

By: Aycock, Otto, Márquez, et al.

H.B. No. 1759

Substitute the following for H.B. No. 1759:

By: Aycock

C.S.H.B. No. 1759

A BILL TO BE ENTITLED

AN ACT

relating to the public school finance system.

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

SECTION 1. Section 7.062(c), Education Code, is amended to read as follows:

(c) Except as otherwise provided by this subsection, if the commissioner certifies that the amount appropriated for a state fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds the amount to which school districts are entitled under those subchapters for that year, the commissioner shall use the excess funds, in an amount not to exceed \$20 million in any state fiscal year, for the purpose of making grants under this section. The use of excess funds under this subsection has priority over any provision of Chapter 42 that permits or directs the use of excess foundation school program funds, including Sections [~~42.2517,~~ 42.2521, 42.2522, and 42.2531]. The commissioner is required to use excess funds as provided by this subsection only if the commissioner is not required to reduce the total amount of state funds allocated to school districts under Section 42.253(h).

SECTION 2. Section 11.158(a), Education Code, is amended to read as follows:

(a) The board of trustees of an independent school district may require payment of:

(1) a fee for materials used in any program in which

1 the resultant product in excess of minimum requirements becomes, at  
2 the student's option, the personal property of the student, if the  
3 fee does not exceed the cost of materials;

4 (2) membership dues in student organizations or clubs  
5 and admission fees or charges for attending extracurricular  
6 activities, if membership or attendance is voluntary;

7 (3) a security deposit for the return of materials,  
8 supplies, or equipment;

9 (4) a fee for personal physical education and athletic  
10 equipment and apparel, although any student may provide the  
11 student's own equipment or apparel if it meets reasonable  
12 requirements and standards relating to health and safety  
13 established by the board;

14 (5) a fee for items of personal use or products that a  
15 student may purchase at the student's option, such as student  
16 publications, class rings, annuals, and graduation announcements;

17 (6) a fee specifically permitted by any other statute;

18 (7) a fee for an authorized voluntary student health  
19 and accident benefit plan;

20 (8) a reasonable fee, not to exceed the actual annual  
21 maintenance cost, for the use of musical instruments and uniforms  
22 owned or rented by the district;

23 (9) a fee for items of personal apparel that become the  
24 property of the student and that are used in extracurricular  
25 activities;

26 (10) a parking fee or a fee for an identification card;

27 (11) a fee for a driver training course, not to exceed

1 the actual district cost per student in the program for the current  
2 school year;

3 (12) a fee for a course offered for credit that  
4 requires the use of facilities not available on the school premises  
5 or the employment of an educator who is not part of the school's  
6 regular staff, if participation in the course is at the student's  
7 option;

8 (13) a fee for a course offered during summer school,  
9 except that the board may charge a fee for a course required for  
10 graduation only if the course is also offered without a fee during  
11 the regular school year;

12 (14) a reasonable fee for transportation of a student  
13 who lives within two miles of the school the student attends to and  
14 from that school[~~, except that the board may not charge a fee for~~  
15 ~~transportation for which the school district receives funds under~~  
16 ~~Section 42.155(d)]; or~~

17 (15) a reasonable fee, not to exceed \$50, for costs  
18 associated with an educational program offered outside of regular  
19 school hours through which a student who was absent from class  
20 receives instruction voluntarily for the purpose of making up the  
21 missed instruction and meeting the level of attendance required  
22 under Section 25.092[~~, or~~

23 [~~(16) if the district does not receive any funds under~~  
24 ~~Section 42.155 and does not participate in a county transportation~~  
25 ~~system for which an allotment is provided under Section 42.155(i),~~  
26 ~~a reasonable fee for the transportation of a student to and from the~~  
27 ~~school the student attends].~~

1 SECTION 3. Section 12.106(a-1), Education Code, is amended  
2 to read as follows:

3 (a-1) In determining funding for an open-enrollment charter  
4 school under Subsection (a), adjustments under Sections [~~42.102,~~  
5 42.103, 42.104, and 42.105 are based on the average adjustment for  
6 the state.

