

By: Eissler, Aycock, Crownover,
Anderson of McLennan, Garza, et al.

H.B. No. 400

Substitute the following for H.B. No. 400:

By: Smith of Tarrant

C.S.H.B. No. 400

A BILL TO BE ENTITLED

AN ACT

relating to flexibility for public schools to administer primary
and secondary education efficiently.

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

SECTION 1. Section 11.0581, Education Code, is amended by
adding Subsection (e) to read as follows:

(e) The joint election agreement allocating expenses as
provided by Section 271.004, Election Code, must provide that a
school district is responsible only for the proportion of election
expenses that corresponds to the proportion that the number of
precincts located within the school district's boundaries bears to
the total number of precincts participating in the joint election.

SECTION 2. Subchapter D, Chapter 11, Education Code, is
amended by adding Section 11.179 to read as follows:

Sec. 11.179. UNIFORM NOTICE FOR CERTAIN BOARD HEARINGS AND
MEETINGS. (a) The board of trustees of a school district shall
provide notice of a hearing under Sections 39.083 and 39.306 and a
meeting under Section 44.004 by:

(1) sending the notice through e-mail to media serving
the district;

(2) prominently posting the entire notice, in addition
to any required documents or summaries, on the district's Internet
website;

(3) making the notice, in addition to any required

1 documents or summaries, available for public inspection at the
2 district's central administrative office; and

3 (4) making the notice, in addition to any required
4 documents or summaries, available for public inspection at each
5 campus in the district.

6 (b) In addition to providing notice as required by
7 Subsection (a), the board may also provide notice as permitted by
8 Section 39.083, 39.306, or 44.004, as applicable.

9 SECTION 3. Sections 12.133(b), (b-1), (c), and (d-1),
10 Education Code, are amended to read as follows:

11 (b) Each school year, using state funds received by the
12 charter holder for that purpose under Subsection (d), a charter
13 holder that participated in the program under Chapter 1579,
14 Insurance Code, for the 2005-2006 school year shall provide
15 employees of the charter holder, other than administrators,
16 compensation in the form of annual salaries, incentives, or other
17 compensation determined appropriate by the charter holder that
18 results in an average compensation increase for classroom teachers,
19 full-time librarians, full-time counselors, and full-time school
20 nurses who are employed by the charter holder [~~and who would be~~
21 ~~entitled to a minimum salary under Section 21.402 if employed by a~~
22 ~~school district,~~] in an amount at least equal to \$2,500.

23 (b-1) Using state funds received by the charter holder for
24 that purpose under Subsection (d-1), a charter holder that
25 participated in the program under Chapter 1579, Insurance Code, for
26 the 2005-2006 school year shall provide employees of the charter
27 holder, other than administrators, compensation in the form of

1 annual salaries, incentives, or other compensation determined
2 appropriate by the charter holder that results in average
3 compensation increases as follows:

4 (1) for full-time employees other than full-time
5 classroom teachers, full-time librarians, full-time counselors,
6 and full-time nurses [~~employees who would be entitled to a minimum~~
7 ~~salary under Section 21.402 if employed by a school district~~], an
8 average increase at least equal to \$500; and

9 (2) for part-time employees, an average increase at
10 least equal to \$250.

11 (c) Each school year, using state funds received by the
12 charter holder for that purpose under Subsection (e), a charter
13 holder that did not participate in the program under Chapter 1579,
14 Insurance Code, for the 2005-2006 school year shall provide
15 employees of the charter holder, other than administrators,
16 compensation in the form of annual salaries, incentives, or other
17 compensation determined appropriate by the charter holder that
18 results in an average compensation increase for classroom teachers,
19 full-time librarians, full-time counselors, and full-time school
20 nurses who are employed by the charter holder [~~and who would be~~
21 ~~entitled to a minimum salary under Section 21.402 if employed by a~~
22 ~~school district,~~] in an amount at least equal to \$2,000.

23 (d-1) In addition to any amounts to which a charter holder
24 is entitled under this chapter, a charter holder that participated
25 in the program under Chapter 1579, Insurance Code, for the
26 2005-2006 school year is entitled to state aid in an amount, as
27 determined by the commissioner, equal to the sum of:

1 (1) the product of \$500 multiplied by the number of
2 full-time employees other than full-time classroom teachers,
3 full-time librarians, full-time counselors, and full-time nurses
4 ~~[employees who would be entitled to a minimum salary under Section~~
5 ~~21.402 if employed by a school district]; and~~

6 (2) the product of \$250 multiplied by the number of
7 part-time employees.

