

By: Taylor

S.B. No. 4

A BILL TO BE ENTITLED

AN ACT

relating to public school finance and public education.

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

ARTICLE 1. PUBLIC SCHOOL FINANCE

SECTION 1.001. Section 5.001(4), Education Code, is amended to read as follows:

(4) "Educationally disadvantaged" means:

(A) eligible to participate in the national free or reduced-price lunch program established under 42 U.S.C. Section 1751 et seq.; or

(B) economically disadvantaged in any manner that may reasonably impact educational achievement, as determined by the commissioner.

SECTION 1.002. Section 41.002(a), Education Code, is amended to read as follows:

(a) A school district may not have a wealth per student that exceeds:

(1) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to a district with maintenance and operations tax revenue per cent of tax effort equal to the maximum amount provided per cent under Section 42.101(a) or (b), for the district's maintenance and operations tax effort equal to or less than the rate equal to the sum of the product of the state compression percentage, as

1 determined under Section 42.2516, multiplied by the maintenance and
2 operations tax rate adopted by the district for the 2005 tax year
3 and any additional tax effort included in calculating the
4 district's compressed tax rate under Section 42.101(a-1);

5 (2) the wealth per student specified under Subdivision
6 (1) multiplied by _____ [~~that generates the amount of maintenance~~
7 ~~and operations tax revenue per weighted student available to the~~
8 ~~Austin Independent School District, as determined by the~~
9 ~~commissioner in cooperation with the Legislative Budget Board~~], for
10 the first six cents by which the district's maintenance and
11 operations tax rate exceeds the rate equal to the sum of the product
12 of the state compression percentage, as determined under Section
13 42.2516, multiplied by the maintenance and operations tax rate
14 adopted by the district for the 2005 tax year and any additional tax
15 effort included in calculating the district's compressed tax rate
16 under Section 42.101(a-1), subject to Section 41.093(b-1); or

17 (3) the wealth per student specified under Subdivision
18 (1) multiplied by _____ [~~\$319,500~~], for the district's maintenance
19 and operations tax effort that exceeds the amount of tax effort
20 described by Subdivision (2).

21 SECTION 1.003. Section 41.004(a), Education Code, is
22 amended to read as follows:

23 (a) Not later than July 15 of each year, using the estimates
24 [~~estimate~~] of enrollment and taxable property value under Section
25 42.254, the commissioner shall review the wealth per student of
26 school districts in the state and shall notify:

27 (1) each district with wealth per student exceeding

1 the equalized wealth level;

2 (2) each district to which the commissioner proposes
3 to annex property detached from a district notified under
4 Subdivision (1), if necessary, under Subchapter G; and

5 (3) each district to which the commissioner proposes
6 to consolidate a district notified under Subdivision (1), if
7 necessary, under Subchapter H.

8 SECTION 1.004. Section 41.093(b-1), Education Code, is
9 amended to read as follows:

10 (b-1) If the guaranteed level of state and local funds per
11 weighted student per cent of tax effort under Section
12 42.302(a-1)(1) for which state funds are appropriated for a school
13 year is an amount at least equal to the product of the amount of
14 revenue per weighted student per cent of tax effort available to a
15 school district with maintenance and operations tax revenue per
16 weighted student per cent of tax effort equal to the maximum amount
17 provided per cent under Section 42.101(a) or (b) multiplied by
18 _____ [the Austin Independent School District, as determined by the
19 commissioner in cooperation with the Legislative Budget Board], the
20 commissioner, in computing the amounts described by Subsections
21 (a)(1) and (2) and determining the cost of an attendance credit,
22 shall exclude maintenance and operations tax revenue resulting from
23 the tax rate described by Section 41.002(a)(2).

24 SECTION 1.005. Section 42.101(a), Education Code, is
25 amended to read as follows:

26 (a) For each student in average daily attendance, not
27 including the time students spend each day in special education

1 programs in an instructional arrangement other than mainstream or
2 career and technology education programs, for which an additional
3 allotment is made under Subchapter C, a district is entitled to an
4 allotment equal to the lesser of \$ _____ [~~\$4,765~~] or the amount
5 that results from the following formula:

6
$$A = \$ \text{_____} [\text{\$4,765}] \times (\text{DCR}/\text{MCR})$$

7 where:

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

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

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

16 SECTION 1.006. Section 42.152(a), Education Code, is
17 amended to read as follows:

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

26 SECTION 1.007. Section 42.153(a), Education Code, is
27 amended to read as follows:

1 (a) For each student in average daily attendance in a
2 bilingual education or special language program under Subchapter B,
3 Chapter 29, a district is entitled to an annual allotment equal to
4 the ~~[adjusted]~~ basic allotment multiplied by:

- 5 (1) 0.1; or
6 (2) _____ if the student is in a bilingual education
7 program using a dual language immersion/one-way or two-way program
8 model.