7 SECTION 4. Section 13.054, Education Code, is amended by  
8 adding Subsection (f-1) to read as follows:

9 (f-1) For a school district to which territory is annexed  
10 under this section and that is required to take action under Chapter  
11 41 to reduce its wealth per student to the equalized wealth level,  
12 the commissioner may provide the value of the adjustment described  
13 by Subsection (f) in the form of a credit against the total amount  
14 required under Section 41.093 for the district to purchase  
15 attendance credits.

16 SECTION 5. Section 29.014(d), Education Code, is amended to  
17 read as follows:

18 (d) The basic allotment for a student enrolled in a district  
19 to which this section applies is adjusted by[+]

20 [~~(1) the cost of education adjustment under Section~~  
21 ~~42.102 for the school district in which the district is~~  
22 ~~geographically located, and~~

23 [~~(2)~~] the weight for a homebound student under Section  
24 42.151(a).

25 SECTION 6. Section 29.918(a), Education Code, is amended to  
26 read as follows:

27 (a) Notwithstanding Section [~~39.234 or~~] 42.152, a school

1 district or open-enrollment charter school with a high dropout  
2 rate, as determined by the commissioner, must submit a plan to the  
3 commissioner describing the manner in which the district or charter  
4 school intends to use the compensatory education allotment under  
5 Section 42.152 [~~and the high school allotment under Section 42.160~~]  
6 for developing and implementing research-based strategies for  
7 dropout prevention. The district or charter school shall submit  
8 the plan not later than December 1 of each school year preceding the  
9 school year in which the district or charter school will receive the  
10 compensatory education allotment or high school allotment to which  
11 the plan applies.

12 SECTION 7. Subchapter C, Chapter 30, Education Code, is  
13 amended by adding Section 30.0561 to read as follows:

14 Sec. 30.0561. TRANSPORTATION ALLOTMENT. The Texas School  
15 for the Deaf is entitled to a transportation allotment paid from the  
16 foundation school fund. The commissioner shall determine the  
17 appropriate allotment.

18 SECTION 8. Section 30.087(c), Education Code, is amended to  
19 read as follows:

20 (c) A school district may receive an allotment paid from the  
21 foundation school fund for transportation of students  
22 participating in a regional day school program, as determined by  
23 the commissioner [~~in the same manner as an allotment for the~~  
24 ~~transportation of other special education students~~].

25 SECTION 9. Section 34.007, Education Code, is amended by  
26 adding Subsection (c) to read as follows:

27 (c) A county transportation system is not entitled to

1 receive funding for transportation costs directly from the state.  
2 Funding for a county transportation system is provided by each  
3 school district participating in the county transportation system  
4 in accordance with the terms of the interlocal contract under  
5 Chapter 791, Government Code, under which the county provides  
6 transportation services for the participating districts.

7 SECTION 10. Section 39.0233(a), Education Code, is amended  
8 to read as follows:

9 (a) The agency, in coordination with the Texas Higher  
10 Education Coordinating Board, shall adopt a series of questions to  
11 be included in an end-of-course assessment instrument administered  
12 under Section 39.023(c) to be used for purposes of Section 51.3062.  
13 The questions adopted under this subsection must be developed in a  
14 manner consistent with any college readiness standards adopted  
15 under Section [~~Sections 39.233 and~~] 51.3062.

16 SECTION 11. Section 41.002(a), Education Code, is amended  
17 to read as follows:

18 (a) A school district may not have a wealth per student that  
19 exceeds:

20 (1) the wealth per student that generates the amount  
21 of maintenance and operations tax revenue per weighted student  
22 available to a district with maintenance and operations tax revenue  
23 per cent of tax effort equal to the maximum amount provided per cent  
24 under Section 42.101(a) or (b), for the district's maintenance and  
25 operations tax effort equal to or less than the rate equal to the  
26 sum of the product of the state compression percentage, as  
27 determined under Section 42.2516, multiplied by the maintenance and

1 operations tax rate adopted by the district for the 2005 tax year  
2 and any additional tax effort included in calculating the  
3 district's compressed tax rate under Section 42.101(a-1);

4 (2) the wealth per student that generates the amount  
5 of maintenance and operations tax revenue per weighted student  
6 available to the Austin Independent School District, as determined  
7 by the commissioner in cooperation with the Legislative Budget  
8 Board, for the first six cents by which the district's maintenance  
9 and operations tax rate exceeds the rate equal to the product of the  
10 state compression percentage, as determined under Section 42.2516,  
11 multiplied by the maintenance and operations tax rate adopted by  
12 the district for the 2005 tax year, subject to Section 41.093(b-1);  
13 or

