

House Bill 21
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

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

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

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

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

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

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

SENATE VERSION (IE)

No equivalent provision.

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(11) a fee for a driver training course, not to exceed the actual district cost per student in the program for the current school year;

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

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

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

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

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

SECTION 2. Effective September 1, 2018, Section 12.106(a-1), Education Code, is amended to read as follows:

SENATE VERSION (IE)

SECTION 1. Effective September 1, 2018, Section 12.106, Education Code, is amended by amending Subsection (a-1) and adding Subsections (d), (e), (f), and (g) to read as follows:

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(a-1) In determining funding for an open-enrollment charter school under Subsection (a):

(1) [5] adjustments under Sections 42.102, [42.103,] 42.104, and 42.105 are based on the average adjustment for the state; and

(2) the adjustment under Section 42.103 is based on the average adjustment for the state that would have been provided under that section as it existed on January 1, 2018.

SENATE VERSION (IE)

[FA2(1)]

(a-1) In determining funding for an open-enrollment charter school under Subsection (a):

(1) [5] adjustments under Sections 42.102, [42.103,] 42.104, and 42.105 are based on the average adjustment for the state; and

(2) the adjustment under Section 42.103 is based on the average adjustment for the state that would have been provided under that section as it existed on January 1, 2018.

(d) Subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the lesser of:

(1) the state average interest and sinking fund tax rate imposed by school districts for the current year; or

(2) a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million.

(e) A charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter 39, reflects at least acceptable performance. This subsection does not apply to a charter holder that operates a school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital. [FA6]

(f) Funds received by a charter holder under Subsection (d) may only be used:

(1) to lease an instructional facility;

(2) to pay property taxes imposed on an instructional facility;

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SECTION 3. Section 29.153(c), Education Code, is amended to read as follows:

(c) A prekindergarten class under this section shall be operated on a half-day basis. A district is not required to provide transportation for a prekindergarten class~~[, but transportation, if provided, is included for funding purposes as part of the regular transportation system].~~

SECTION 4. Sections 29.918(a) and (b), Education Code, are amended to read as follows:

(a) Notwithstanding Section ~~[39.234 or]~~ 42.152, a school district or open-enrollment charter school with a high dropout rate, as determined by the commissioner, must submit a plan to the commissioner describing the manner in which the district or charter school intends to use the compensatory education allotment under Section 42.152 ~~[and the high school allotment under Section 42.160]~~ for developing and implementing research-based strategies for dropout prevention. The district or charter school shall submit the plan not later than December 1 of each school year preceding the school year in which the district or charter school will receive the compensatory education allotment ~~[or high school allotment]~~ to which the plan applies.

(b) A school district or open-enrollment charter school to which this section applies may not spend or obligate more

(3) to pay debt service on bonds issued to finance an instructional facility; or

(4) for any other purpose related to the purchase, lease, sale, acquisition, or maintenance of an instructional facility.

(g) In this section, "instructional facility" has the meaning assigned by Section 46.001. [FA2(2)]

No equivalent provision.

No equivalent provision.

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than 25 percent of the district's or charter school's compensatory education allotment [~~or high school allotment~~] unless the commissioner approves the plan submitted under Subsection (a). The commissioner shall complete an initial review of the district's or charter school's plan not later than March 1 of the school year preceding the school year in which the district or charter school will receive the compensatory education allotment [~~or high school allotment~~] to which the plan applies.

SECTION 5. Subchapter C, Chapter 30, Education Code, is amended by adding Section 30.0561 to read as follows:
Sec. 30.0561. TRANSPORTATION ALLOTMENT. The Texas School for the Deaf is entitled to a transportation allotment paid from the foundation school fund. The commissioner shall determine the appropriate allotment.

SECTION 6. Section 30.087(c), Education Code, is amended to read as follows:
(c) A school district may receive an allotment paid from the foundation school fund for transportation of students participating in a regional day school program, as determined by the commissioner [~~in the same manner as an allotment for the transportation of other special education students~~].

SECTION 7. Section 34.002(c), Education Code, is amended to read as follows:
(c) The commissioner shall reduce the basic allotment provided under Section 42.101 for each student in average daily attendance by \$125 for a [A] school district that fails or refuses to meet the safety standards for school buses established under this section [~~is ineligible to share in the~~].

SENATE VERSION (IE)

No equivalent provision.

No equivalent provision.

No equivalent provision.

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~~transportation allotment under Section 42.155]~~ until the first anniversary of the date the district begins complying with the safety standards.

SECTION 8. Section 34.007, Education Code, is amended by adding Subsection (c) to read as follows:

(c) A county transportation system is not entitled to receive funding for transportation costs directly from the state. Funding for a county transportation system is provided by each school district participating in the county transportation system in accordance with the terms of the interlocal contract under Chapter 791, Government Code, under which the county provides transportation services for the participating districts.

No equivalent provision.

SECTION 9. Section 39.0233(a), Education Code, as amended by H.B. 2223, Acts of the 85th Legislature, Regular Session, 2017, is amended to read as follows:

(a) The agency, in coordination with the Texas Higher Education Coordinating Board, shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Section 39.023(c) to be used for purposes of Subchapter F-1, Chapter 51. The questions adopted under this subsection must be developed in a manner consistent with any college readiness standards adopted under ~~Section 39.233 and~~ Subchapter F-1, Chapter 51.

No equivalent provision.

SECTION 10. Section 41.099(a), Education Code, is amended to read as follows:

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

No equivalent provision.