9 SECTION 1.008. Sections 42.154(a) and (c), Education Code,
10 are amended to read as follows:

11 (a) For each full-time equivalent student in average daily
12 attendance in an approved career and technology education program
13 in grades 8 ~~[nine]~~ through 12 or in career and technology education
14 programs for students with disabilities in grades 7 ~~[seven]~~ through
15 12, a district is entitled to:

16 (1) an annual allotment equal to the ~~[adjusted]~~ basic
17 allotment multiplied by a weight of 1.35; and

18 (2) \$50, if the student is enrolled in two or more
19 advanced career and technology education classes for a total of
20 three or more credits.

21 (c) Funds allocated under this section, other than an
22 indirect cost allotment established under State Board of Education
23 rule, must be used in providing career and technology education
24 programs in grades 8 ~~[nine]~~ through 12 or career and technology
25 education programs for students with disabilities in grades 7
26 ~~[seven]~~ through 12 under Sections 29.182, 29.183, and 29.184.

27 SECTION 1.009. Section 42.155, Education Code, is amended

1 by amending Subsections (c), (g), and (i) and adding Subsection (m)
2 to read as follows:

3 (c) Each district or county operating a regular
4 transportation system is entitled to a transportation [~~an~~
5 allotment based on the number of daily miles of approved route
6 traveled by the system in providing transportation for [~~cost per~~
7 regular eligible students of the district or county multiplied by
8 _____ cents per mile of approved route or a greater amount per mile
9 of approved route set by appropriation [~~student of operating and~~
10 ~~maintaining the regular transportation system and the linear~~
11 ~~density of that system. In determining the cost, the commissioner~~
12 ~~shall give consideration to factors affecting the actual cost of~~
13 ~~providing these transportation services in each district or county.~~
14 ~~The average actual cost is to be computed by the commissioner and~~
15 ~~included for consideration by the legislature] in the General
16 Appropriations Act. [~~The allotment per mile of approved route may~~
17 ~~not exceed the amount set by appropriation.~~]~~

18 (g) A school district or county that provides special
19 transportation services for eligible special education students is
20 entitled to a state allocation paid on the basis of a previous
21 year's miles of approved route traveled [~~cost-per-mile basis~~]. The
22 maximum rate per mile allowable shall be set by appropriation
23 [~~based on data gathered from the first year of each preceding~~
24 ~~biennium~~]. Districts may use a portion of their support allocation
25 to pay transportation costs, if necessary. The commissioner may
26 grant an amount set by appropriation for private transportation to
27 reimburse parents or their agents for transporting eligible special

1 education students. The mileage allowed shall be computed along
2 the shortest public road from the student's home to school and back,
3 morning and afternoon. The need for this type transportation shall
4 be determined on an individual basis and shall be approved only in
5 extreme hardship cases.

6 (i) In the case of a district belonging to a county
7 transportation system, the district's transportation allotment for
8 purposes of determining a district's foundation school program
9 allocations is determined on the basis of the number of approved
10 daily route miles in the district multiplied by the allotment per
11 mile of approved route to which the county transportation system is
12 entitled.

13 (m) A school district that is required to take action under
14 Chapter 41 to reduce its wealth per student to the equalized wealth
15 level is entitled to a credit, in the amount of the allotments to
16 which the district is entitled under this section, against the
17 total amount required under Section 41.093 for the district to
18 purchase attendance credits. The commissioner may adopt rules
19 necessary to implement this subsection.

20 SECTION 1.010. Subchapter C, Chapter 42, Education Code, is
21 amended by adding Section 42.1561 to read as follows:

22 Sec. 42.1561. ALLOTMENT FOR STUDENT WITH DYSLEXIA. (a)
23 Subject to Subsection (b), for each student that a school district
24 serves who has been identified as having dyslexia, the district is
25 entitled to an annual allotment equal to the district's basic
26 allotment multiplied by _____.

27 (b) A school district is entitled to the allotment under

1 Subsection (a) only for a student who:

2 (1) is receiving instruction that:

3 (A) meets applicable dyslexia program criteria
4 established by the agency; and

5 (B) is provided by a person with specific
6 training in providing that instruction; or

7 (2) has received the instruction described by
8 Subdivision (1) and is permitted, on the basis of having dyslexia,
9 to use modifications in the classroom and accommodations in the
10 administration of assessment instruments.

11 (c) Funds allotted under this section must be used in
12 providing services to students with dyslexia.

13 (d) A school district may receive funding for a student
14 under this section and Section 42.151 if the student satisfies the
15 requirements of both sections.

16 SECTION 1.011. Section 42.158(d), Education Code, is
17 amended to read as follows:

18 (d) Subject to Subsection (d-1), the amount appropriated
19 for allotments under this section may not exceed \$ _____ [~~\$25~~]
20 million in a school year. If the total amount of allotments to
21 which districts are entitled under this section for a school year
22 exceeds the amount appropriated under this subsection, the
23 commissioner shall reduce each district's allotment under this
24 section in the manner provided by Section 42.253(h).

25 SECTION 1.012. Subchapter C, Chapter 42, Education Code, is
26 amended by adding Section 42.1581 to read as follows:

27 Sec. 42.1581. STUDY ON NEW INSTRUCTIONAL FACILITY

1 ALLOTMENT. (a) The agency shall conduct a study on the amount of
2 funding necessary to fully fund the new instructional facility
3 allotment under Section 42.158, taking into account estimated
4 growth in student enrollment.