14 (3) \$319,500, for the district's maintenance and  
15 operations tax effort that exceeds the first six cents by which the  
16 district's maintenance and operations tax effort exceeds the rate  
17 equal to the product of the state compression percentage, as  
18 determined under Section 42.2516, multiplied by the maintenance and  
19 operations tax rate adopted by the district for the 2005 tax year,  
20 less any additional tax effort included in calculating the  
21 district's compressed tax rate under Section 42.101(a-1).

22 SECTION 12. Section 41.034(a), Education Code, is amended  
23 to read as follows:

24 (a) For the first and second school years after creation of  
25 a consolidated district under this subchapter, the commissioner  
26 shall adjust allotments to the consolidated district to the extent  
27 necessary to preserve the effects of an adjustment under Section

1 ~~[42.102,~~] 42.103~~[,~~] or 42.105 to which either of the consolidating  
2 districts would have been entitled but for the consolidation.

3 SECTION 13. Section 41.099(a), Education Code, is amended  
4 to read as follows:

5 (a) Sections [~~41.002(e),~~] 41.094, 41.097, and 41.098 apply  
6 only to a district that:

7 (1) executes an agreement to purchase all attendance  
8 credits necessary to reduce the district's wealth per student to  
9 the equalized wealth level;

10 (2) executes an agreement to purchase attendance  
11 credits and an agreement under Subchapter E to contract for the  
12 education of nonresident students who transfer to and are educated  
13 in the district but who are not charged tuition; or

14 (3) executes an agreement under Subchapter E to  
15 contract for the education of nonresident students:

16 (A) to an extent that does not provide more than  
17 10 percent of the reduction in wealth per student required for the  
18 district to achieve a wealth per student that is equal to or less  
19 than the equalized wealth level; and

20 (B) under which all revenue paid by the district  
21 to other districts, in excess of the reduction in state aid that  
22 results from counting the weighted average daily attendance of the  
23 students served in the contracting district, is required to be used  
24 for funding a consortium of at least three districts in a county  
25 with a population of less than 40,000 that is formed to support a  
26 technology initiative.

27 SECTION 14. Section 41.257, Education Code, is amended to



1 read as follows:

2           Sec. 41.257. APPLICATION OF SMALL AND SPARSE ADJUSTMENTS  
3 [~~AND TRANSPORTATION ALLOTMENT~~]. The budget of the consolidated  
4 district must apply the benefit of the adjustment or allotment to  
5 the schools of the consolidating district to which Section 42.103  
6 or ~~[7]~~ 42.105 [~~7~~ ~~or~~ 42.155] would have applied in the event that the  
7 consolidated district still qualifies as a small or sparse  
8 district.

9           SECTION 15. Section 42.007(c), Education Code, is amended  
10 to read as follows:

11           (c) The funding elements must include:

12                   (1) a basic allotment for the purposes of Section  
13 42.101 that, when combined with the guaranteed yield component  
14 provided by Subchapter F, represents the cost per student of a  
15 regular education program that meets all mandates of law and  
16 regulation;

17                   (2) [~~adjustments designed to reflect the variation in~~  
18 ~~known resource costs and costs of education beyond the control of~~  
19 ~~school districts,~~

20                   ~~[(3)]~~ appropriate program cost differentials and  
21 other funding elements for the programs authorized under Subchapter  
22 C, with the program funding level expressed as dollar amounts and as  
23 weights applied to the adjusted basic allotment for the appropriate  
24 year;

25                   (3) ~~[(4)]~~ the maximum guaranteed level of qualified  
26 state and local funds per student for the purposes of Subchapter F;

27                   (4) ~~[(5)]~~ the enrichment [~~and facilities~~] tax rate

1 under Subchapter F;

2 (5) [~~(6)~~] the computation of students in weighted  
3 average daily attendance under Section 42.302; and

4 (6) [~~(7)~~] the amount to be appropriated for the school  
5 facilities assistance program under Chapter 46.