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- (1) executes an agreement to purchase all attendance credits necessary to reduce the district's wealth per student to the equalized wealth level;
- (2) executes an agreement to purchase attendance credits and an agreement under Subchapter E to contract for the education of nonresident students who transfer to and are educated in the district but who are not charged tuition; or
- (3) executes an agreement under Subchapter E to contract for the education of nonresident students:
 - (A) to an extent that does not provide more than 10 percent of the reduction in wealth per student required for the district to achieve a wealth per student that is equal to or less than the equalized wealth level; and
 - (B) under which all revenue paid by the district to other districts, in excess of the reduction in state aid that results from counting the weighted average daily attendance of the students served in the contracting district, is required to be used for funding a consortium of at least three districts in a county with a population of less than 40,000 that is formed to support a technology initiative.

SECTION 11. Section 41.257, Education Code, is amended to read as follows:

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

No equivalent provision.

SECTION 12. Section 42.006(a-1), Education Code, is

No equivalent provision.

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amended to read as follows:

(a-1) The commissioner by rule shall require each school district and open-enrollment charter school to report through the Public Education Information Management System information regarding the number of students enrolled in the district or school who are identified as having dyslexia or related disorders. The agency shall maintain the information provided in accordance with this subsection.

SECTION 13. Section 42.101(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to the lesser of \$5,140 [~~\$4,765~~] or the amount that results from the following formula:

$$A = \underline{\$5,140} [\del{\$4,765}] \times (\text{DCR}/\text{MCR})$$

where:

"A" is the allotment to which a district is entitled;

"DCR" is the district's compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; and

"MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50.

No equivalent provision.

No equivalent provision.

SECTION __. Section 13.054(g), Education Code, as

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amended by Chapter 425 (S.B. 1353), Acts of the 85th Legislature, Regular Session, 2017, is amended to read as follows:

(g) In order to assist with the costs of facility renovation, repair, and replacement, a district to which territory is annexed under this section is entitled to additional state aid for five years, beginning with the school year in which the annexation occurs. The commissioner shall determine the amount of additional state aid provided each year by dividing the amount of debt service taxes received by the district during the tax year preceding the tax year in which the annexation occurs by the number of students enrolled in the district immediately preceding the date of annexation, and multiplying that result by the number of additional students enrolled in the district on September 1 after the date of annexation. The commissioner shall provide additional state aid under this subsection from funds appropriated for purposes of the Foundation School Program [~~and available for that purpose~~]. A determination by the commissioner under this subsection is final and may not be appealed. [FA1]

No equivalent provision.

SECTION __. Subchapter A, Chapter 29, Education Code, is amended by adding Sections 29.026 and 29.027 to read as follows:

Sec. 29.026. GRANT PROGRAM PROVIDING SERVICES TO STUDENTS WITH AUTISM. (a) The commissioner shall establish a program to award grants to school districts and open-enrollment charter schools that provide innovative services to students with autism.

(b) A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, and an open-enrollment charter school, including a charter

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school that primarily serves students with disabilities, as provided under Section 12.1014, may apply for a grant under this section.

(c) A program is eligible for a grant under this section if:

(1) the program operates as an independent campus or a separate program from the campus in which the program is located, with a separate budget;

(2) the program incorporates:

(A) evidence-based and research-based design;

(B) the use of empirical data on student achievement and improvement;

(C) parental support and collaboration;

(D) the use of technology;

(E) meaningful inclusion; and

(F) the ability to replicate the program for students statewide;

(3) the program gives priority for enrollment to students with autism;

(4) the program limits enrollment and services to students who are:

(A) at least three years of age; and

(B) younger than nine years of age or are enrolled in the third grade or a lower grade level; and

(5) the program allows a student who turns nine years of age or older during a school year to remain in the program until the end of that school year.

(d) A school district or open-enrollment charter school may not:

(1) charge a fee for the program, other than those authorized by law for students in public schools;

(2) require a parent to enroll a child in the program;

(3) allow an admission, review, and dismissal committee to place a student in the program without the written consent of

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the student's parent or guardian; or
(4) continue the placement of a student in the program after the student's parent or guardian revokes consent, in writing, to the student's placement in the program.
(e) A program under this section may:
(1) alter the length of the school day or school year or the number of minutes of instruction received by students;
(2) coordinate services with private or community-based providers;
(3) allow the enrollment of students without disabilities or with other disabilities, if approved by the commissioner; and
(4) adopt staff qualifications and staff to student ratios that differ from the applicable requirements of this title.
(f) The commissioner shall adopt rules creating an application and selection process for grants awarded under this section.
(g) The commissioner shall create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.
(h) The commissioner shall award grants to fund not more than 10 programs that meet the eligibility criteria under Subsection (c). In selecting programs, the commissioner shall prioritize programs that are collaborations between multiple school districts, multiple charter schools, or school districts and charter schools. The selected programs must reflect the diversity of this state. [FA4]
(i) The commissioner shall select programs and award grant funds to those programs beginning in the 2018-2019 school year. The selected programs are to be funded for two years. [FA4,FA12(1)]
(j) A grant awarded to a school district or open-enrollment charter school under this section is in addition to the

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Foundation School Program funds that the district or charter school is otherwise entitled to receive. A grant awarded under this section may not come out of Foundation School Program funds. [FA4,FA12(2)]

(k) The commissioner shall set aside an amount not to exceed \$20 million from the total amount of funds appropriated for the 2018-2019 fiscal biennium to fund grants under this section. The commissioner shall use \$10 million for the purposes of this section for each school year in the state fiscal biennium. A grant recipient may not receive more than \$1 million for the 2018-2019 fiscal biennium. The commissioner shall reduce each district's and charter school's allotment proportionally to account for funds allocated under this section. [FA4,FA12(3)]

(l) The commissioner and any program selected under this section may accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program. The commissioner and any program selected under this section may not require any financial contribution from parents to implement and administer the program.