8 SECTION 4. Section 19.007(f), Education Code, is amended to
9 read as follows:

10 (f) In addition to other amounts received by the district
11 under this section, the district is entitled to state aid in an
12 amount equal to the product of \$2,000 multiplied by the number of
13 classroom teachers, full-time librarians, full-time counselors
14 certified under Subchapter B, Chapter 21, and full-time school
15 nurses who are employed by the district ~~[and who would be entitled~~
16 ~~to a minimum salary under Section 21.402 if employed by a school~~
17 ~~district operating under Chapter 11].~~

18 SECTION 5. Section 19.009(d-1), Education Code, is amended
19 to read as follows:

20 (d-1) Each school year, the district shall pay an amount at
21 least equal to \$2,000 to each classroom teacher, full-time
22 librarian, full-time counselor certified under Subchapter B,
23 Chapter 21, and full-time school nurse who is employed by the
24 district ~~[and who would be entitled to a minimum salary under~~
25 ~~Section 21.402 if employed by a school district operating under~~
26 ~~Chapter 11].~~ A payment under this section is in addition to wages
27 the district would otherwise pay the employee during the school

1 year.

2 SECTION 6. Section 21.0031(b), Education Code, is amended
3 to read as follows:

4 (b) After an employee receives notice that the employee's
5 contract is void under Subsection (a), ~~+~~

6 ~~(1)~~ a school district may:

7 (1) ~~(A)~~ terminate the employee;

8 (2) ~~(B)~~ suspend the employee with or without pay; or

9 (3) ~~(C)~~ retain the employee for the remainder of the

10 school year on an at-will employment basis in a position other than
11 classroom teacher at the employee's existing rate of pay or at a
12 reduced rate~~, and~~

13 ~~[(2) the employee is not entitled to the minimum~~
14 ~~salary prescribed by Section 21.402].~~

15 SECTION 7. Section 21.103(a), Education Code, is amended to
16 read as follows:

17 (a) The board of trustees of a school district may terminate
18 the employment of a teacher employed under a probationary contract
19 at the end of the contract period if in the board's judgment the
20 best interests of the district will be served by terminating the
21 employment. The board of trustees must give notice of its decision
22 to terminate the employment to the teacher not later than ~~[the 45th~~
23 ~~day before]~~ the last day of instruction required under the
24 contract. The notice must be delivered personally to the teacher or
25 mailed by regular mail or prepaid certified mail or by an express
26 delivery service to the teacher's address of record with the
27 district. Notice that is mailed in accordance with this subsection

1 is considered given at the time of mailing. The board's decision is
2 final and may not be appealed.

3 SECTION 8. Section 21.157, Education Code, is amended to
4 read as follows:

5 Sec. 21.157. NECESSARY REDUCTION OF PERSONNEL. A teacher
6 employed under a continuing contract may be released at the end of a
7 school year and the teacher's employment with the school district
8 terminated at that time because of a necessary reduction of
9 personnel by the school district[~~, with those reductions made in~~
10 ~~the reverse order of seniority in the specific teaching fields~~].

11 SECTION 9. Section 21.206(a), Education Code, is amended to
12 read as follows:

13 (a) Not later than the [~~45th day before the~~] last day of
14 instruction in a school year, the board of trustees shall notify in
15 writing each teacher whose contract is about to expire whether the
16 board proposes to renew or not renew the contract. The notice must
17 be delivered personally to the teacher or mailed by regular mail or
18 prepaid certified mail or by an express delivery service to the
19 teacher's address of record with the district. Notice that is
20 mailed in accordance with this subsection is considered given at
21 the time of mailing.

22 SECTION 10. Section 21.211, Education Code, is amended by
23 adding Subsection (a-1) to read as follows:

24 (a-1) A teacher whose term contract is terminated under
25 Subsection (a)(2) before the end of the contract period may request
26 a hearing before the board of trustees or the board's designee as
27 provided by Section 21.207 for a hearing on a proposed nonrenewal of

1 a contract. A teacher who is aggrieved by a decision of the board or
2 the board's designee at a hearing under this subsection may appeal
3 to the commissioner for review of the decision in accordance with
4 Subchapter G. The commissioner may not substitute the
5 commissioner's judgment for that of the board of trustees or the
6 board's designee unless the decision of the board or the board's
7 designee was not supported by substantial evidence based on the
8 record made at the hearing before the board or the board's designee.