5 (b) Not later than September 1, 2020, the agency shall
6 submit to the legislature a report on the results of the study and
7 any recommendations for legislative or other action.

8 (c) This section expires September 1, 2021.

9 SECTION 1.013. Subchapter C, Chapter 42, Education Code, is
10 amended by adding Sections 42.162, 42.163, and 42.164 to read as
11 follows:

12 Sec. 42.162. THIRD GRADE READING ALLOTMENT. (a) For each
13 student who is educationally disadvantaged and performed
14 satisfactorily during the preceding school year on a third grade
15 reading multidimensional assessment on the list adopted by the
16 commissioner under Subsection (b), a school district is entitled to
17 an annual allotment equal to the district's basic allotment
18 multiplied by _____.

19 (b) The commissioner shall:

20 (1) adopt a list of at least two third grade reading
21 multidimensional assessments approved for purposes of this
22 section; and

23 (2) for each assessment included on the list under
24 Subdivision (1), set a score that indicates satisfactory
25 performance for purposes of this section.

26 (c) Funds allocated under this section must be used to fund
27 programs and services designed to improve student performance on a

1 third grade reading multidimensional assessment included on the
2 list adopted by the commissioner under Subsection (b).

3 Sec. 42.163. EARLY READING ALLOTMENT. (a) For each
4 student in average daily attendance in kindergarten through third
5 grade, a school district is entitled to an annual allotment equal to
6 the district's basic allotment multiplied by _____ if the student
7 is:

8 (1) educationally disadvantaged; or

9 (2) in a bilingual education or special language
10 program under Subchapter B, Chapter 29.

11 (b) Funds allocated under this section must be used to fund
12 programs and services designed to improve student performance on a
13 third grade reading multidimensional assessment included on the
14 list adopted by the commissioner under Section 42.162.

15 (c) A school district is entitled to an allotment under each
16 subdivision of Subsection (a) for which a student qualifies.

17 (d) A school district may receive funding for a student
18 under this section and under Sections 42.152 and 42.153, as
19 applicable, if the student satisfies the requirements of each
20 applicable section.

21 Sec. 42.164. SMALL AND MID-SIZED DISTRICT ALLOTMENT. (a)
22 Small and mid-sized districts are entitled to an annual allotment
23 in accordance with this section. In this section:

24 (1) "AA" is the district's annual allotment per
25 student;

26 (2) "ADA" is the number of students in average daily
27 attendance for which the district is entitled to an allotment under

1 Section 42.101; and

2 (3) "BA" is the basic allotment determined under
3 Section 42.101.

4 (b) A school district that contains at least 300 square
5 miles and has not more than 1,600 students in average daily
6 attendance is entitled to an annual allotment for each student in
7 average daily attendance based on the following formula:

8
$$\text{AA} = ((1,600 - \text{ADA}) \times .0004) \times \text{BA}$$

9 (c) A school district that contains less than 300 square
10 miles and has not more than 1,600 students in average daily
11 attendance is entitled to an annual allotment for each student in
12 average daily attendance based on the following formulas:

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

14
$$\text{AA} = ((1,600 - \text{ADA}) \times .00030) \times \text{BA};$$

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

16
$$\text{AA} = ((1,600 - \text{ADA}) \times .000325) \times \text{BA};$$

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

18
$$\text{AA} = ((1,600 - \text{ADA}) \times .00035) \times \text{BA}; \text{ and}$$

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

20
$$\text{AA} = ((1,600 - \text{ADA}) \times .000375) \times \text{BA}.$$

21 (d) A school district that offers a kindergarten through
22 grade 12 program and has less than 5,000 students in average daily
23 attendance is entitled to an annual allotment for each student in
24 average daily attendance based on the formula, of the following
25 formulas, that results in the greatest annual allotment:

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

1 (2) AA = ((5,000 - ADA) X .000025) X BA.

2 SECTION 1.014. Effective September 1, 2023, Sections
3 42.164(b) and (d), Education Code, as added by this Act, are amended
4 to read as follows:

5 (b) A school district that [~~contains at least 300 square~~
6 ~~miles and~~] has not more than 1,600 students in average daily
7 attendance is entitled to an annual allotment for each student in
8 average daily attendance based on the following formula:

9 AA = ((1,600 - ADA) X .0004) X BA

10 (d) A school district that offers a kindergarten through
11 grade 12 program and has less than 5,000 students in average daily
12 attendance is entitled to an annual allotment for each student in
13 average daily attendance based on the formula, of the following
14 formulas, that results in the greatest annual allotment:

15 (1) the formula in Subsection (b), if [~~or (c) for~~
16 ~~which~~] the district is eligible for that formula; or

17 (2) AA = ((5,000 - ADA) X .000025) X BA.