(m) The commissioner may consider a student with autism who is enrolled in a program funded under this section as funded in a mainstream placement, regardless of the amount of time the student receives services in a regular classroom setting.

(n) Not later than December 31, 2020, the commissioner shall publish a report on the grant program established under this section. The report must include: [FA4,FA12(4)]

(1) recommendations for statutory or funding changes necessary to implement successful innovations in the education of students with autism; and

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No equivalent provision. *(But see SECTION 23 below.)*

(2) data on the academic and functional achievements of students enrolled in a program that received a grant under this section.

(o) This section expires September 1, 2021. [FA4,FA12(5)] Sec. 29.027. GRANT PROGRAM PROVIDING SERVICES TO STUDENTS WITH DYSLEXIA. (a) The commissioner shall establish a program to award grants to school districts and open-enrollment charter schools that provide innovative services to students with dyslexia.

(b) A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, and an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014, may apply for a grant under this section.

(c) A program is eligible for a grant under this section if:
(1) the program operates as an independent campus or a separate program from the campus in which the program is located, with a separate budget;
(2) the program incorporates:
(A) evidence-based and research-based design;
(B) the use of empirical data on student achievement and improvement;
(C) parental support and collaboration;
(D) the use of technology;
(E) meaningful inclusion; and
(F) the ability to replicate the program for students statewide;
(3) the program gives priority for enrollment to students with dyslexia;
(4) the program limits enrollment and services to students who are:
(A) at least three years of age; and

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- (B) younger than nine years of age or are enrolled in the third grade or a lower grade level; and
- (5) the program allows a student who turns nine years of age or older during a school year to remain in the program until the end of that school year.
- (d) A school district or open-enrollment charter school may not:
 - (1) charge a fee for the program, other than those authorized by law for students in public schools;
 - (2) require a parent to enroll a child in the program;
 - (3) allow an admission, review, and dismissal committee to place a student in the program without the written consent of the student's parent or guardian; or
 - (4) continue the placement of a student in the program after the student's parent or guardian revokes consent, in writing, to the student's placement in the program.
- (e) A program under this section may:
 - (1) alter the length of the school day or school year or the number of minutes of instruction received by students;
 - (2) coordinate services with private or community-based providers;
 - (3) allow the enrollment of students without disabilities or with other disabilities, if approved by the commissioner; and
 - (4) adopt staff qualifications and staff to student ratios that differ from the applicable requirements of this title.
- (f) The commissioner shall adopt rules creating an application and selection process for grants awarded under this section.
- (g) The commissioner shall create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.
- (h) The commissioner shall award grants to fund not more

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than 10 programs that meet the eligibility criteria under Subsection (c). In selecting programs, the commissioner shall prioritize programs that are collaborations between multiple school districts, multiple charter schools, or school districts and charter schools. The selected programs must reflect the diversity of this state.

(i) The commissioner shall select programs and award grant funds to those programs beginning in the 2018-2019 school year. The selected programs are to be funded for two years. [FA4,FA12(6)]

(j) A grant awarded to a school district or open-enrollment charter school under this section is in addition to the Foundation School Program funds that the district or charter school is otherwise entitled to receive. A grant awarded under this section may not come out of Foundation School Program funds. [FA4,FA12(7)]

(k) The commissioner shall set aside an amount not to exceed \$20 million from the total amount of funds appropriated for the 2018-2019 fiscal biennium to fund grants under this section. The commissioner shall use \$10 million for the purposes of this section for each school year in the state fiscal biennium. A grant recipient may not receive more than \$1 million for the 2018-2019 fiscal biennium. The commissioner shall reduce each district's and charter school's allotment proportionally to account for funds allocated under this section. [FA4,FA12(8)]

(l) The commissioner and any program selected under this section may accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program. The commissioner and any program selected under this section may not require any financial contribution from parents to implement and administer the

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program.

(m) The commissioner may consider a student with dyslexia who is enrolled in a program funded under this section as funded in a mainstream placement, regardless of the amount of time the student receives services in a regular classroom setting.

(n) Not later than December 31, 2020, the commissioner shall publish a report on the grant program established under this section. The report must include: [FA4,FA12(9)]

(1) recommendations for statutory or funding changes necessary to implement successful innovations in the education of students with dyslexia; and

(2) data on the academic and functional achievements of students enrolled in a program that received a grant under this section.

(o) This section expires September 1, 2020. [FA4,FA12(10)]

SECTION __. Section 5, Chapter 425 (S.B. 1353), Acts of the 85th Legislature, Regular Session, 2017, is repealed. [FA1]

SECTION 2. Same as House version.

No equivalent provision.

SECTION 14. Effective September 1, 2023, Sections 42.103(b) and (d), Education Code, are amended to read as follows:

(b) The basic allotment of a school district that ~~[contains at least 300 square miles and]~~ has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .0004)) \times ABA$$

(d) The basic allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by

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applying the formula, of the following formulas, that results in the greatest adjusted allotment:

- (1) the formula in Subsection (b), ~~if [or (c) for which]~~ the district is eligible for that formula; or
- (2) $AA = (1 + ((5,000 - ADA) \times .000025)) \times ABA$.

