Notwithstanding Subsection (b) and except as provided  
18 by Subsection (e), a school district's cost of education adjustment  
19 may not be less than the sum of:

20 (1) 20 percent of the district's cost of education  
21 adjustment for the 2006-2007 school year; and

22 (2) 80 percent of the district's cost of education  
23 adjustment determined under Subsection (b).

24 SECTION 4. Section 42.302(a), Education Code, is amended to  
25 read as follows:

26 (a) Each school district is guaranteed a specified amount  
27 per weighted student in state and local funds for each cent of tax

1 effort over that required for the district's local fund assignment  
2 up to the maximum level specified in this subchapter. The amount of  
3 state support, subject only to the maximum amount under Section  
4 42.303, is determined by the formula:

5 
$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

6 where:

7 "GYA" is the guaranteed yield amount of state funds to be  
8 allocated to the district;

9 "GL" is the dollar amount guaranteed level of state and local  
10 funds per weighted student per cent of tax effort, which is an  
11 amount described by Subsection (a-1) or a greater amount for any  
12 year provided by appropriation;

13 "WADA" is the number of students in weighted average daily  
14 attendance, which is calculated by dividing the sum of the school  
15 district's allotments under Subchapters B and C, less any allotment  
16 to the district for transportation and[~~7~~] any allotment under  
17 Section 42.158, [~~and 50 percent of the adjustment under Section~~  
18 ~~42.1027~~] by the basic allotment for the applicable year;

19 "DTR" is the district enrichment tax rate of the school  
20 district, which is determined by subtracting the amounts specified  
21 by Subsection (b) from the total amount of maintenance and  
22 operations taxes collected by the school district for the  
23 applicable school year and dividing the difference by the quotient  
24 of the district's taxable value of property as determined under  
25 Subchapter M, Chapter 403, Government Code, or, if applicable,  
26 under Section 42.2521, divided by 100; and

27 "LR" is the local revenue, which is determined by multiplying

1 "DTR" by the quotient of the district's taxable value of property as  
2 determined under Subchapter M, Chapter 403, Government Code, or, if  
3 applicable, under Section 42.2521, divided by 100.

4 SECTION 5. Effective September 1, 2010, Section 42.102(d),  
5 Education Code, as added by Section 1 of this Act, is repealed.

6 SECTION 6. Sections 42.102 and 42.302, Education Code, as  
7 amended by this Act, apply to the computation of funding under  
8 Chapter 42, Education Code, beginning September 1, 2007.

9 SECTION 7. As soon as practicable after the effective date  
10 of this Act, the commissioner of education shall contract with an  
11 organization independent from the Texas Education Agency and the  
12 Legislative Budget Board to conduct the analysis required by  
13 Section 42.102(b), Education Code, as amended by this Act.

14 SECTION 8. Except as otherwise provided by this Act, this  
15 Act takes effect immediately if it receives a vote of two-thirds of  
16 all the members elected to each house, as provided by Section 39,  
17 Article III, Texas Constitution. If this Act does not receive the  
18 vote necessary for immediate effect, except as otherwise provided  
19 by this Act, this Act takes effect September 1, 2007.