6 SECTION 16. Section 42.101, Education Code, is amended by  
7 adding Subsections (a-1) and (a-2) to read as follows:

8 (a-1) Notwithstanding Subsection (a), for a school district  
9 that adopted a maintenance and operations tax rate for the 2005 tax  
10 year below the maximum rate permitted by law for that year, the  
11 district's compressed tax rate ("DCR") includes the portion of the  
12 district's current maintenance and operations tax rate in excess of  
13 the first six cents above the district's compressed tax rate, as  
14 defined by Subsection (a), until the district's compressed tax rate  
15 computed in accordance with this subsection is equal to the state  
16 maximum compressed tax rate ("MCR").

17 (a-2) Subsection (a-1) applies beginning with the 2017-2018  
18 school year. For the 2015-2016 and 2016-2017 school years, the  
19 board of trustees of a school district that adopted a maintenance  
20 and operations tax rate for the 2005 tax year below the maximum rate  
21 permitted by law for that year may choose to apply Subsection (a-1)  
22 to the calculation of the district's compressed tax rate ("DCR"). A  
23 board of trustees that chooses to apply Subsection (a-1) must  
24 notify the commissioner of the decision in writing not later than  
25 September 1 of the affected school year. This subsection expires  
26 September 1, 2018.

27 SECTION 17. Section 42.103, Education Code, is amended to

1 read as follows:

2           Sec. 42.103. ADJUSTMENT BASED ON DISTRICT SIZE, INCLUDING  
3 SMALL AND MID-SIZE [MID-SIZED] DISTRICT ADJUSTMENTS [ADJUSTMENT].

4 (a) The basic allotment for ~~[certain small and mid-sized]~~  
5 districts, including certain small and mid-size districts, is  
6 adjusted in accordance with this section. In this section:

7           (1) ~~["AA" is the district's adjusted allotment per~~  
8 ~~student;~~

9           ~~[(2)]~~ "ADA" is the number of students in average daily  
10 attendance for which the district is entitled to an allotment under  
11 Section 42.101;

12           (2) "SDA" is the amount of a small-size district's per  
13 student adjustment to the allotment under Section 42.101, as  
14 determined under Subsection (b) or (c);

15           (3) "MSA" is the amount of a mid-size district's per  
16 student adjustment to the allotment under Section 42.101,  
17 determined under Subsection (d);

18           (4) "DTR" is the district's tax rate, which is equal to  
19 the district's compressed tax rate used to calculate the district's  
20 allotment under Section 42.101, including any additional tax effort  
21 included in calculating the district's compressed tax rate under  
22 Section 42.101(a-1);

23           (5) "MCR" is the state maximum compressed tax rate,  
24 which is the product of the state compression percentage, as  
25 determined under Section 42.2516, multiplied by \$1.50;

26           (6) "SDABA" is the amount used in determining a  
27 small-size district's adjustment under this section that results

1 from the following formula:

2 
$$\underline{(\$5,040 \times (DTR/MCR)) + \$125};$$

3 (7) "MSABA" is the amount used in determining a  
4 mid-size district's adjustment under this section that results from  
5 the following formula:

6 
$$\underline{(\$5,040 \times (DTR/MCR)) \times MSPCT};$$
 and

7 (8) "MSPCT" is the percentage used to calculate a  
8 mid-size adjustment, as provided by Subsection (g)

9 ~~[(3) "ABA" is the adjusted basic allotment determined~~  
10 ~~under Section 42.102].~~

11 (b) The basic allotment of a small-size school district that  
12 contains at least 300 square miles and has not more than 1,600  
13 students in average daily attendance is adjusted by adding to the  
14 allotment the amount determined by applying the formula:

15 
$$\underline{SDA [AA] = ((1 + ((1,600 - ADA) \times .0004)) \times SDABA) - SDABA [ABA]}$$

16 (c) The basic allotment of a small-size school district that  
17 contains less than 300 square miles and has not more than 1,600  
18 students in average daily attendance is adjusted by adding to the  
19 allotment the amount determined by applying the formula:

20 
$$\underline{SDA [AA] = ((1 + ((1,600 - ADA) \times .00025)) \times SDABA) - SDABA [ABA]}$$

21 (d) The basic allotment of a mid-size school district that  
22 offers a kindergarten through grade 12 program and has less than  
23 5,000 students in average daily attendance is adjusted by adding to  
24 the allotment the amount determined by applying the formula, of the  
25 following formulas, that results in the greatest adjustment  
26 ~~[adjusted allotment]:~~

27 (1) the formula in Subsection (b) or (c) for which the

1 district is eligible; or

2 (2) MSA [AA] = ((1 + ((5,000 - ADA) X .000025)) X  
3 MSABA) - MSABA [ABA].