SECTION 15. Effective September 1, 2018, Section 42.103(c), Education Code, is amended to read as follows:

(c) The basic allotment of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the following formulas [formula]:

(1) for the fiscal year beginning September 1, 2018:
 $AA = (1 + ((1,600 - ADA) \times .000275 [~~.00025~~])) \times ABA$

;
(2) for the fiscal year beginning September 1, 2019:
 $AA = (1 + ((1,600 - ADA) \times .00030)) \times ABA$

;
(3) for the fiscal year beginning September 1, 2020:
 $AA = (1 + ((1,600 - ADA) \times .000325)) \times ABA$

;
(4) for the fiscal year beginning September 1, 2021:
 $AA = (1 + ((1,600 - ADA) \times .00035)) \times ABA$

;
(5) for the fiscal year beginning September 1, 2022:
 $AA = (1 + ((1,600 - ADA) \times .000375)) \times ABA$

SECTION 16. Subchapter B, Chapter 42, Education Code, is amended by adding Section 42.1041 to read as follows:

Sec. 42.1041. INELIGIBILITY FOR SMALL OR MID-SIZED DISTRICT ADJUSTMENT OR SPARSITY ADJUSTMENT. (a) This section applies only to a school

SECTION 3. Same as House version.

No equivalent provision.

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district that:

(1) borders the Red River; and

(2) has a student enrollment of less than 90, with more than 50 percent of the enrollment consisting of students who have transferred from another school district.

(b) Notwithstanding Section 42.103, 42.104, or 42.105, a school district to which this section applies is ineligible for an adjustment under Section 42.103 or 42.105 for any school year during which the district:

(1) issues bonds for the construction of a new instructional facility on property more than five miles from a property that before the issuance of the bonds was owned by the district and was the location of an instructional facility for the previous five years; or

(2) makes payments on bonds described by Subdivision (1).

SECTION 17. Subchapter B, Chapter 42, Education Code, is amended by adding Section 42.107 to read as follows:

Sec. 42.107. SPECIAL-PURPOSE SCHOOL DISTRICTS OPERATED BY GENERAL ACADEMIC TEACHING INSTITUTIONS. (a) In each fiscal year of the biennium, the commissioner shall allocate funding from the foundation school program to each special-purpose school district established under Section 11.351 that is operated by a general academic teaching institution as defined by Section 61.003, in an amount equivalent to the basic allotment in Section 42.101(a) multiplied by the number of full-time equivalent students who are enrolled in the school district and who reside in this state.

(b) In allocating funding to special-purpose school districts under this section, the commissioner shall use a payment schedule consistent with the payment schedule adopted for

No equivalent provision.

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open-enrollment charter schools.

(c) A special-purpose school district that receives state funding for a resident student under this section may not charge tuition or fees to that student for the academic term for which state funding is received, other than fees permitted under Section 11.158.

(d) A special-purpose school district may elect not to receive state funding under this section.

SECTION 18. Section 42.151(h), Education Code, is amended to read as follows:

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

No equivalent provision.

SECTION 19. Section 42.153(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.11 [~~0.1~~].

No equivalent provision.

SECTION 20. Section 42.154(a), Education Code, as effective September 1, 2017, is amended to read as follows:

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

(1) an annual allotment equal to the adjusted basic allotment

No equivalent provision.

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multiplied by a weight of 1.35; and

(2) \$50, if the student is enrolled in two or more advanced career and technology education classes for a total of three or more credits.

SECTION 21. Section 42.154(c), Education Code, is amended to read as follows:

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

No equivalent provision.

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

(a) For the 2017-2018 and subsequent school years, the [~~The~~] State Board of Education shall by rule revise [~~increase~~] the indirect cost allotments established under Sections 42.151(h), 42.152(c), 42.153(b), and 42.154(c) [~~42.154(a-1) and (e)~~] and in effect for the 2016-2017 [~~2010-2011~~] school year to reflect any increase in the percentage of total maintenance and operations funding represented by the basic allotment [~~in proportion to the average percentage reduction in total state and local maintenance and operations revenue provided under this chapter for the 2011-2012 school year~~] as a result of [~~S.B. Nos. 1 and 2,~~] Acts of the 85th [~~82nd~~] Legislature, 1st Called Session, 2017 [~~2011~~].

No equivalent provision.

SECTION 23. Subchapter C, Chapter 42, Education Code, is

No equivalent provision. *(But see added Sec. 29.027,*

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amended by adding Section 42.1561 to read as follows:

Sec. 42.1561. ALLOTMENT FOR STUDENT WITH DYSLEXIA OR RELATED DISORDER. (a) Subject to Subsection (b), for each student that a school district serves who has been identified as having dyslexia or a related disorder, the district is entitled to an annual allotment equal to the district's adjusted basic allotment as determined under Section 42.102 or Section 42.103, as applicable, multiplied by 0.1 for each school year or a greater amount provided by appropriation.

(b) A school district is entitled to the allotment under Subsection (a) only for a student who:

(1) is receiving instruction that:

(A) meets applicable dyslexia program criteria established by the agency; and

(B) is provided by a person with specific training in providing that instruction; or

(2) has received the instruction described by Subdivision (1) and is permitted, on the basis of having dyslexia or a related disorder, to use modifications in the classroom and accommodations in the administration of assessment instruments under Section 39.023.

