86R4827 MM-D

By:  White H.B. No. 1119

A BILL TO BE ENTITLED

AN ACT

relating to the public school finance system and to the salary paid to certain professional staff employed by public schools.

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 8.051(d), Education Code, is amended to read as follows:

(d)  Each regional education service center shall maintain core services for purchase by school districts and campuses. The core services are:

(1)  training and assistance in:

(A)  teaching each subject area assessed under Section 39.023; and

(B)  providing instruction in personal financial literacy as required under Section 28.0021;

(2)  training and assistance in providing a gifted and talented program and each program that qualifies for a funding allotment under Section 42.151, 42.152, or 42.153[~~, or 42.156~~];

(3)  assistance specifically designed for a school district or campus assigned an unacceptable performance rating under Section 39.054;

(4)  training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees;

(5)  assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency's most recent compliance review of the district's special education programs; and

(6)  assistance in complying with state laws and rules.

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

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

(1)  the adjustment [~~adjustments~~] under Section 42.103 [~~Sections 42.102, 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; and

(2)  the adjustment under Section 42.105 is based on the average adjustment for the state.

SECTION 4.  Section 21.402, Education Code, is amended by adding Subsection (e) to read as follows:

(e)  Notwithstanding Subsections (a) and (b), for each school year, every full-time classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that is at least equal to the greater of:

(1)  the minimum monthly salary determined under Subsection (a) or (c-1);

(2)  the monthly salary the teacher, librarian, counselor, or nurse would have received for the applicable school year under the district's salary schedule for the 2018-2019 school year, if that schedule had been in effect for the applicable school year, including any local supplement and any money representing any other supplement the teacher, librarian, counselor, or nurse would have received in the applicable school year; or

(3)  the annual salary allotment under Section 21.4023 divided by 10.

SECTION 5.  Subchapter I, Chapter 21, Education Code, is amended by adding Section 21.4023 to read as follows:

Sec. 21.4023.  SALARY ALLOTMENT FOR CERTAIN PROFESSIONAL STAFF. (a) Subject to adjustment under Subsection (b), every full-time classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse is entitled to an annual salary allotment in the amount of $45,000.

(b)  Beginning with the 2020-2021 school year, the salary allotment provided to a district under Subsection (a) is adjusted annually to increase the allotment by the greater of:

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

(2)  the amount that results from applying the inflation rate, as determined by the comptroller on the basis of changes in the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, to the allotment for the preceding school year.

(c)  The commissioner may adopt rules as necessary to implement this section.

SECTION 6.  Section 29.014(d), Education Code, is amended to read as follows:

(d)  The basic allotment for a student enrolled in a district to which this section applies is adjusted by[~~:~~

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

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

SECTION 7.  Section 41.034(a), Education Code, is amended to read as follows:

(a)  For the first and second school years after creation of a consolidated district under this subchapter, the commissioner shall adjust allotments to the consolidated district to the extent necessary to preserve the effects of an adjustment under Section [~~42.102,~~] 42.103[~~,~~] or 42.105 to which either of the consolidating districts would have been entitled but for the consolidation.

SECTION 8.  Section 42.007(c), Education Code, is amended to read as follows:

(c)  The funding elements must include:

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

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

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

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

(4) [~~(5)~~]  the enrichment [~~and facilities~~] tax rate under Subchapter F;

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

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

SECTION 9.  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 X (DCR/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.

(a-3)  Beginning with the 2020-2021 school year, the basic allotment provided to a district under Subsection (a) or (b) is adjusted annually to increase the allotment by the greater of:

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

(2)  the amount that results from applying the inflation rate, as determined by the comptroller on the basis of changes in the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, to the allotment for the preceding school year.

SECTION 10.  Section 42.103(a), Education Code, is amended to read as follows:

(a)  The basic allotment for certain small and mid-sized districts is adjusted in accordance with this section. In this section:

(1)  "AA" is the district's adjusted allotment per student;

(2)  "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 42.101; and

(3)  "BA [~~ABA~~]" is the [~~adjusted~~] basic allotment determined under Section 42.101 [~~42.102~~].

SECTION 11.  Sections 42.103(b), (c), and (d), Education Code, as effective until September 1, 2023, 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) X .0004)) X BA [~~ABA~~]

(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:

(1)  for the fiscal year beginning September 1, 2018:

AA = (1 + ((1,600 - ADA) X .000275)) X ABA;

(2)  for the fiscal year beginning September 1, 2019:

AA = (1 + ((1,600 - ADA) X .00030)) X BA [~~ABA~~];

(3)  for the fiscal year beginning September 1, 2020:

AA = (1 + ((1,600 - ADA) X .000325)) X BA [~~ABA~~];

(4)  for the fiscal year beginning September 1, 2021:

AA = (1 + ((1,600 - ADA) X .00035)) X BA [~~ABA~~]; and

(5)  for the fiscal year beginning September 1, 2022:

AA = (1 + ((1,600 - ADA) X .000375)) X BA [~~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 applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1)  the formula in Subsection (b) or (c) for which the district is eligible; or

(2)  AA = (1 + ((5,000 - ADA) X .000025)) X BA [~~ABA~~].