4 (e) The adjusted allotment of a school district that is not  
5 eligible for an adjustment under Subsection (b), (c), or (d) is  
6 equal to the value of the basic allotment as determined under  
7 Section 42.101.

8 (f) The adjusted allotment of a school district that is  
9 eligible for an adjustment under Subsection (b), (c), or (d) is  
10 equal to the sum of the value of the basic allotment as determined  
11 under Section 42.101 and the greatest adjustment under this section  
12 for which the district is eligible.

13 (g) For the 2015-2016 school year, "MSPCT" is equal to 0.75.  
14 For each subsequent school year, "MSPCT" is equal to the value used  
15 for the preceding school year less 0.05, until "MSPCT" is equal to  
16 0.

17 SECTION 18. Section 42.104, Education Code, is amended to  
18 read as follows:

19 Sec. 42.104. USE OF SIZE ADJUSTMENT, INCLUDING SMALL AND  
20 MID-SIZE [~~OR MID-SIZED~~] DISTRICT ADJUSTMENT, IN CALCULATING  
21 SPECIAL ALLOTMENTS. In determining the amount of a special  
22 allotment under Subchapter C [~~for a district to which Section~~  
23 ~~42.103 applies~~], a district's adjusted basic allotment is  
24 considered to be the district's adjusted allotment determined under  
25 Section 42.103.

26 SECTION 19. Section 42.105, Education Code, as effective  
27 September 1, 2015, is amended to read as follows:

1           Sec. 42.105. SPARSITY ADJUSTMENT. Notwithstanding Sections  
2 42.101[~~, 42.102,~~] and 42.103, a school district that has fewer than  
3 130 students in average daily attendance shall be provided an  
4 adjusted basic allotment on the basis of 130 students in average  
5 daily attendance if it offers a kindergarten through grade 12  
6 program and has preceding or current year's average daily  
7 attendance of at least 90 students or is 30 miles or more by bus  
8 route from the nearest high school district. A district offering a  
9 kindergarten through grade 8 program whose preceding or current  
10 year's average daily attendance was at least 50 students or which is  
11 30 miles or more by bus route from the nearest high school district  
12 shall be provided an adjusted basic allotment on the basis of 75  
13 students in average daily attendance. An average daily attendance  
14 of 60 students shall be the basis of providing the adjusted basic  
15 allotment if a district offers a kindergarten through grade 6  
16 program and has preceding or current year's average daily  
17 attendance of at least 40 students or is 30 miles or more by bus  
18 route from the nearest high school district.

19           SECTION 20. Section 42.151(h), Education Code, is amended  
20 to read as follows:

21           (h) Funds allocated under this section, other than an  
22 indirect cost allotment established under State Board of Education  
23 rule or amounts spent for the transportation of special education  
24 students, must be used in the special education program under  
25 Subchapter A, Chapter 29.

26           SECTION 21. Sections 42.154(a) and (c), Education Code, are  
27 amended to read as follows:

1 (a) For each full-time equivalent student in average daily  
2 attendance in an approved career and technology education program  
3 in grades eight [~~nine~~] through 12 or in career and technology  
4 education programs for students with disabilities in grades seven  
5 through 12, a district is entitled to:

6 (1) an annual allotment equal to the adjusted basic  
7 allotment multiplied by a weight of 1.35; and

8 (2) \$50, if the student is enrolled in:

9 (A) two or more advanced career and technology  
10 education classes for a total of three or more credits; or

11 (B) an advanced course as part of a tech-prep  
12 program under Subchapter T, Chapter 61.