(c) Funds allotted under this section must be used in providing services to students with dyslexia or related disorders.

(d) A school district may receive funding for a student under this section and Section 42.151 if the student satisfies the requirements of both sections.

(e) Not more than five percent of a district's students in average daily attendance are eligible for funding under this section.

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Education Code, above.)

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SECTION 24. Section 42.2518(a), Education Code, as effective September 1, 2017, is amended to read as follows:

(a) Beginning with the 2017-2018 school year, a school district is entitled to additional state aid to the extent that state and local revenue under this chapter and Chapter 41 is less than the state and local revenue that would have been available to the district under Chapter 41 and this chapter as those chapters existed on September 1, 2015, excluding any state aid or adjustment in wealth per student that would have been provided under former Section 41.002(e)-(g), 42.155, 42.160, 42.2513, or 42.2516, if the increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, and the additional limitation on tax increases under Section 1-b(d) of that article as proposed by S.J.R. 1, 84th Legislature, Regular Session, 2015, had not occurred.

SECTION 25. Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.2541 to read as follows:

Sec. 42.2541. ESTIMATED PROJECTIONS. (a) In this section, "equivalent equalized wealth level" means an equalized wealth level for a state fiscal biennium that results in approximately the same number of school districts that are required to take action under Chapter 41 to reduce wealth as the number of school districts that were required to take that action during the preceding state fiscal biennium.

(b) Not later than November 1 of each even-numbered year, the agency shall:

(1) submit to the legislature a projection for an equivalent equalized wealth level for the following biennium based on the agency's estimate of:

(A) student enrollment under Section 42.254(a)(1);

SENATE VERSION (IE)

No equivalent provision.

No equivalent provision.

CONFERENCE

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- (B) the comptroller's estimate of any increase in total taxable value of all property in the state under Section 42.254(a)(2);
- (C) the number of school districts offering a local optional residence homestead exemption under Section 11.13(n), Tax Code;
- (D) the number of school districts adopting a tax rate below the maximum tier one tax rate determined under Section 42.252;
- (E) the projected amount of maintenance and operations tax revenue per student in weighted average daily attendance of the Austin Independent School District; and
- (F) the number of school districts adopting a maintenance and operations tax rate of \$1.17; and
- (2) provide projections for the equalized funding elements under Section 42.007 for the following biennium as necessary to achieve the equivalent equalized wealth level projected under Subdivision (1).

SECTION 26. Sections 42.259(c), (d), and (f), Education Code, are amended to read as follows:

- (c) Payments from the foundation school fund to each category 2 school district shall be made as follows:
 - (1) 22 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;
 - (2) 18 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of October;
 - (3) 9.5 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of November;
 - (4) 7.5 percent of the yearly entitlement of the district shall be

SENATE VERSION (IE)

No equivalent provision.

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paid in an installment to be made on or before the 25th day of April;

(5) five percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of May;

(6) 10 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of June;

(7) 13 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of July; and

(8) 15 percent of the yearly entitlement of the district shall be paid in an installment to be made after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1) [~~on or before the 25th day of August~~].

(d) Payments from the foundation school fund to each category 3 school district shall be made as follows:

(1) 45 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;

(2) 35 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of October; and

(3) 20 percent of the yearly entitlement of the district shall be paid in an installment to be made after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1) [~~on or before the 25th day of August~~].

(f) Except as provided by Subsection (c)(8) or (d)(3),

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previously [~~Previously~~] unpaid additional funds from prior fiscal years owed to a district shall be paid to the district together with the September payment of the current fiscal year entitlement.

SECTION 27. Sections 42.2591(c) and (e), Education Code, are amended to read as follows:

(c) Payments from the foundation school fund to an open-enrollment charter school under this section shall be made as follows:

- (1) 22 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;
- (2) 18 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of October;
- (3) 9.5 percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of November;
- (4) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of December;
- (5) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of January;
- (6) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of February;
- (7) four percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of March;
- (8) 7.5 percent of the yearly entitlement of the school shall be

SENATE VERSION (IE)

No equivalent provision.

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paid in an installment to be made on or before the 25th day of April;

(9) five percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of May;

(10) seven percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of June;

(11) seven percent of the yearly entitlement of the school shall be paid in an installment to be made on or before the 25th day of July; and

(12) eight percent of the yearly entitlement of the school shall be paid in an installment to be made after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1) [~~on or before the 25th day of August~~].

(e) Except as provided by Subsection (c)(12), previously [~~Previously~~] unpaid additional funds from prior fiscal years owed to an open-enrollment charter school shall be paid to the school together with the September payment of the current fiscal year entitlement.

SECTION 28. Section 42.302(a), Education Code, is amended to read as follows:

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

$GYA = (GL \times WADA \times DTR \times 100) - LR$

No equivalent provision.

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where:

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

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

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

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

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

SECTION 29. Chapter 42, Education Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. FINANCIAL HARDSHIP TRANSITION

SECTION 4. Chapter 42, Education Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. FINANCIAL HARDSHIP TRANSITION

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PROGRAM

Sec. 42.451. FINANCIAL HARDSHIP GRANTS. (a) From amounts appropriated for this subchapter, the commissioner may administer a grant program that provides grants to school districts to defray financial hardships resulting from changes made to Chapter 41 and this chapter that apply after the 2016-2017 school year.

(b) The commissioner shall award grants under this subchapter to districts as provided by Section 42.452.

(c) Funding provided to a district under this subchapter is in addition to all other funding provided under Chapter 41 and this chapter.