9 SECTION 11. Subchapter I, Chapter 21, Education Code, is
10 amended by adding Section 21.4032 to read as follows:

11 Sec. 21.4032. LOCAL COMPENSATION PLAN. (a) A school
12 district shall adopt a strategic plan for determining the
13 compensation of the district's classroom teachers, full-time
14 librarians, full-time counselors certified under Subchapter B, and
15 full-time school nurses. A district's strategic compensation plan
16 must be designed to recruit, reward, and retain effective classroom
17 teachers, librarians, counselors, and nurses.

18 (b) In developing a plan under Subsection (a), a school
19 district shall consider including provisions under which the
20 district may analyze any of several factors when determining
21 compensation, including, as applicable:

22 (1) demonstrated effectiveness in improving student
23 achievement;

24 (2) service as a mentor for other classroom teachers;

25 (3) assumption of responsibilities in addition to
26 regular duties;

27 (4) results of performance evaluations;

1 (5) whether a classroom teacher teaches in a subject
2 area or position that is an acute shortage area as determined by the
3 board of trustees of the district as provided by Section
4 824.602(m), Government Code, if the classroom teacher meets state
5 and federal qualifications to teach in that subject area or
6 position;

7 (6) whether a classroom teacher teaches a greater
8 number of students than the average teacher in the district;

9 (7) whether an employee teaches at or is assigned to a
10 district school at which, as determined by the board of trustees of
11 the district, the district has difficulty hiring or retaining
12 classroom teachers or other professional employees; or

13 (8) other job-related duties, as determined by the
14 district.

15 (c) A school district must adopt a process to consider input
16 from classroom teachers, librarians, counselors, and nurses before
17 adoption or revision of a plan under Subsection (a).

18 (d) A plan adopted under Subsection (a) may provide for
19 nonfinancial compensation, including flexible scheduling or
20 additional leave, and compensation for employees who meet
21 campus-wide goals.

22 (e) A plan adopted under Subsection (a) may not consider
23 athletic coaching or other athletic performance or achievement in
24 determining compensation. Payment for service as a coach or with
25 regard to extracurricular activities must be determined separately
26 from the plan.

27 SECTION 12. Section 21.4551(e), Education Code, is amended

1 to read as follows:

2 (e) From funds appropriated for that purpose, a teacher who
3 attends a reading academy is entitled to receive a stipend in the
4 amount determined by the commissioner. [~~A stipend received under
5 this subsection is not considered in determining whether a district
6 is paying the teacher the minimum monthly salary under Section
7 21.402.~~]

8 SECTION 13. Section 22.107(a), Education Code, is amended
9 to read as follows:

10 (a) A school district shall pay each full-time district
11 employee, other than an administrator or a classroom teacher,
12 full-time librarian, full-time counselor certified under
13 Subchapter B, Chapter 21, or full-time school nurse [~~an employee
14 subject to the minimum salary schedule under Section 21.402~~], an
15 amount at least equal to \$500.

16 SECTION 14. Sections 25.112(a) and (d), Education Code, are
17 amended to read as follows:

18 (a) Except as otherwise authorized by this section, a school
19 district may not enroll more than a district-wide average of 22
20 students in [~~a~~] kindergarten, first, second, third, and [~~or~~] fourth
21 grade classes or more than 25 students in a class at one of those
22 grade levels. Those limitations do [~~class. That limitation does~~]
23 not apply during:

24 (1) any 12-week period of the school year selected by
25 the district, in the case of a district whose average daily
26 attendance is adjusted under Section 42.005(c); or

27 (2) the last 12 weeks of any school year in the case of

1 any other district.

2 (d) On application of a school district, the commissioner
3 may except the district from a a ~~[the]~~ limit in Subsection (a) if the
4 commissioner finds the limit works an undue hardship on the
5 district. An exception expires at the end of the school year for
6 which it is granted.