13 (c) Funds allocated under this section, other than an  
14 indirect cost allotment established under State Board of Education  
15 rule or amounts spent for the transportation of career and  
16 technology education students, must be used in providing career and  
17 technology education programs in grades eight [~~nine~~] through 12 or  
18 career and technology education programs for students with  
19 disabilities in grades seven through 12 under Sections [29.182](#),  
20 [29.183](#), and [29.184](#).

21 SECTION 22. Section [42.1541](#)(a), Education Code, is amended  
22 to read as follows:

23 (a) For the 2015-2016 and subsequent school years, the [~~The~~]  
24 State Board of Education shall by rule revise [~~increase~~] the  
25 indirect cost allotments established under Sections [42.151](#)(h),  
26 [42.152](#)(c), [42.153](#)(b), and [42.154](#)(c) [~~42.154(a-1) and (c)~~] and in  
27 effect for the 2014-2015 [~~2010-2011~~] school year to reflect any

1 increase in the percentage of total maintenance and operations  
2 funding represented by the basic allotment [~~in proportion to the~~  
3 ~~average percentage reduction in total state and local maintenance~~  
4 ~~and operations revenue provided under this chapter for the~~  
5 ~~2011-2012 school year~~] as a result of [~~S.B. Nos. 1 and 2,~~] Acts of  
6 the 84th [~~82nd~~] Legislature, Regular [~~1st Called~~] Session, 2015  
7 [~~2011~~].

8 SECTION 23. Section 42.156(a), Education Code, is amended  
9 to read as follows:

10 (a) For each identified student a school district serves in  
11 a program for gifted and talented students that the district  
12 certifies to the commissioner as complying with Subchapter D,  
13 Chapter 29, a district is entitled to an annual allotment equal to  
14 the district's adjusted basic allotment as determined under  
15 [~~Section 42.102 or~~] Section 42.103, [~~as applicable,~~] multiplied by  
16 .12 for each school year or a greater amount provided by  
17 appropriation.

18 SECTION 24. Section 42.2516, Education Code, as effective  
19 until September 1, 2017, is amended by amending Subsection (b-1)  
20 and adding Subsection (c-1) to read as follows:

21 (b-1) The amount determined for a school district under  
22 Subsection (b) is increased or reduced as follows:

23 (1) if for any school year the district is entitled to  
24 a greater allotment under Section [~~42.155 or~~] 42.158 or more  
25 additional state aid under Section 42.2515 than the allotment or  
26 additional state aid to which the district was entitled under  
27 Section [~~42.155,~~] 42.158[~~7~~] or 42.2515, as applicable, for the



1 2009-2010 school year, the district's entitlement under Subsection  
2 (b) is increased by an amount equal to the difference between the  
3 amount to which the district is entitled under Section [~~42.155~~]  
4 42.158~~[7]~~ or 42.2515, as applicable, for that school year and the  
5 amount to which the district was entitled under the applicable  
6 section for the 2009-2010 school year; and

7 (2) if for any school year the district is not entitled  
8 to an allotment under Section [~~42.155~~ or] 42.158 or additional  
9 state aid under Section 42.2515 or is entitled to a lesser allotment  
10 or less additional state aid under the applicable section than the  
11 allotment or additional state aid to which the district was  
12 entitled under the applicable section for the 2009-2010 school  
13 year, the district's entitlement under Subsection (b) is reduced by  
14 an amount equal to the difference between the amount to which the  
15 district was entitled under Section [~~42.155~~] 42.158~~[7]~~ or 42.2515,  
16 as applicable, for the 2009-2010 school year and the amount to which  
17 the district is entitled under the applicable section for the  
18 current school year.

19 (c-1) Revenue generated by the portion of a district's  
20 maintenance and operations tax rate included in calculating the  
21 district's compressed tax rate under Section 42.101(a-1) and local  
22 share under Section 42.252(a-1) is included in determining the  
23 amount to which a district is entitled under this section. This  
24 subsection expires September 1, 2017.

25 SECTION 25. Section 42.252, Education Code, is amended by  
26 adding Subsection (a-1) to read as follows:

27 (a-1) Notwithstanding Subsection (a), for a school district

1 that adopted a maintenance and operations tax rate for the 2005 tax  
2 year below the maximum rate permitted by law for that year, the  
3 district's tax rate ("TR") includes the tax effort included in  
4 calculating the district's compressed tax rate under Section  
5 42.101(a-1).

