

By: Watson

S.B. No. 243

A BILL TO BE ENTITLED

AN ACT

relating to the cost of education adjustment.

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 42.102, Education Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The basic allotment for each school district is adjusted to reflect the ~~[geographic variation in known resource costs and]~~

1 costs of education for [~~due to factors beyond the control of~~] the  
2 school district using the updated cost of education index provided  
3 under Subsection (c).

4 (c) Based on a statistical analysis conducted by the  
5 Legislative Budget Board to determine for each school district the  
6 current geographic variation in known resource costs and costs of  
7 education due to factors beyond the control of the district, the  
8 commissioner shall update the cost of education index used for  
9 purposes of this section during the 2014-2015 school year. The  
10 updated index shall be used for purposes of this section beginning  
11 with the 2015-2016 school year. Subsequently, the commissioner  
12 periodically may request more current statistical analysis from the  
13 Legislative Budget Board and further update as needed the cost of  
14 education index used for purposes of this section.

15 SECTION 3. Section 42.261(a), Education Code, is amended to  
16 read as follows:

17 (a) Funds appropriated by the legislature for a tax year for  
18 the purpose of reducing a school district's maintenance and  
19 operations tax rate and providing state aid under Section 42.2516:

20 (1) [~~are not excess funds for purposes of Section~~  
21 ~~42.2517,~~

22 [~~(2)~~] are not available for purposes of Section  
23 42.2521 or 42.2522;

24 (2) [~~(3)~~] may not be used for purposes of Chapter 46;  
25 and

26 (3) [~~(4)~~] may not be provided by the commissioner to a  
27 school district for a purpose other than reduction of the

1 district's maintenance and operations tax rate.

2 SECTION 4. Sections [42.102\(b\)](#) and [42.2517](#), Education Code,  
3 are repealed.

4 SECTION 5. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section [39](#), Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2015.