18 SECTION 1.015. Subchapter C, Chapter 42, Education Code, is
19 amended by adding Sections 42.165 and 42.169 to read as follows:

20 Sec. 42.165. FAST GROWTH ALLOTMENT. (a) A school district
21 in which the growth in student enrollment in the district over the
22 preceding three school years is in the top quartile of student
23 enrollment growth in school districts in the state for that period,
24 as determined by the commissioner, is entitled to an annual
25 allotment of \$_____ for each student in average daily attendance.

26 (b) An open-enrollment charter school is not entitled to an
27 allotment under this section.

1 Sec. 42.169. ALLOTMENT FOR STUDENT ACHIEVEMENTS IN COLLEGE,
2 CAREER, OR MILITARY READINESS. (a) For each student who is
3 educationally disadvantaged and graduated high school in the
4 preceding school year demonstrating college, career, or military
5 readiness as described by Subsection (b), a school district is
6 entitled to an annual allotment equal to the basic allotment
7 multiplied by _____.

8 (b) For purposes of this section, a student demonstrates
9 college, career, or military readiness if the student achieves
10 minimum scores set by commissioner rule on the ACT, the SAT, an
11 assessment instrument designated by the Texas Higher Education
12 Coordinating Board under Section 51.334, or the Armed Services
13 Vocational Aptitude Battery and graduates from high school having:

14 (1) enrolled at a postsecondary educational
15 institution;

16 (2) earned an industry-accepted certificate; or

17 (3) enlisted in the armed forces of the United States.

18 SECTION 1.016. Section 42.252(a), Education Code, is
19 amended to read as follows:

20 (a) Each school district's share of the Foundation School
21 Program is determined by the following formula:

$$LFA = TR \times DPV$$

22 where:

23 "LFA" is the school district's local share;

24 "TR" is a tax rate which for each hundred dollars of valuation
25 is an effective tax rate of the amount equal to the product of the
26 state compression percentage, as determined under Section 42.2516,
27

1 multiplied by the lesser of:

2 (1) \$1.50; or

3 (2) the maintenance and operations tax rate adopted by
4 the district for the 2005 tax year; and

5 "DPV" is the taxable value of property in the school district
6 for the current [~~preceding~~] tax year determined under Subchapter M,
7 Chapter 403, Government Code.

8 SECTION 1.017. Section 42.302(a-1), Education Code, is
9 amended to read as follows:

10 (a-1) For purposes of Subsection (a), the dollar amount
11 guaranteed level of state and local funds per weighted student per
12 cent of tax effort ("GL") for a school district is:

13 (1) the product of [~~greater of~~] the amount of district
14 tax revenue per weighted student per cent of tax effort [~~that would~~
15 ~~be~~] available to a [the Austin Independent School District, as
16 ~~determined by the commissioner in cooperation with the Legislative~~
17 ~~Budget Board, if the reduction of the limitation on tax increases as~~
18 ~~provided by Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not~~
19 ~~apply, or the amount of] district with maintenance and operations
20 tax revenue per weighted student per cent of tax effort equal to the
21 maximum amount provided per cent under Section 42.101(a) or (b)
22 multiplied by _____ [~~used for purposes of this subdivision in the~~
23 ~~preceding school year~~], for the first six cents by which the
24 district's maintenance and operations tax rate exceeds the rate
25 equal to the sum of the product of the state compression percentage,
26 as determined under Section 42.2516, multiplied by the maintenance
27 and operations tax rate adopted by the district for the 2005 tax~~

1 year and any additional tax effort included in calculating the
2 district's compressed tax rate under Section 42.101(a-1); and

3 (2) the product of the amount of district tax revenue
4 per weighted student per cent of tax effort available to a district
5 with maintenance and operations tax revenue per cent of tax effort
6 equal to the maximum amount provided per cent under Section
7 42.101(a) or (b), multiplied by _____ [~~\$31.95~~], for the district's
8 maintenance and operations tax effort that exceeds the amount of
9 tax effort described by Subdivision (1).

10 ARTICLE 2. PUBLIC EDUCATION

11 SECTION 2.001. Chapter 4, Education Code, is amended by
12 adding Section 4.003 to read as follows:

13 Sec. 4.003. 60x30TX GOALS. To further the state's master
14 plan developed under Section 61.051 for at least 60 percent of all
15 adults aged 25 to 34 in this state to achieve a postsecondary degree
16 or workforce credential by 2030, the following goals are
17 established:

18 (1) at least 60 percent of all public school students
19 shall perform satisfactorily on a third grade reading
20 multidimensional assessment included on the list adopted by the
21 commissioner under Section 42.162 by 2030; and

22 (2) at least 60 percent of all public school students
23 graduating high school shall meet college, career, and military
24 readiness standards by 2030.

25 SECTION 2.002. Subchapter B, Chapter 7, Education Code, is
26 amended by adding Section 7.038 to read as follows:

27 Sec. 7.038. 60x30TX PROGRESS REPORT. (a) Not later than

1 December 1 of each even-numbered year, the agency and the Texas
2 Higher Education Coordinating Board jointly shall prepare and
3 submit to the governor, the lieutenant governor, the speaker of the
4 house of representatives, and the standing legislative committees
5 with primary jurisdiction over public education a report assessing
6 the state's progress toward achieving the 60x30TX goals established
7 under Section 4.003.