SECTION 12.  Sections 42.103(b) and (d), Education Code, as effective September 1, 2023, are amended to read as follows:

(b)  The basic allotment of a school district that has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

AA = (1 + ((1,600 - ADA) X .0004)) X BA [~~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 applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1)  the formula in Subsection (b), if the district is eligible for that formula; or

(2)  AA = (1 + ((5,000 - ADA) X .000025)) X BA [~~ABA~~].

SECTION 13.  Sections 42.105(a) and (c), Education Code, are amended to read as follows:

(a)  Notwithstanding Sections 42.101[~~, 42.102,~~] and 42.103, a school district that has fewer than 130 students in average daily attendance shall be provided funding [~~an adjusted basic allotment~~] on the basis of 130 students in average daily attendance if it offers a kindergarten through grade 12 program and has preceding or current year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose preceding or current year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided funding [~~an adjusted basic allotment~~] on the basis of 75 students in average daily attendance. An average daily attendance of 60 students shall be the basis of providing funding [~~the adjusted basic allotment~~] if a district offers a kindergarten through grade 6 program and has preceding or current year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district.

(c)  Notwithstanding Subsection (a) or Sections 42.101[~~, 42.102,~~] and 42.103, a school district to which this subsection applies, as provided by Subsection (b), that has fewer than 130 students in average daily attendance shall be provided funding [~~an adjusted basic allotment~~] on the basis of 130 students in average daily attendance if it offers a kindergarten through grade four program and has preceding or current year's average daily attendance of at least 75 students or is 30 miles or more by bus route from the nearest high school district.

SECTION 14.  Sections 42.151(a) and (k), Education Code, are amended to read as follows:

(a)  For each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, a school district is entitled to an annual allotment equal to the basic allotment or adjusted [~~basic~~] allotment, as applicable, multiplied by 1.1. For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the basic allotment or adjusted [~~basic~~] allotment, as applicable, multiplied by a weight determined according to instructional arrangement as follows:

Homebound 5.0

Hospital class 3.0

Speech therapy 5.0

Resource room 3.0

Self-contained, mild and moderate,

regular campus 3.0

Self-contained, severe, regular campus 3.0

Off home campus 2.7

Nonpublic day school 1.7

Vocational adjustment class 2.3

(k)  A school district that provides an extended year program required by federal law for special education students who may regress is entitled to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the [~~adjusted~~] basic allotment or adjusted allotment, as applicable, for each full-time equivalent student in average daily attendance, multiplied by the amount designated for the student's instructional arrangement under this section, for each day the program is provided divided by the number of days in the minimum school year. The total amount of state funding for extended year services under this section may not exceed $10 million per year. A school district may use funds received under this section only in providing an extended year program.

SECTION 15.  Section 42.152(a), Education Code, is amended to read as follows:

(a)  For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment or adjusted [~~basic~~] allotment, as applicable, multiplied by 0.32 [~~0.2~~], and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant.

SECTION 16.  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 basic allotment or adjusted [~~basic~~] allotment, as applicable, multiplied by 0.2 [~~0.1~~].

SECTION 17.  Section 42.154(a), Education Code, 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 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 basic allotment or adjusted [~~basic~~] allotment, as applicable, 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 18.  Section 42.157(a), Education Code, is amended to read as follows:

(a)  Except as provided by Subsection (b), for each student in average daily attendance who is using a public education grant under Subchapter G, Chapter 29, to attend school in a district other than the district in which the student resides, the district in which the student attends school is entitled to an annual allotment equal to the basic allotment or adjusted [~~basic~~] allotment, as applicable, multiplied by a weight of 0.1.

SECTION 19.  Section 42.160(a), Education Code, is amended to read as follows:

(a)  A school district is entitled to an annual allotment of $175 [~~$275~~] for each student in average daily attendance in grades 9 through 12 in the district.

SECTION 20.  Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.25131 to read as follows:

Sec. 42.25131.  ADDITIONAL STATE AID OR CREDIT AGAINST COST OF ATTENDANCE CREDITS FOR CERTAIN PROFESSIONAL STAFF SALARY ALLOTMENT. (a) For each school year, a school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount equal to the product of the salary allotment under Section 21.4023 multiplied by the number of full-time classroom teachers, full-time librarians, full-time school counselors certified under Subchapter B, and full-time school nurses employed by the district.

(b)  A school district shall use the amount received under this section to provide the salary allotments for full-time classroom teachers, full-time librarians, full-time school counselors certified under Subchapter B, and full-time school nurses required under Section 21.4023.

(c)  A school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized wealth level is entitled to a credit, in the amount of state aid to which the district is entitled under this section, against the total amount required under Section 41.093 for the district to purchase attendance credits.

(d)  The commissioner may adopt rules to implement this section.

SECTION 21.  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 X WADA X DTR X 100) - LR

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 and[~~,~~] 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 22.  Section 322.008(b), Government Code, is amended to read as follows:

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

SECTION 23.  Section 825.405(b), Government Code, is amended to read as follows:

(b)  For purposes of this section:

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

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

SECTION 24.  The following sections of the Education Code are repealed:

(1)  Section 42.102;

(2)  Section 42.104;

(3)  Section 42.156; and

(4)  Section 42.2517.

SECTION 25.  This Act takes effect September 1, 2019.