7 SECTION 15. Section 25.113(a), Education Code, is amended
8 to read as follows:

9 (a) A campus or district that is granted an exception under
10 Section 25.112(d) from class size limits shall provide written
11 notice of the exception to the parent of or person standing in
12 parental relation to each student affected by the exception. The
13 notice must be included in a regular mailing or other communication
14 from the campus or district, such as information sent home with
15 students. The notice must be in conspicuous bold or underlined
16 print and, as applicable:

17 (1) specify the class for which an exception from the
18 limit imposed by Section 25.112(a) was granted;

19 (2) state the number of children in the class for which
20 the exception was granted;

21 (3) state that an exception from the district-wide
22 average limit imposed by Section 25.112(a) was granted; and

23 (4) state the district-wide average number of children
24 in a class for which the exception was granted ~~[and~~

25 ~~[(3) be included in a regular mailing or other~~
26 ~~communication from the campus or district, such as information sent~~
27 ~~home with students].~~

1 SECTION 16. Section 28.0211(c), Education Code, is amended
2 to read as follows:

3 (c) Each time a student fails to perform satisfactorily on
4 an assessment instrument specified under Subsection (a), the school
5 district in which the student attends school shall provide to the
6 student accelerated instruction in the applicable subject area,
7 including reading instruction for a student who fails to perform
8 satisfactorily on a reading assessment instrument. After a student
9 fails to perform satisfactorily on an assessment instrument a
10 second time, a grade placement committee shall be established to
11 prescribe the accelerated instruction the district shall provide to
12 the student before the student is administered the assessment
13 instrument the third time. The grade placement committee shall be
14 composed of the principal or the principal's designee, the
15 student's parent or guardian, and the teacher of the subject of an
16 assessment instrument on which the student failed to perform
17 satisfactorily. The district shall notify the parent or guardian
18 of the time and place for convening the grade placement committee
19 and the purpose of the committee. [~~An accelerated instruction~~
20 ~~group administered by a school district under this section may not~~
21 ~~have a ratio of more than 10 students for each teacher.~~]

22 SECTION 17. Section 30.022(f), Education Code, is amended
23 to read as follows:

24 (f) Before the beginning of each fiscal year, the board
25 shall adopt a calendar for the school's operation that provides for
26 at least[+

27 [~~1~~] the minimum number of days of instruction

1 required by Section 25.081[~~+~~ and
2 ~~[(2) the minimum number of days of service required by~~
3 ~~Section 21.401]~~.

4 SECTION 18. Section 30.052(f), Education Code, is amended
5 to read as follows:

6 (f) Before the beginning of each fiscal year, the board
7 shall adopt a calendar for the school's operation that:

8 (1) provides for at least[+
9 ~~[(1)]~~ the minimum number of days of instruction
10 required by Section 25.081; and

11 (2) is consistent with the number of days of service in
12 contracts between the school and classroom teachers [~~the minimum~~
13 ~~number of days of service required by Section 21.401]~~.

14 SECTION 19. Section 38.101(a), Education Code, is amended
15 to read as follows:

16 (a) Except as provided by Subsection (b), a school district
17 annually shall assess the physical fitness of students enrolled in
18 grade three or higher in a course that:

19 (1) satisfies the curriculum requirements for
20 physical education under Section 28.002(a)(2)(C); or

21 (2) serves as a physical education credit under
22 Section 28.025(b-1) [~~grades 3 through 12]~~.

23 SECTION 20. Section 39.083(d), Education Code, is amended
24 to read as follows:

25 (d) The board of trustees of each school district shall hold
26 a public hearing on the report. The board shall give notice of the
27 hearing to owners of real property in the district and to parents of

1 district students. In addition to other notice required by law,
2 notice of the hearing:

3 (1) may [~~must~~] be provided[+
4 [~~(1)~~] to a newspaper of general circulation in the
5 district; and

6 (2) must be provided as prescribed by Section
7 11.179(a) [~~through electronic mail to media serving the district~~].

8 SECTION 21. Section 39.306(c), Education Code, is amended
9 to read as follows:

10 (c) The board of trustees shall hold a hearing for public
11 discussion of the report. The board of trustees shall give notice
12 of the hearing to property owners in the district and parents of and
13 other persons standing in parental relation to a district student.
14 The notification may [~~must~~] include notice to a newspaper of
15 general circulation in the district and must include notice as
16 prescribed by Section 11.179(a) [~~to electronic media serving the~~
17 ~~district~~]. After the hearing the report shall be widely
18 disseminated within the district in a manner to be determined under
19 rules adopted by the commissioner.