8 (b) The report must:

9 (1) be combined with the Texas Higher Education
10 Coordinating Board's report on the state's master plan for higher
11 education required under Section 61.051(a-3);

12 (2) analyze progress made toward the 60x30TX goals
13 disaggregated by:

14 (A) household income;

15 (B) native language;

16 (C) ethnicity;

17 (D) gender; and

18 (E) any other demographic category identified by
19 the commissioner and the commissioner of higher education; and

20 (3) include recommendations for legislative or other
21 action, including statutory or funding changes, to assist the state
22 in meeting those goals.

23 SECTION 2.003. Section 11.252(a), Education Code, is
24 amended to read as follows:

25 (a) Each school district shall have a district improvement
26 plan that is developed, evaluated, and revised annually, in
27 accordance with district policy, by the superintendent with the

1 assistance of the district-level committee established under
2 Section 11.251. The purpose of the district improvement plan is to
3 guide district and campus staff in the improvement of student
4 performance for all student groups in order to attain state
5 standards in respect to the achievement indicators adopted under
6 Section 39.053(c). The district improvement plan must be aligned
7 with the 60x30TX district plans developed under Section 11.2522 and
8 include provisions for:

9 (1) a comprehensive needs assessment addressing
10 district student performance on the achievement indicators, and
11 other appropriate measures of performance, that are disaggregated
12 by all student groups served by the district, including categories
13 of ethnicity, socioeconomic status, sex, and populations served by
14 special programs, including students in special education programs
15 under Subchapter A, Chapter 29;

16 (2) measurable district performance objectives for
17 all appropriate achievement indicators for all student
18 populations, including students in special education programs
19 under Subchapter A, Chapter 29, and other measures of student
20 performance that may be identified through the comprehensive needs
21 assessment;

22 (3) strategies for improvement of student performance
23 that include:

24 (A) instructional methods for addressing the
25 needs of student groups not achieving their full potential;

26 (B) methods for addressing the needs of students
27 for special programs, including:

- 1 (i) suicide prevention programs, in
2 accordance with Subchapter O-1, Chapter 161, Health and Safety
3 Code, which includes a parental or guardian notification procedure;
4 (ii) conflict resolution programs;
5 (iii) violence prevention programs; and
6 (iv) dyslexia treatment programs;
7 (C) dropout reduction;
8 (D) integration of technology in instructional
9 and administrative programs;
10 (E) discipline management;
11 (F) staff development for professional staff of
12 the district;
13 (G) career education to assist students in
14 developing the knowledge, skills, and competencies necessary for a
15 broad range of career opportunities; and
16 (H) accelerated education;
17 (4) strategies for providing to middle school, junior
18 high school, and high school students, those students' teachers and
19 school counselors, and those students' parents information about:
20 (A) higher education admissions and financial
21 aid opportunities;
22 (B) the TEXAS grant program and the Teach for
23 Texas grant program established under Chapter 56;
24 (C) the need for students to make informed
25 curriculum choices to be prepared for success beyond high school;
26 and
27 (D) sources of information on higher education

1 admissions and financial aid;

2 (5) resources needed to implement identified
3 strategies;

4 (6) staff responsible for ensuring the accomplishment
5 of each strategy;

6 (7) timelines for ongoing monitoring of the
7 implementation of each improvement strategy;

8 (8) formative evaluation criteria for determining
9 periodically whether strategies are resulting in intended
10 improvement of student performance; and

11 (9) the policy under Section 38.0041 addressing sexual
12 abuse and other maltreatment of children.

13 SECTION 2.004. Subchapter F, Chapter 11, Education Code, is
14 amended by adding Section 11.2522 to read as follows:

15 Sec. 11.2522. 60x30TX DISTRICT PLANS. (a) In addition to
16 the district improvement plan developed under Section 11.252, each
17 school district shall develop three-year and five-year district
18 plans for achieving the 60x30TX goals established under Section
19 4.003.

20 (b) Each plan developed under Subsection (a) must identify
21 student achievement goals for each of the following demographic
22 categories:

23 (1) household income;

24 (2) native language;

25 (3) ethnicity;

26 (4) gender; and

27 (5) any other demographic category identified by the

1 commissioner.

2 (c) Not later than September 1 of each year, each school
3 district shall submit to the agency and post on the district's
4 Internet website a report assessing the progress of the district
5 and each campus in the district toward achieving the goals
6 identified in the district's plans developed under Subsection (a).

7 (d) The commissioner may adopt rules as necessary to
8 implement this section.

