

By: González of El Paso

H.B. No. 1040

A BILL TO BE ENTITLED

AN ACT

relating to an annual adjustment to the basic allotment under the foundation school program to reflect inflation.

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

SECTION 1. Section 42.101, Education Code, is amended by amending Subsection (a) and adding Subsection (a-3) to read as follows:

(a) Subject to adjustment under Subsection (a-3), for ~~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 \$4,765 or the amount that results from the following formula:

$$A = \$4,765 \times (\text{DCR}/\text{MCR})$$

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

1 Section 42.2516, multiplied by \$1.50.

2 (a-3) Beginning with the 2019-2020 school year, the basic
3 allotment provided to a district under Subsection (a) or (b) is
4 adjusted annually to increase the allotment by the greater of:

5 (1) one percent of the amount of the allotment for the
6 preceding school year; or

7 (2) the amount that results from applying the
8 inflation rate, as determined by the comptroller on the basis of
9 changes in the Texas Consumer Price Index, to the allotment for the
10 preceding school year.

11 SECTION 2. This Act takes effect September 1, 2017.