20 SECTION 22. Section 42.2513(a), Education Code, is amended
21 to read as follows:

22 (a) A school district, including a school district that is
23 otherwise ineligible for state aid under this chapter, is entitled
24 to state aid in an amount equal to the sum of:

25 (1) the product of \$500 multiplied by the number of
26 full-time district employees, other than administrators or
27 classroom teachers, full-time librarians, full-time counselors

1 certified under Subchapter B, Chapter 21, or full-time school
2 nurses [~~employees subject to the minimum salary schedule under~~
3 ~~Section 21.402~~]; and

4 (2) the product of \$250 multiplied by the number of
5 part-time district employees, other than administrators.

6 SECTION 23. Sections 44.004(b), (c), (i), and (j),
7 Education Code, are amended to read as follows:

8 (b) The president shall provide for [~~the publication of~~]
9 notice of the budget and proposed tax rate meeting as prescribed by
10 Section 11.179(a) and may provide for publication of the notice in a
11 daily, weekly, or biweekly newspaper published in the district. If
12 no daily, weekly, or biweekly newspaper is published in the
13 district, the president may [~~shall~~] provide for the publication of
14 notice in at least one newspaper of general circulation in the
15 county in which the district's central administrative office is
16 located. Notice under this subsection shall be provided [~~published~~]
17 not earlier than the 30th day or later than the 10th day before the
18 date of the meeting [~~hearing~~].

19 (c) A [~~The~~] notice of public meeting to discuss and adopt
20 the budget and the proposed tax rate published in a newspaper under
21 Subsection (b) may not be smaller than one-quarter page of a
22 standard-size or a tabloid-size newspaper, and the headline on the
23 notice must be in 18-point or larger type. Subject to Subsection
24 (d), [~~the~~] notice required under this section must:

25 (1) contain a statement in the following form:

26 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

27 "The (name of school district) will hold a public meeting at

1 (time, date, year) in (name of room, building, physical location,
2 city, state). The purpose of this meeting is to discuss the school
3 district's budget that will determine the tax rate that will be
4 adopted. Public participation in the discussion is invited." The
5 statement of the purpose of the meeting must be in bold type. In
6 reduced type, the notice must state: "The tax rate that is
7 ultimately adopted at this meeting or at a separate meeting at a
8 later date may not exceed the proposed rate shown below unless the
9 district provides [~~publishes a~~] revised notice containing the same
10 information and comparisons set out below and holds another public
11 meeting to discuss the revised notice.";

12 (2) contain a section entitled "Comparison of Proposed
13 Budget with Last Year's Budget," which must show the difference,
14 expressed as a percent increase or decrease, as applicable, in the
15 amounts budgeted for the preceding fiscal year and the amount
16 budgeted for the fiscal year that begins in the current tax year for
17 each of the following:

- 18 (A) maintenance and operations;
19 (B) debt service; and
20 (C) total expenditures;

21 (3) contain a section entitled "Total Appraised Value
22 and Total Taxable Value," which must show the total appraised value
23 and the total taxable value of all property and the total appraised
24 value and the total taxable value of new property taxable by the
25 district in the preceding tax year and the current tax year as
26 calculated under Section 26.04, Tax Code;

27 (4) contain a statement of the total amount of the

1 outstanding and unpaid bonded indebtedness of the school district;

2 (5) contain a section entitled "Comparison of Proposed
3 Rates with Last Year's Rates," which must:

4 (A) show in rows the tax rates described by
5 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of
6 property, for columns entitled "Maintenance & Operations,"
7 "Interest & Sinking Fund," and "Total," which is the sum of
8 "Maintenance & Operations" and "Interest & Sinking Fund":

9 (i) the school district's "Last Year's
10 Rate";

11 (ii) the "Rate to Maintain Same Level of
12 Maintenance & Operations Revenue & Pay Debt Service," which:

13 (a) in the case of "Maintenance &
14 Operations," is the tax rate that, when applied to the current
15 taxable value for the district, as certified by the chief appraiser
16 under Section 26.01, Tax Code, and as adjusted to reflect changes
17 made by the chief appraiser as of the time the notice is prepared,
18 would impose taxes in an amount that, when added to state funds to
19 be distributed to the district under Chapter 42, would provide the
20 same amount of maintenance and operations taxes and state funds
21 distributed under Chapter 42 per student in average daily
22 attendance for the applicable school year that was available to the
23 district in the preceding school year; and