9 SECTION 2.005. Section 11.253(d), Education Code, is
10 amended to read as follows:

11 (d) Each campus improvement plan must be aligned with the
12 60x30TX district plans developed under Section 11.2522 and:

13 (1) assess the academic achievement for each student
14 in the school using the achievement indicator system as described
15 by Section 39.053;

16 (2) set the campus performance objectives based on the
17 achievement indicator system, including objectives for special
18 needs populations, including students in special education
19 programs under Subchapter A, Chapter 29;

20 (3) identify how the campus goals will be met for each
21 student;

22 (4) determine the resources needed to implement the
23 plan;

24 (5) identify staff needed to implement the plan;

25 (6) set timelines for reaching the goals;

26 (7) measure progress toward the performance
27 objectives periodically to ensure that the plan is resulting in

1 academic improvement;

2 (8) include goals and methods for violence prevention
3 and intervention on campus;

4 (9) provide for a program to encourage parental
5 involvement at the campus; and

6 (10) if the campus is an elementary, middle, or junior
7 high school, set goals and objectives for the coordinated health
8 program at the campus based on:

9 (A) student fitness assessment data, including
10 any data from research-based assessments such as the school health
11 index assessment and planning tool created by the federal Centers
12 for Disease Control and Prevention;

13 (B) student academic performance data;

14 (C) student attendance rates;

15 (D) the percentage of students who are
16 educationally disadvantaged;

17 (E) the use and success of any method to ensure
18 that students participate in moderate to vigorous physical activity
19 as required by Section 28.002(1); and

20 (F) any other indicator recommended by the local
21 school health advisory council.

22 SECTION 2.006. Section 12.104(b), Education Code, as
23 amended by Chapters 324 (S.B. 1488), 522 (S.B. 179), and 735 (S.B.
24 1153), Acts of the 85th Legislature, Regular Session, 2017, is
25 reenacted and amended to read as follows:

26 (b) An open-enrollment charter school is subject to:

27 (1) a provision of this title establishing a criminal

1 offense; and

2 (2) a prohibition, restriction, or requirement, as
3 applicable, imposed by this title or a rule adopted under this
4 title, relating to:

5 (A) the Public Education Information Management
6 System (PEIMS) to the extent necessary to monitor compliance with
7 this subchapter as determined by the commissioner;

8 (B) criminal history records under Subchapter C,
9 Chapter 22;

10 (C) reading instruments and accelerated reading
11 instruction programs under Section 28.006;

12 (D) accelerated instruction under Section
13 28.0211;

14 (E) high school graduation requirements under
15 Section 28.025;

16 (F) special education programs under Subchapter
17 A, Chapter 29;

18 (G) bilingual education under Subchapter B,
19 Chapter 29;

20 (H) prekindergarten programs under Subchapter E
21 or E-1, Chapter 29;

22 (I) extracurricular activities under Section
23 33.081;

24 (J) discipline management practices or behavior
25 management techniques under Section 37.0021;

26 (K) health and safety under Chapter 38;

27 (L) public school accountability under

1 Subchapters B, C, D, F, G, and J, Chapter 39, and Chapter 39A;

2 (M) the requirement under Section 21.006 to
3 report an educator's misconduct;

4 (N) intensive programs of instruction under
5 Section 28.0213;

6 (O) the right of a school employee to report a
7 crime, as provided by Section 37.148; ~~and~~

8 (P) bullying prevention policies and procedures
9 under Section 37.0832;

10 (Q) the right of a school under Section 37.0052
11 to place a student who has engaged in certain bullying behavior in a
12 disciplinary alternative education program or to expel the student;
13 ~~and~~

14 (R) the right under Section 37.0151 to report to
15 local law enforcement certain conduct constituting assault or
16 harassment;

17 (S) ~~(P)~~ a parent's right to information
18 regarding the provision of assistance for learning difficulties to
19 the parent's child as provided by Sections 26.004(b)(11) and
20 26.0081(c) and (d); and

21 (T) the 60x30TX plans under Section 11.2522.

22 SECTION 2.007. Subchapter H, Chapter 21, Education Code, is
23 amended by adding Section 21.360 to read as follows:

24 Sec. 21.360. EDUCATOR EFFECTIVENESS PROGRAM. (a) A school
25 district may submit a request to the commissioner for state funding
26 under this section to assist the district in providing merit salary
27 increases under an educator effectiveness program approved by the

1 agency and implemented by the district.

2 (b) An educator effectiveness program must provide merit
3 salary increases to educators based on an evaluation of the
4 effectiveness of the educator under a multi-measure system
5 developed by the district in partnership with stakeholders and the
6 district's educators that includes measures that account for:

- 7 (1) campus leader observations;
- 8 (2) teacher peer review;
- 9 (3) student surveys; and
- 10 (4) student academic growth.

11 (c) A school district must award higher merit salary
12 increases under the district's educator effectiveness program to
13 highly effective educators who are assigned to campuses with poor
14 overall or domain performance ratings under Section 39.054.

15 (d) To be eligible to receive funding for an educator
16 effectiveness program under this section, a school district may:

- 17 (1) implement a program developed by the agency;
- 18 (2) collaborate with other school districts to develop
19 a program to be approved by the agency; or
- 20 (3) develop a program to be approved by the agency.

21 (e) From funds appropriated for that purpose, the
22 commissioner shall provide funding under this section in accordance
23 with rules adopted by the commissioner. If funds are not available
24 to provide funding to each school district that submits a request
25 under Subsection (b), the commissioner shall give priority to:

- 26 (1) school districts with the highest proportion of
27 economically disadvantaged students; and

1 (2) school districts with the highest number of
2 campuses assigned an overall performance rating of F under Section
3 39.054.