(d) The commissioner may obtain additional information as needed from a district or other state or local agency to make determinations in awarding grants under this subchapter.

Sec. 42.452. AWARD OF GRANTS; AMOUNT. (a) The commissioner shall award grants to school districts based on the following formula:

$HG = (PL-CL) \times (TR) \times (TAHG/TEHG)$

where:

"HG" is the amount of a district's hardship grant;

"PL" is the amount of funding under previous law to which a district would be entitled under Chapter 41 and this chapter as those chapters existed on January 1, 2017, determined using current school year data for the district;

"CL" is the amount of current law funding under Chapter 41

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PROGRAM

Sec. 42.451. FINANCIAL HARDSHIP GRANTS. (a) From amounts appropriated for this subchapter, the commissioner may administer a grant program that provides grants to school districts to defray financial hardships resulting from changes made to Chapter 41 and this chapter that apply after the 2016-2017 school year.

(b) The commissioner shall award grants under this subchapter to districts as provided by Section 42.452.

(c) Except as provided by Subsection (d), funding provided to a district under this subchapter is in addition to all other funding provided under Chapter 41 and this chapter.

(d) A district is not eligible for funding under this subchapter for a school year if the district receives for that school year an adjustment of the district's taxable value of property under Section 42.2521. A district may decline an adjustment under Section 42.2521 to maintain eligibility for funding under this subchapter.

(e) The commissioner may obtain additional information as needed from a district or other state or local agency to make determinations in awarding grants under this subchapter.

Sec. 42.452. AWARD OF GRANTS; AMOUNT. (a) The commissioner shall award grants to school districts based on the following formula:

$HG = (PL-CL) \times (TR) \times (TAHG/TEHG)$

where:

"HG" is the amount of a district's hardship grant;

"PL" is the amount of funding under previous law to which a district would be entitled under Chapter 41 and this chapter as those chapters existed on January 1, 2017, determined using current school year data for the district;

"CL" is the amount of current law funding under Chapter 41

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and this chapter to which a district is entitled;

"TR" is a district's maintenance and operations tax rate, as specified by the comptroller's most recent certified report;

"TAHG" is the total funding available for grants under Section 42.455 for a school year; and

"TEHG" is the sum of the combined amounts for all districts calculated by applying the formula (PL-CL) X (TR) for each district.

(b) A school district's hardship grant awarded under this subchapter for a school year may not exceed the lesser of:

(1) the amount equal to 10 percent of the total amount of funds available for grants under this subchapter for that school year; or

(2) the amount by which "PL" exceeds "CL" for that district for that school year.

(c) For purposes of calculating the formula under Subsection (a), the commissioner shall:

(1) if the value of (PL-CL) for a school district results in a negative number, use zero for the value of (PL-CL);

(2) use a maintenance and operations tax rate ("TR") of \$1 for each open-enrollment charter school, each special-purpose school district established under Subchapter H, Chapter 11, and the South Texas Independent School District; and

(3) if (TAHG/TEHG) equals a value greater than one, use a value of one for (TAHG/TEHG).

(d) If funds remain available under this subchapter for a

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and this chapter to which a district is entitled;

"TR" is a district's maintenance and operations tax rate, as specified by the comptroller's most recent certified report;

"TAHG" is the total funding available for grants under Section 42.456 for a school year; and

"TEHG" is the sum of the combined amounts for all districts calculated by applying the formula (PL-CL) X (TR) for each district.

(b) A school district's hardship grant awarded under this subchapter for a school year may not exceed the lesser of:

(1) the amount equal to 10 percent of the total amount of funds available for grants under this subchapter for that school year; or

(2) the amount by which "PL" exceeds "CL" for that district for that school year.

(c) For purposes of calculating the formula under Subsection (a), the commissioner shall:

(1) in determining the values of "PL" and "CL" for a school district, exclude the amount of revenue received by the district as a result of Section 13.054 or an administrative rule related to that section;

(2) if the value of (PL-CL) for a school district results in a negative number, use zero for the value of (PL-CL);

(3) if a school district's maintenance and operations tax rate ("TR") is greater than \$1, use \$1 for the value of "TR";

(4) use a maintenance and operations tax rate ("TR") of \$1 for each open-enrollment charter school, each special-purpose school district established under Subchapter H, Chapter 11, and the South Texas Independent School District; and

(5) if (TAHG/TEHG) equals a value greater than one, use a value of one for (TAHG/TEHG).

(d) If funds remain available under this subchapter for a

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school year after determining initial grant amounts under Subsection (a), as adjusted to reflect the limits imposed by Subsection (b), the commissioner shall reapply the formula as necessary to award all available funds.

Sec. 42.453. ELIGIBILITY OF OPEN-ENROLLMENT CHARTER SCHOOL.

Sec. 42.454. REGIONAL EDUCATION SERVICE CENTERS AND COUNTY DEPARTMENTS OF EDUCATION NOT ELIGIBLE.

Sec. 42.455. FUNDING LIMIT. The amount of grants awarded by the commissioner under this subchapter may not

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school year after determining initial grant amounts under Subsection (a), as adjusted to reflect the limits imposed by Subsection (b), the commissioner shall reapply the formula as necessary to award all available funds.

(e) If the commissioner reapplies the formula in accordance with Subsection (d), a school district that was ineligible under Section 42.455 for a grant during the initial application of the formula for that school year is eligible to receive a grant as a result of the formula reapplication.