24 (b) in the case of "Interest & Sinking
25 Fund," is the tax rate that, when applied to the current taxable
26 value for the district, as certified by the chief appraiser under
27 Section 26.01, Tax Code, and as adjusted to reflect changes made by

1 the chief appraiser as of the time the notice is prepared, and when
2 multiplied by the district's anticipated collection rate, would
3 impose taxes in an amount that, when added to state funds to be
4 distributed to the district under Chapter 46 and any excess taxes
5 collected to service the district's debt during the preceding tax
6 year but not used for that purpose during that year, would provide
7 the amount required to service the district's debt; and

8 (iii) the "Proposed Rate";

9 (B) contain fourth and fifth columns aligned with
10 the columns required by Paragraph (A) that show, for each row
11 required by Paragraph (A):

12 (i) the "Local Revenue per Student," which
13 is computed by multiplying the district's total taxable value of
14 property, as certified by the chief appraiser for the applicable
15 school year under Section 26.01, Tax Code, and as adjusted to
16 reflect changes made by the chief appraiser as of the time the
17 notice is prepared, by the total tax rate, and dividing the product
18 by the number of students in average daily attendance in the
19 district for the applicable school year; and

20 (ii) the "State Revenue per Student," which
21 is computed by determining the amount of state aid received or to be
22 received by the district under Chapters 42, 43, and 46 and dividing
23 that amount by the number of students in average daily attendance in
24 the district for the applicable school year; and

25 (C) contain an asterisk after each calculation
26 for "Interest & Sinking Fund" and a footnote to the section that, in
27 reduced type, states "The Interest & Sinking Fund tax revenue is

1 used to pay for bonded indebtedness on construction, equipment, or
2 both. The bonds, and the tax rate necessary to pay those bonds,
3 were approved by the voters of this district.";

4 (6) contain a section entitled "Comparison of Proposed
5 Levy with Last Year's Levy on Average Residence," which must:

6 (A) show in rows the information described by
7 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns
8 entitled "Last Year" and "This Year":

9 (i) "Average Market Value of Residences,"
10 determined using the same group of residences for each year;

11 (ii) "Average Taxable Value of Residences,"
12 determined after taking into account the limitation on the
13 appraised value of residences under Section 23.23, Tax Code, and
14 after subtracting all homestead exemptions applicable in each year,
15 other than exemptions available only to disabled persons or persons
16 65 years of age or older or their surviving spouses, and using the
17 same group of residences for each year;

18 (iii) "Last Year's Rate Versus Proposed
19 Rate per \$100 Value"; and

20 (iv) "Taxes Due on Average Residence,"
21 determined using the same group of residences for each year; and

22 (B) contain the following information: "Increase
23 (Decrease) in Taxes" expressed in dollars and cents, which is
24 computed by subtracting the "Taxes Due on Average Residence" for
25 the preceding tax year from the "Taxes Due on Average Residence" for
26 the current tax year;

27 (7) contain the following statement in bold print:

1 "Under state law, the dollar amount of school taxes imposed on the
2 residence of a person 65 years of age or older or of the surviving
3 spouse of such a person, if the surviving spouse was 55 years of age
4 or older when the person died, may not be increased above the amount
5 paid in the first year after the person turned 65, regardless of
6 changes in tax rate or property value.";

7 (8) contain the following statement in bold print:
8 "Notice of Rollback Rate: The highest tax rate the district can
9 adopt before requiring voter approval at an election is (the school
10 district rollback rate determined under Section 26.08, Tax Code).
11 This election will be automatically held if the district adopts a
12 rate in excess of the rollback rate of (the school district rollback
13 rate)."; and

14 (9) contain a section entitled "Fund Balances," which
15 must include the estimated amount of interest and sinking fund
16 balances and the estimated amount of maintenance and operation or
17 general fund balances remaining at the end of the current fiscal
18 year that are not encumbered with or by corresponding debt
19 obligation, less estimated funds necessary for the operation of the
20 district before the receipt of the first payment under Chapter 42 in
21 the succeeding school year.

