86R14124 MEW-D

By:  Hinojosa H.B. No. 3804

A BILL TO BE ENTITLED

AN ACT

relating to an annual cost-of-living adjustment for school district employees and an annual adjustment to the basic allotment under the public school finance system to reflect inflation.

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

SECTION 1.  Subchapter A, Chapter 22, Education Code, is amended by adding Section 22.012 to read as follows:

Sec. 22.012.  COST-OF-LIVING ADJUSTMENT. (a) Each school year, the commissioner shall determine a cost-of-living adjustment based on the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor for the salary or wages paid to a school district employee based on any change in the average cost of living since the preceding school year.

(b)  From funds available to the state as a result of attendance credits purchased under Subchapter D, Chapter 41, the commissioner shall provide funding to each school district to provide the cost-of-living adjustment determined under Subsection (a) to each district employee.

(c)  The cost-of-living adjustment provided under Subsection (b) is in addition to the salary or wages that the district would otherwise pay the employee during the school year.

SECTION 2.  Subchapter A, Chapter 41, Education Code, is amended by adding Section 41.0012 to read as follows:

Sec. 41.0012.  EXCLUSION OF CERTAIN REVENUE. Notwithstanding Section 41.001(3), in making any determination necessary for purposes of this chapter, the commissioner shall exclude the portion of the basic allotment under Section 42.101 that is funded using revenue available to the state as a result of attendance credits purchased under Subchapter D.

SECTION 3.  Section 41.094(b), Education Code, is amended to read as follows:

(b)  Receipts shall be deposited in the state treasury and may be used only:

(1)  to increase the basic allotment as provided by Section 42.101(a-3); and

(2)  to provide a cost-of-living adjustment under Section 22.012 [~~for foundation school program purposes~~].

SECTION 4.  Section 42.101, Education Code, is amended by amending Subsection (a) and adding Subsections (a-3) and (a-4) 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 2019-2020 school year, the basic allotment provided to a district under Subsection (a) or (b) is adjusted annually to increase the allotment by the amount that results from applying the inflation rate, as determined by the comptroller on the basis of changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, to the allotment for the preceding school year.

(a-4)  The commissioner shall provide the adjustment to the basic allotment under Subsection (a-3) using funds available to the state as a result of attendance credits purchased under Subchapter D, Chapter 41, and, if necessary, funds deposited to the foundation school fund under Sections 201.404 and 202.353, Tax Code.

SECTION 5.  This Act takes effect September 1, 2019.