4 (f) From funds provided to a school district under this
5 section, the district shall use:

6 (1) a small percentage of the funds to:

7 (A) provide signing bonuses to new classroom
8 teachers who attend educator preparation programs;

9 (B) implement a mentoring program in which
10 classroom teachers receiving merit salary increases under the
11 district's educator effectiveness program mentor students and new
12 classroom teachers; and

13 (C) pay for costs associated with the development
14 and implementation of the district's educator effectiveness
15 program; and

16 (2) a small percentage of the funds, which may not be
17 more than three percent, to provide merit salary increases to
18 outstanding principals as determined under the educator
19 effectiveness program.

20 (g) The percentage of classroom teachers in this state
21 receiving a merit salary increase under this section may not
22 exceed:

23 (1) for the 2019-2020 school year, 10 percent;

24 (2) for the 2020-2021 school year, 20 percent;

25 (3) for the 2021-2022 school year, 30 percent;

26 (4) for the 2022-2023 school year, 40 percent;

27 (5) for the 2023-2024 school year, 50 percent;

- 1 (6) for the 2024-2025 school year, 60 percent;
- 2 (7) for the 2025-2026 school year, 70 percent;
- 3 (8) for the 2026-2027 school year, 80 percent;
- 4 (9) for the 2027-2028 school year, 90 percent; and
- 5 (10) for the 2028-2029 school year and each subsequent
- 6 school year, 100 percent.

7 (h) A school district that receives funding for the
8 district's educator effectiveness program under this section must
9 annually submit to the agency a report providing the number,
10 percentage, and retention rate of educators employed by the
11 district under the educator effectiveness program.

12 SECTION 2.008. Section 28.006(d), Education Code, is
13 amended to read as follows:

14 (d) The superintendent of each school district shall:

15 (1) report to the commissioner and the board of
16 trustees of the district the results of the reading instruments;

17 (2) not later than the 60th day after the date on which
18 a reading instrument was administered report, in writing, to a
19 student's parent or guardian the student's results on the ~~[reading]~~
20 instrument; and

21 (3) using the school readiness certification system
22 provided to the school district in accordance with Section
23 29.161(e), report electronically each student's raw score on the
24 reading instrument to the agency for use in the school readiness
25 certification system.

26 SECTION 2.009. Section 28.025(c), Education Code, is
27 amended to read as follows:

1 (c) A person may receive a diploma if the person is eligible
2 for a diploma under Section 28.0251. In other cases, a student may
3 graduate and receive a diploma only if:

4 (1) the student successfully completes the curriculum
5 requirements identified by the State Board of Education under
6 Subsection (a) and complies with Sections 28.0256 and [Section]
7 39.025; or

8 (2) the student successfully completes an
9 individualized education program developed under Section 29.005.

10 SECTION 2.010. Subchapter B, Chapter 28, Education Code, is
11 amended by adding Section 28.0256 to read as follows:

12 Sec. 28.0256. FINANCIAL AID APPLICATION REQUIREMENT FOR
13 HIGH SCHOOL GRADUATION. (a) Before graduating from high school,
14 each student must complete and submit a free application for
15 federal student aid (FAFSA) or, if applicable, a Texas application
16 for state financial aid (TASFA).

17 (b) A student is not required to comply with Subsection (a)
18 if:

19 (1) the student's parent or other person standing in
20 parental relation submits a signed form indicating that the parent
21 or other person authorizes the student to decline to complete and
22 submit the financial aid application; or

23 (2) the student signs and submits the form described
24 by Subdivision (1) on the student's own behalf if the student is 18
25 years of age or older or the student's disabilities of minority have
26 been removed for general purposes under Chapter 31, Family Code.

27 (c) A school district or open-enrollment charter school

1 shall adopt a form to be used for purposes of Subsection (b).

2 SECTION 2.011. Subchapter D, Chapter 29, Education Code, is
3 amended by adding Section 29.124 to read as follows:

4 Sec. 29.124. REPORT. (a) Not later than December 1 of each
5 year, the agency shall submit to the legislature a report comparing
6 the number of students identified as gifted and talented students
7 during each of the two preceding school years.

8 (b) The report must include any recommendations for
9 legislative or other action necessary to ensure that the number of
10 students identified as gifted and talented students does not
11 decline for any school year.