22 (i) A school district that uses a certified estimate, as
23 authorized by Subsection (h), may adopt a budget at the public
24 meeting designated in the notice prepared using the estimate, but
25 the district may not adopt a tax rate before the district receives
26 the certified appraisal roll for the district required by Section
27 26.01(a), Tax Code. After receipt of the certified appraisal roll,

1 the district must provide [~~publish a~~] revised notice and hold
2 another public meeting before the district may adopt a tax rate that
3 exceeds:

4 (1) the rate proposed in the notice prepared using the
5 estimate; or

6 (2) the district's rollback rate determined under
7 Section 26.08, Tax Code, using the certified appraisal roll.

8 (j) Notwithstanding Subsections (g), (h), and (i), a school
9 district may adopt a budget after the district adopts a tax rate for
10 the tax year in which the fiscal year covered by the budget begins
11 if the district elects to adopt a tax rate before receiving the
12 certified appraisal roll for the district as provided by Section
13 26.05(g), Tax Code. If a school district elects to adopt a tax rate
14 before adopting a budget, the district must provide [~~publish~~]
15 notice and hold a meeting for the purpose of discussing the proposed
16 tax rate as provided by this section. Following adoption of the tax
17 rate, the district must provide [~~publish~~] notice and hold another
18 public meeting before the district may adopt a budget. The
19 comptroller shall prescribe the language and format to be used in
20 the notices. The school district may use the certified estimate of
21 taxable value in preparing a notice under this subsection.

22 SECTION 24. Subchapter A, Chapter 44, Education Code, is
23 amended by adding Section 44.011 to read as follows:

24 Sec. 44.011. FINANCIAL EXIGENCY. (a) The board of trustees
25 of a school district may adopt a resolution declaring a financial
26 exigency for the district. The declaration expires at the end of the
27 fiscal year during which the declaration is made unless the board

1 adopts a resolution before the end of the fiscal year declaring
2 continuation of the financial exigency for the following fiscal
3 year.

4 (b) The board is not limited in the number of times the board
5 may adopt a resolution declaring continuation of the financial
6 exigency.

7 (c) A board may terminate a financial exigency declaration
8 at any time if the board considers it appropriate.

9 (d) Each time the board adopts a resolution under this
10 section, the board must notify the commissioner. The commissioner
11 by rule shall prescribe the time and manner in which notice must be
12 given to the commissioner under this subsection.

13 SECTION 25. Section 45.003(a), Education Code, is amended
14 to read as follows:

15 (a) Bonds described by Section 45.001 may not be issued and
16 taxes described by Section 45.001 or 45.002 may not be levied unless
17 authorized by a majority of the qualified voters of the district,
18 voting at an election held for that purpose, at the expense of the
19 district, in accordance with the Election Code, except as provided
20 by this section. Each election must be called by resolution or
21 order of the governing board or commissioners court. The
22 resolution or order must state the date of the election, the
23 proposition or propositions to be submitted and voted on, the
24 polling place or places, and any other matters considered necessary
25 or advisable by the governing board or commissioners court. If an
26 election under this section is held as a joint election under
27 Chapter 271, Election Code, the polling places must be designated

1 in the manner provided by Section 11.0581(c) for polling places in
2 an election for trustees.

3 SECTION 26. Section 271.003(b), Election Code, is amended
4 to read as follows:

5 (b) The voters of a particular election precinct or
6 political subdivision may be served in a joint election by a common
7 polling place located outside the boundary of the election precinct
8 or political subdivision if the location can adequately and
9 conveniently serve the affected voters and will facilitate the
10 orderly conduct of the election, except as otherwise provided by
11 Section 11.0581, Education Code, or other law.

12 SECTION 27. Section 825.405, Government Code, is amended by
13 amending Subsections (a) and (b) and adding Subsection (j) to read
14 as follows:

15 (a) For members in a personnel position that would have been
16 entitled to the minimum salary for certain school personnel under
17 Section 21.402, Education Code, as that section existed on January
18 1, 2011, and for members who would have been entitled to the minimum
19 salary for certain school personnel under former Section 16.056,
20 Education Code, as that section existed on January 1, 1995, the
21 employing district shall pay the state's contribution on the
22 portion of the member's salary that exceeds the statutory minimum
23 salary, based on the member's years of experience.