6 SECTION 26. Subchapter E, Chapter 42, Education Code, is  
7 amended by adding Section 42.2529 to read as follows:

8 Sec. 42.2529. TRANSITIONAL FUNDING. (a) This section  
9 applies to a school district that, as a result of the changes in law  
10 made by H.B. No. 1759, Acts of the 84th Legislature, Regular  
11 Session, 2015, is entitled to an amount of state and local funding  
12 per student in weighted average daily attendance for maintenance  
13 and operations for a school year that is less than the amount of  
14 state and local funding per student in weighted average daily  
15 attendance for maintenance and operations to which the district  
16 would have been entitled for the school year under Chapter 41 and  
17 this chapter, as those chapters existed on January 1, 2015.

18 (b) Subject to Subsection (d), a school district to which  
19 this section applies is entitled to transitional funding under this  
20 section in an amount equal to the difference between:

21 (1) the amount of maintenance and operations revenue  
22 to which the district is entitled for a school year after the  
23 changes in law made by H.B. No. 1759, Acts of the 84th Legislature,  
24 Regular Session, 2015, take effect; and

25 (2) the amount of maintenance and operations revenue  
26 to which the district would have been entitled for the same school  
27 year under Chapter 41 and this chapter, as those chapters existed on

1 January 1, 2015.

2 (c) For the purpose of determining under Subsection (b)(2)  
3 the amount to which a district would have been entitled under  
4 Section 42.155, as that section existed on January 1, 2015, the  
5 commissioner shall use the amount of the district's transportation  
6 allotment for the 2014-2015 school year.

7 (d) The amount of transitional funding provided under this  
8 section may not exceed \$75.7 million for the 2015-2016 school year  
9 and \$81.2 million for the 2016-2017 school year. If the total  
10 amount of transitional funding to which districts are entitled  
11 under this section for a school year exceeds the amount specified by  
12 this subsection, the commissioner shall rank districts by state and  
13 local maintenance and operations revenue per cent per student in  
14 weighted average daily attendance and shall provide transitional  
15 funding under this section to districts in ascending order,  
16 beginning with the district with the lowest maintenance and  
17 operations revenue per cent per student in weighted average daily  
18 attendance, until no remaining funds are available for purposes of  
19 this section.

20 (e) The commissioner may adopt rules to implement this  
21 section.

22 (f) A determination of the commissioner under this section  
23 is final and may not be appealed.

24 (g) This section expires September 1, 2017.

25 SECTION 27. Section 42.261(a), Education Code, is amended  
26 to read as follows:

27 (a) Funds appropriated by the legislature for a tax year for

1 the purpose of reducing a school district's maintenance and  
2 operations tax rate and providing state aid under Section 42.2516:

3 (1) [~~are not excess funds for purposes of Section~~  
4 ~~42.2517,~~

5 [~~2~~] are not available for purposes of Section  
6 42.2521 or 42.2522;

7 (2) [~~3~~] may not be used for purposes of Chapter 46;  
8 and

9 (3) [~~4~~] may not be provided by the commissioner to a  
10 school district for a purpose other than reduction of the  
11 district's maintenance and operations tax rate.

12 SECTION 28. Sections 42.302(a) and (a-1), Education Code,  
13 are amended to read as follows:

14 (a) Each school district is guaranteed a specified amount  
15 per weighted student in state and local funds for each cent of tax  
16 effort over that required for the district's local fund assignment  
17 up to the maximum level specified in this subchapter. The amount  
18 of state support, subject only to the maximum amount under Section  
19 42.303, is determined by the formula:

$$20 \quad \text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

21 where:

22 "GYA" is the guaranteed yield amount of state funds to be  
23 allocated to the district;

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

1 "WADA" is the number of students in weighted average daily  
2 attendance, which is calculated by dividing the sum of the school  
3 district's allotments under Subchapters B and C, less any allotment  
4 [~~to the district for transportation, any allotment~~] under Section  
5 42.158 [~~or 42.160, and 50 percent of the adjustment under Section~~  
6 42.102], by the basic allotment for the applicable year;

7 "DTR" is the district enrichment tax rate of the school  
8 district, which is determined by subtracting the amounts specified  
9 by Subsection (b) from the total amount of maintenance and  
10 operations taxes collected by the school district for the  
11 applicable school year and dividing the difference by the quotient  
12 of the district's taxable value of property as determined under  
13 Subchapter M, Chapter 403, Government Code, or, if applicable,  
14 under Section 42.2521, divided by 100; and

15 "LR" is the local revenue, which is determined by multiplying  
16 "DTR" by the quotient of the district's taxable value of property as  
17 determined under Subchapter M, Chapter 403, Government Code, or, if  
18 applicable, under Section 42.2521, divided by 100.