Sec. 42.453. ELIGIBILITY OF OPEN-ENROLLMENT CHARTER SCHOOL.

Sec. 42.454. REGIONAL EDUCATION SERVICE CENTERS AND COUNTY DEPARTMENTS OF EDUCATION NOT ELIGIBLE.

Sec. 42.455. CERTAIN SCHOOL DISTRICTS NOT ELIGIBLE. Except as provided by Section 42.452(e), a school district is not eligible for a grant under this subchapter if for the 2015-2016 school year the district's expenditures per student in weighted average daily attendance, excluding bond debt service payments, capital outlays, and facilities acquisition and construction costs, exceeded an amount that is equal to 120 percent of the state average amount for that school year of expenditures per student in weighted average daily attendance, excluding bond debt service payments, capital outlays, and facilities acquisition and construction costs, as those amounts are determined by the commissioner.

Sec. 42.456. FUNDING LIMIT. The amount of grants awarded by the commissioner under this subchapter may not

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exceed \$125 million for the 2017-2018 school year or \$75 million for the 2018-2019 school year.

Sec. 42.456. NO ADJUSTMENT BASED ON REVISED DATA.

Sec. 42.457. RULES.

Sec. 42.458. DETERMINATION FINAL.

Sec. 42.459. EXPIRATION.

SECTION 30. Section 466.355(c), Government Code, as repealed by Chapter 431 (S.B. 559), Acts of the 83rd Legislature, Regular Session, 2013, and amended by Chapter 1410 (S.B. 758), Acts of the 83rd Legislature, Regular Session, 2013, is reenacted and amended to read as follows:

(c) ~~The [Each August the]~~ comptroller shall:

(1) estimate the amount to be transferred to the foundation school fund on or before September 15; and

(2) notwithstanding Subsection (b)(4), transfer the amount estimated in Subdivision (1) to the foundation school fund before ~~[August]~~ installment payments are made under Section 42.259(c)(8) or (d)(3) [42.259], Education Code.

No equivalent provision.

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exceed \$100 million for the 2017-2018 school year or \$50 million for the 2018-2019 school year.

Sec. 42.457. NO ADJUSTMENT BASED ON REVISED DATA.

Sec. 42.458. RULES.

Sec. 42.459. DETERMINATION FINAL.

Sec. 42.460. EXPIRATION.

No equivalent provision.

SECTION __. Chapter 42, Education Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. TEXAS COMMISSION ON PUBLIC SCHOOL FINANCE

Sec. 42.601. DEFINITION. In this subchapter, "commission"

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means the Texas Commission on Public School Finance.
Sec. 42.602. TEXAS COMMISSION ON PUBLIC SCHOOL FINANCE. (a) The Texas Commission on Public School Finance is established to develop and make recommendations for improvements to the current public school finance system or for new methods of financing public schools.
(b) The commission is composed of 13 members, consisting of the following:
(1) four members appointed by the governor;
(2) four members appointed by the lieutenant governor;
(3) four members appointed by the speaker of the house of representatives; and
(4) a member of the State Board of Education, as designated by the chair of that board.
(c) The members appointed by the governor must have an interest in public education and include at least:
(1) one person who is a current or retired classroom teacher with at least 10 years of teaching experience;
(2) one person who is a member of the business community; and
(3) one person who is a member of the civic community.
(d) The appointments made by the lieutenant governor and the speaker of the house of representatives must each consist of:
(1) three members of the applicable legislative chamber; and
(2) an administrator in the public school system or an elected member of the board of trustees of a school district.
(e) In making appointments under Subsections (b)(1), (2), and (3), the governor, lieutenant governor, and speaker of the house of representatives shall coordinate to ensure that the membership of the commission reflects, to the extent possible, the ethnic and geographic diversity of this state.

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Sec. 42.603. PRESIDING OFFICER. The governor shall designate the presiding officer of the commission.

Sec. 42.604. COMPENSATION AND REIMBURSEMENT. A member of the commission is not entitled to compensation for service on the commission but is entitled to reimbursement for actual and necessary expenses incurred in performing commission duties.

Sec. 42.605. ADMINISTRATIVE SUPPORT AND FUNDING. (a) Staff members of the agency shall provide administrative support for the commission.

(b) Funding for the administrative and operational expenses of the commission shall be provided by appropriation to the agency for that purpose.

Sec. 42.606. RECOMMENDATIONS. (a) The commission shall develop recommendations under this subchapter to address issues related to the public school finance system, including:

(1) the purpose of the public school finance system and the relationship between state and local funding in that system;

(2) the appropriate levels of local maintenance and operations and interest and sinking fund tax effort necessary to implement a public school finance system that complies with the requirements under the Texas Constitution; and

(3) policy changes to the public school finance system necessary to adjust for student demographics and the geographic diversity in the state.

(b) The commission may establish one or more working groups composed of not more than five members of the commission to study, discuss, and address specific policy issues and recommendations to refer to the commission for consideration.

Sec. 42.607. REPORT. Not later than December 31, 2018,

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the commission shall prepare and deliver a report to the governor and the legislature that recommends statutory changes to improve the public school finance system, including any adjustments to funding to account for student demographics.

Sec. 42.608. PUBLIC MEETINGS AND PUBLIC INFORMATION. (a) The commission may hold public meetings as needed to fulfill its duties under this subchapter.

(b) The commission is subject to Chapters 551 and 552, Government Code.

Sec. 42.609. COMMISSION ABOLISHED; EXPIRATION OF SUBCHAPTER. (a) The commission is abolished January 8, 2019.