24 (b) For purposes of this section, [+

25 [-1-]] the statutory minimum salary is the amount

26 specified below [~~for certain school personnel under Section 21.402,~~
27 ~~Education Code, is the salary provided by that section]~~ multiplied

1 by the cost of education adjustment applicable under Section
 2 42.102, Education Code, to the district in which the member is
 3 employed:

4	<u>Years of</u>	<u>Monthly</u>
5	<u>Experience</u>	<u>Salary</u>
6	<u>0</u>	<u>2,732</u>
7	<u>1</u>	<u>2,791</u>
8	<u>2</u>	<u>2,849</u>
9	<u>3</u>	<u>2,908</u>
10	<u>4</u>	<u>3,032</u>
11	<u>5</u>	<u>3,156</u>
12	<u>6</u>	<u>3,280</u>
13	<u>7</u>	<u>3,395</u>
14	<u>8</u>	<u>3,504</u>
15	<u>9</u>	<u>3,607</u>
16	<u>10</u>	<u>3,704</u>
17	<u>11</u>	<u>3,796</u>
18	<u>12</u>	<u>3,884</u>
19	<u>13</u>	<u>3,965</u>
20	<u>14</u>	<u>4,043</u>
21	<u>15</u>	<u>4,116</u>
22	<u>16</u>	<u>4,186</u>
23	<u>17</u>	<u>4,251</u>
24	<u>18</u>	<u>4,313</u>
25	<u>19</u>	<u>4,372</u>
26	<u>20 & Over</u>	<u>4,427</u>

27 [~~7~~ and

1 ~~[(2) the statutory minimum salary for members who~~
2 ~~would have been entitled to the minimum salary for certain school~~
3 ~~personnel under former Section 16.056, Education Code, as that~~
4 ~~section existed on January 1, 1995, is a minimum salary computed in~~
5 ~~the same manner as the minimum salary for certain school personnel~~
6 ~~under Section 21.402, Education Code, multiplied by the cost of~~
7 ~~education adjustment applicable under Section 42.102, Education~~
8 ~~Code, to the district in which the member is employed.]~~

9 (j) At least once every four years, the Legislative Budget
10 Board shall review and make recommendations regarding revision of
11 the portion of the state's contribution for which school districts
12 are responsible under this section.

13 SECTION 28. (a) The following provisions of the Education
14 Code are repealed:

- 15 (1) Section 21.401;
- 16 (2) Section 21.402;
- 17 (3) Section 21.403;
- 18 (4) Section 21.4031;
- 19 (5) Section 21.410(1);
- 20 (6) Section 21.411(1);
- 21 (7) Section 21.412(1);
- 22 (8) Section 21.413(1);
- 23 (9) Section 29.0821(c); and
- 24 (10) Section 30.102(b).

25 (b) Section 823.404, Government Code, is repealed.

26 SECTION 29. A plan adopted by a school district under
27 Section 21.4032, Education Code, as added by this Act, may not be

1 used by the district for determining employee compensation paid
2 before the 2012-2013 school year.

3 SECTION 30. The changes in law made by Section 11.179,
4 Education Code, as added by this Act, and Sections 39.083(d),
5 39.306(c), and 44.004(b), (c), (i), and (j), Education Code, as
6 amended by this Act, apply only to notice for a hearing or meeting
7 for which notice is required to be provided on or after the
8 effective date of this Act. A notice for a hearing or meeting for
9 which notice is required to be provided before the effective date of
10 this Act is governed by the law in effect when the notice is
11 required to be provided, and the former law is continued in effect
12 for that purpose.

13 SECTION 31. (a) Except as provided by Subsection (b) of
14 this section, this Act applies beginning with the 2011-2012 school
15 year.

16 (b) If this Act takes effect on or before April 10, 2011, the
17 change in law made by Sections 21.103 and 21.206, Education Code, as
18 amended by this Act, applies beginning with contracts for the
19 2011-2012 school year. If this Act takes effect after April 10,
20 2011, the change in law made by Sections 21.103 and 21.206,
21 Education Code, as amended by this Act, applies beginning with
22 contracts for the 2012-2013 school year.

23 SECTION 32. The repeal by this Act of Section 823.404,
24 Government Code, does not affect equivalent membership service
25 credit established under that section before the effective date of
26 this Act.

27 SECTION 33. This Act takes effect immediately if it

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1 receives a vote of two-thirds of all the members elected to each
2 house, as provided by Section 39, Article III, Texas Constitution.
3 If this Act does not receive the vote necessary for immediate
4 effect, this Act takes effect September 1, 2011.