

By: Hinojosa

H.B. No. 3804

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an annual cost-of-living adjustment for school district
3 employees and an annual adjustment to the basic allotment under the
4 public school finance system to reflect inflation.

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

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

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

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

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

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

1 Sec. 41.0012. EXCLUSION OF CERTAIN REVENUE.

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

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

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

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

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

15 SECTION 4. Section 42.101, Education Code, is amended by
16 amending Subsection (a) and adding Subsections (a-3) and (a-4) to
17 read as follows:

18 (a) Subject to adjustment under Subsection (a-3), for [~~Per~~]
19 each student in average daily attendance, not including the time
20 students spend each day in special education programs in an
21 instructional arrangement other than mainstream or career and
22 technology education programs, for which an additional allotment is
23 made under Subchapter C, a district is entitled to an allotment
24 equal to the lesser of \$4,765 or the amount that results from the
25 following formula:

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

26
27 where:

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

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

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

9 (a-3) Beginning with the 2019-2020 school year, the basic
10 allotment provided to a district under Subsection (a) or (b) is
11 adjusted annually to increase the allotment by the amount that
12 results from applying the inflation rate, as determined by the
13 comptroller on the basis of changes in the Consumer Price Index for
14 All Urban Consumers published by the Bureau of Labor Statistics of
15 the United States Department of Labor, to the allotment for the
16 preceding school year.

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

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