19 (a-1) [~~In this section, "wealth per student" has the meaning~~  
20 ~~assigned by Section 41.001.~~] For purposes of Subsection (a), the  
21 dollar amount guaranteed level of state and local funds per  
22 weighted student per cent of tax effort ("GL") for a school district  
23 is:

24 (1) the greater of the amount of district tax revenue  
25 per weighted student per cent of tax effort that would be available  
26 to the Austin Independent School District, as determined by the  
27 commissioner in cooperation with the Legislative Budget Board, if

1 the reduction of the limitation on tax increases as provided by  
2 Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the  
3 amount of district tax revenue per weighted student per cent of tax  
4 effort used for purposes of this subdivision in the preceding  
5 school year, for the first six cents by which the district's  
6 maintenance and operations tax rate exceeds the rate equal to the  
7 product of the state compression percentage, as determined under  
8 Section 42.2516, multiplied by the maintenance and operations tax  
9 rate adopted by the district for the 2005 tax year; and

10 (2) \$31.95, for the district's maintenance and  
11 operations tax effort that exceeds the amount of tax effort  
12 described by Subdivision (1), less any additional tax effort  
13 included in calculating the district's compressed tax rate under  
14 Section 42.101(a-1).

15 SECTION 29. Section 322.008(b), Government Code, is amended  
16 to read as follows:

17 (b) The general appropriations bill may include for  
18 purposes of information the funding elements computed by the  
19 Legislative Budget Board under Section 42.007, Education Code [~~7~~  
20 ~~excluding the values for each school district calculated under~~  
21 ~~Section 42.007(c)(2), Education Code]. If the funding elements are~~  
22 included, the funding elements under Section 42.007(c)(2)  
23 [~~42.007(c)(3)~~], Education Code, shall be reported in dollar amounts  
24 per pupil.

25 SECTION 30. Section 825.405(b), Government Code, is amended  
26 to read as follows:

27 (b) For purposes of this section:

1           (1) the statutory minimum salary for certain school  
2 personnel under Section 21.402, Education Code, is the salary  
3 provided by that section multiplied by the cost of education index  
4 adjustment adopted by the foundation school fund budget committee  
5 and contained in Chapter 203, Title 19, Texas Administrative Code,  
6 as that chapter existed on March 26, 1997, applicable [~~under~~  
7 ~~Section 42.102, Education Code,~~] to the district in which the  
8 member is employed; and

9           (2) the statutory minimum salary for members who would  
10 have been entitled to the minimum salary for certain school  
11 personnel under former Section 16.056, Education Code, as that  
12 section existed on January 1, 1995, is a minimum salary computed in  
13 the same manner as the minimum salary for certain school personnel  
14 under Section 21.402, Education Code, multiplied by the cost of  
15 education index adjustment adopted by the foundation school fund  
16 budget committee and contained in Chapter 203, Title 19, Texas  
17 Administrative Code, as that chapter existed on March 26, 1997,  
18 applicable [~~under Section 42.102, Education Code,~~] to the district  
19 in which the member is employed.

20           SECTION 31. The following provisions of the Education Code  
21 are repealed:

- 22           (1) Section 29.097(g);
- 23           (2) Section 29.098(e);
- 24           (3) Section 34.002(c);
- 25           (4) Section 39.233;
- 26           (5) Section 39.234;
- 27           (6) Sections 41.002(e), (f), and (g);

- 1           (7) Section 42.102;
- 2           (8) Section 42.1541(c);
- 3           (9) Section 42.155;
- 4           (10) Section 42.160;
- 5           (11) Section 42.2513; and
- 6           (12) Section 42.2517.

7           SECTION 32. This Act takes effect September 1, 2015.