

Amend HB 2804 on third reading as follows:

(1) In amended Section 39.053(c)(4)(B)(iii), Education Code (page 6, line 17), strike "or" and substitute "i".

(2) Immediately following amended Section 39.053(c)(4)(C), Education Code (page 6, between lines 22 and 23), insert the following:

(D) for districts that include one or more campuses that receive federal funding under Title 1 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. Section 6301 et seq.), the correlation between student achievement at each campus and intra-district funding equity, as reviewed in accordance with Section 39.0531; and

(3) Add the following appropriately numbered SECTION and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.0531 to read as follows:

Sec. 39.0531. INTRA-DISTRICT FUNDING EQUITY. (a) In this section, "Title I funding" means federal funding under Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. Section 6301 et seq.).

(b) For purposes of the achievement indicator required by Section 39.053(c)(4)(D), the commissioner shall adopt rules for reviewing the equitable distribution of funds among campuses within any district that includes one or more campuses that receive Title I funding. Based on the results of the review, the commissioner shall identify each district as:

(1) equitable, with regard to the distribution of intra-district funding;

(2) on target to achieve equitable distribution of intra-district funding; or

(3) not equitable, with regard to the distribution of intra-district funding.

(c) A district may not be identified as equitable under Subsection (b)(1) if any campus in the district that receives Title I funding:

(1) receives an overall performance rating of less than C under the accountability system for the current year; and

(2) is allocated by the district an amount of funding that is less than the sum of the Title I funding received by the campus and the amount of state and local funding generated under Chapter 42 by students enrolled at the campus, minus a pro rata share of district-level administrative costs determined by dividing the total amount of district-level administrative costs by the total number of students enrolled in the district and multiplying that amount by the number of students enrolled at the campus.

(c-1) Subsection (c) applies beginning September 1, 2017. Before that date, district may not be identified as equitable under Subsection (b)(1) in the circumstances described by Subsection (c), except that the performance rating used for purposes of Subsection (c)(1) is a rating that is less than acceptable. This subsection expires September 1, 2018.

(d) A district that is not identified as equitable under Subsection (b)(1) in the current school year may be identified as on target to achieve equitable distribution of intra-district funding under Subsection (b)(2) if the district or relevant campus submits to the commissioner a written improvement plan to achieve equitable intra-district funding. The plan must describe efforts being taken by the district to ensure that the district is identified as equitable under Subsection (b)(1) in subsequent school years. The commissioner shall adopt rules specifying the manner and timeline for submission of the plan.

(e) A district must:

(1) post a plan submitted under Subsection (d) on the district's Internet web site; and

(2) include an item regarding the plan on the agenda for a public meeting of the district's board of trustees.

(f) Notwithstanding Subsection (d), a school district may not be identified as on target on target to achieve equitable distribution of intra-district funding under Subsection (b)(2) for more than two consecutive school years.