(b) This subchapter expires January 8, 2019. [FA11]

No equivalent provision.

SECTION __. Not later than the 30th day after the effective date of the section of this Act adding Subchapter L, Chapter 42, Education Code, the appropriate persons shall make the appointments and designations required by Section 42.602, Education Code, as added by this Act. [FA11]

No equivalent provision.

SECTION 5. Effective September 1, 2018, Section 46.032(a), Education Code, is amended to read as follows:

(a) Each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on eligible bonds. The amount of state support, subject only to the maximum amount under Section 46.034, is determined by the formula:

$$EDA = (EDGL \times ADA \times EDTR \times 100) - (EDTR \times (DPV/100))$$

where:

"EDA" is the amount of state funds to be allocated to the

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district for assistance with existing debt;
"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the lesser of:
(1) ~~\$40~~ [~~\$35~~] or a greater amount for any year provided by appropriation; or
(2) the amount that would result in a total additional amount of state funds under this subchapter for the current year equal to \$60 million in excess of the state funds to which school districts would have been entitled under this section if the guaranteed level amount were \$35;
"ADA" is the number of students in average daily attendance, as determined under Section 42.005, in the district;
"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100; and
"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521.

No equivalent provision.

SECTION 6. (a) The amount of \$311,000,000 of the unencumbered appropriations from the general revenue fund for the state fiscal biennium ending August 31, 2019, made by S.B. 1, Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the Health and Human Services Commission is transferred to the Texas Education Agency to be used by the agency during that state fiscal biennium as follows:
(1) \$150,000,000 is allocated to fund financial hardship

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grants under Subchapter H, Chapter 42, Education Code, as added by this Act;

(2) \$60,000,000 is allocated to fund payments to open-enrollment charter schools under Section 12.106(d), Education Code, as added by this Act;

(3) \$60,000,000 is allocated for the existing debt allotment under Section 46.032, Education Code, as amended by this Act; and

(4) \$41,000,000 is allocated for the small-sized district adjustment under Section 42.103, Education Code, as amended by this Act.

(b) The Health and Human Services Commission shall identify the strategies and objectives out of which the transfer under Subsection (a) of this section is to be made. If the commission makes the amount of appropriations transferred under Subsection (a) of this section available by delaying until the state fiscal biennium beginning September 1, 2019, the monthly capitation payments otherwise due in August 2019 to managed care organizations that contract with the commission to provide health care services to Medicaid recipients, the commission shall make the delayed payments as soon as possible out of available money appropriated to the commission for that state fiscal biennium. [FA7]

(c) Notwithstanding the sum-certain appropriations specified in Rider 3, Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the bill pattern of the appropriations to the Texas Education Agency, the Legislative Budget Board shall determine the sum-certain appropriation to the Foundation School Program for each year of the state fiscal biennium beginning September 1, 2017, based on the amount specified in that rider, the other provisions of the General Appropriations Act, and other law,

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including the provisions of this Act.

No equivalent provision.

SECTION __. (a) The amount of \$212,000,000 of the unencumbered appropriations from the general revenue fund for the state fiscal biennium ending August 31, 2019, made by S.B. 1, Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the Health and Human Services Commission is transferred to the Teacher Retirement System of Texas and may be used by the retirement system during that state fiscal biennium to increase school districts' recruitment and retention of school teachers and provide support to participants in the Texas Public School Employees Group Insurance Program authorized by Chapter 1575, Insurance Code. The Health and Human Services Commission shall identify the strategies and objectives out of which the transfer is to be made.

(b) The Teacher Retirement System of Texas may use the money transferred under Subsection (a) of this section to:

(1) decrease the premiums and deductibles that would otherwise be paid during the 2018 and 2019 plan years by participants in the Texas Public School Employees Group Insurance Program authorized by Chapter 1575, Insurance Code; and

(2) reduce costs for an enrolled adult child with a mental disability or a physical incapacity during the 2018 and 2019 plan years.

(c) The Teacher Retirement System of Texas shall determine the most efficient allocation of the money transferred under Subsection (a) of this section to achieve the maximum benefit for participants in the program. [FA3]

SECTION 31. (a) The following provisions of the Education

SECTION 7.

House Bill 21
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

Code are repealed:

- (1) Section 29.097(g);
 - (2) Section 29.098(e);
 - (3) Section 39.233;
 - (4) Section 39.234;
 - (5) Sections 41.002(e), (f), and (g);
 - (6) Section 42.1541(c);
 - (7) Section 42.155, as amended by S.B. 195, Acts of the 85th Legislature, Regular Session, 2017;
 - (8) Section 42.160; and
 - (9) Section 42.2513.
- (b) Effective September 1, 2023, Section 42.103(c), Education Code, is repealed.

SECTION 32. The changes made by this Act to Sections 42.259 and 42.2591, Education Code, apply only to a payment from the foundation school fund that is made on or after September 1, 2018. A payment to a school district from the foundation school fund that is made before that date is governed by Sections 42.259 and 42.2591, Education Code, as those sections existed before amendment by this Act, and the former law is continued in effect for that purpose.

SECTION 33. Except as otherwise provided by this Act:

- (1) this Act takes effect September 1, 2017, if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and
- (2) if this Act does not receive the vote necessary for effect on that date, this Act takes effect on the 91st day after the last day of the legislative session.

Effective September 1, 2023, Section 42.103(c), Education Code, is repealed.

No equivalent provision.

SECTION 8. Same as House version.

