

By: King of Hemphill, Faircloth

H.B. No. 3722

A BILL TO BE ENTITLED

AN ACT

relating to funding adjustments for school districts that annex academically unacceptable school districts.

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

SECTION 1. Section 13.054, Education Code, is amended by amending Subsection (f) and adding Subsections (h), (i), and (j) to read as follows:

(f) For five years beginning with the school year in which the annexation occurs, a school district shall receive additional funding under this subsection or Subsection (h). The amount of funding shall be determined ~~[the commissioner shall annually adjust the local fund assignment of a district to which territory is annexed under this section]~~ by multiplying the lesser of the enlarged district's local fund assignment computed under Section 42.252 or the enlarged district's total cost of Tier I by a fraction, the numerator of which is the number of students residing in the ~~[district]~~ territory annexed to the receiving district preceding the date of the annexation and the denominator of which is the number of students residing in the district as enlarged on the date of the annexation.

(h) The commissioner may authorize a district to receive payments provided by Subchapter G, instead of Subsection (f), if the commissioner determines that would result in greater payments for the district. A determination by the commissioner is final and

1 may not be appealed.

2 (i) The funding provided under Subsection (f), (g), or (h)
3 is in addition to other funding the district receives through other
4 provisions of the Education Code, including Chapters 41 and 42.

5 (j) The commissioner may adopt rules as necessary to
6 implement this section.

7 SECTION 2. Section 41.002(g), Education Code, is amended to
8 read as follows:

9 (g) The wealth per student that a district may have under
10 Subsection (e) is adjusted as follows:

11
$$AWPS = WPS \times ((EWL/280,000 - 1) \times DTR/\underline{1.17}[\underline{1.5}]) + 1)$$

12 where:

13 "AWPS" is the district's wealth per student;

14 "WPS" is the district's wealth per student determined under
15 Subsection (e);

16 "EWL" is the equalized wealth level; and

17 "DTR" is the district's adopted maintenance and operations
18 tax rate for the current school year.

19 SECTION 3. Section 13.054, Education Code, as amended by
20 this Act, applies to annexations that occur under Section 13.054
21 after September 1, 2017.

22 SECTION 4. This Act takes effect September 1, 2017.