12 SECTION 2.012. Section 29.153, Education Code, is amended
13 by amending Subsections (b), (c), (d), and (f) and adding
14 Subsections (c-1) and (d-1) to read as follows:

15 (b) A child is eligible for enrollment in a prekindergarten
16 class under this section if the child is at least three years of age
17 and:

18 (1) is unable to speak and comprehend the English
19 language;

20 (2) is educationally disadvantaged;

21 (3) is a homeless child, as defined by 42 U.S.C.
22 Section 11434a, regardless of the residence of the child, of either
23 parent of the child, or of the child's guardian or other person
24 having lawful control of the child;

25 (4) is the child of an active duty member of the armed
26 forces of the United States, including the state military forces or
27 a reserve component of the armed forces, who is ordered to active

1 duty by proper authority;

2 (5) is the child of a member of the armed forces of the
3 United States, including the state military forces or a reserve
4 component of the armed forces, who was injured or killed while
5 serving on active duty;

6 (6) is or ever has been in the conservatorship of the
7 Department of Family and Protective Services following an adversary
8 hearing held as provided by Section 262.201, Family Code; ~~or~~

9 (7) is the child of a person eligible for the Star of
10 Texas Award as:

11 (A) a peace officer under Section 3106.002,
12 Government Code;

13 (B) a firefighter under Section 3106.003,
14 Government Code; or

15 (C) an emergency medical first responder under
16 Section 3106.004, Government Code; or

17 (8) is the child of an educator employed by a school
18 district in this state.

19 (c) A prekindergarten class under this section may ~~shall~~
20 be operated on a half-day basis for children under four years of age
21 and shall be operated on a full-day basis for children who are at
22 least four years of age. A district is not required to provide
23 transportation for a prekindergarten class, but transportation, if
24 provided, is included for funding purposes as part of the regular
25 transportation system.

26 (c-1) A prekindergarten class under this section for
27 children who are least four years of age must comply with the

1 program standards required for high quality prekindergarten
2 programs under Subchapter E-1.

3 (d) On application of a district, the commissioner may
4 exempt a district from the application of all or any part of this
5 section, including all or any part of Subchapter E-1 for a
6 prekindergarten class described by Subsection (c-1), if the
7 commissioner determines that:

8 (1) the district would be required to construct
9 classroom facilities in order to provide prekindergarten classes;
10 or

11 (2) implementing any part of this section would result
12 in fewer eligible children being enrolled in a prekindergarten
13 class under this section.

14 (d-1) If the number of children who are eligible for
15 enrollment in a prekindergarten class offered by a school district
16 under this section exceeds the total number of open seats available
17 in prekindergarten classes in the district, the district shall give
18 enrollment preference to children who are eligible for enrollment
19 under Subsection (b)(1), (2), (3), (4), (5), (6), or (7).

20 (f) A child who is eligible for enrollment in a
21 prekindergarten class under Subsection (b)(4), ~~(5)~~, or (8)
22 remains eligible for enrollment after the child begins a
23 prekindergarten class if, as applicable, the child's parent:

24 (1) leaves the armed forces;

25 (2) ~~(5)~~ is no longer on active duty; or

26 (3) is no longer employed as an educator by a school
27 district in this state ~~[, after the child begins a prekindergarten~~

1 ~~class~~].

2 SECTION 2.013. Section 29.1531(a), Education Code, is
3 amended to read as follows:

4 (a) A school district may offer on a tuition basis or use
5 district funds to provide:

6 (1) an additional half-day of prekindergarten classes
7 to children who are eligible for classes under Section 29.153 and
8 are under four years of age; and

9 (2) half-day and full-day prekindergarten classes to
10 children not eligible for classes under Section 29.153.

11 SECTION 2.014. Section 29.1543, Education Code, is amended
12 to read as follows:

13 Sec. 29.1543. EARLY EDUCATION REPORTS. The agency shall
14 produce and make available to the public on the agency's Internet
15 website annual district and campus-level reports containing
16 information from the previous school year on early education in
17 school districts and open-enrollment charter schools. A report
18 under this section must contain:

19 (1) the information required by Section 29.1532(c) to
20 be reported through the Public Education Information Management
21 System (PEIMS);

22 (2) a description of the diagnostic reading
23 instruments administered in accordance with Section 28.006(c);

24 (3) the number of students who were administered a
25 diagnostic reading instrument administered in accordance with
26 Section 28.006(c);

27 (4) the number of students whose scores from a

1 diagnostic reading instrument administered in accordance with
2 Section 28.006(c) indicate reading proficiency; ~~and]~~

3 (5) the number of kindergarten students who were
4 enrolled in a prekindergarten program in the previous school year
5 in the same district or school as the district or school in which
6 the student attends kindergarten; and

7 (6) the number and percentage of students who perform
8 satisfactorily on a third grade reading multidimensional
9 assessment included on the list adopted by the commissioner under
10 Section 42.162, disaggregated by whether the student was eligible
11 for free prekindergarten under Section 29.153 and whether the
12 student attended kindergarten in the district.

13 SECTION 2.015. The heading to Subchapter E-1, Chapter 29,
14 Education Code, is amended to read as follows:

15 SUBCHAPTER E-1. HIGH QUALITY PREKINDERGARTEN ~~[GRANT]~~ PROGRAM
16 REQUIREMENTS

17 SECTION 2.016. Section 29.164, Education Code, is amended
18 to read as follows:

19 Sec. 29.164. DEFINITION. In this subchapter, "program"
20 means a high quality prekindergarten ~~[grant]~~ program required under
21 Section 29.153(c-1) to be provided free of tuition or fees in
22 accordance with this subchapter.

23 SECTION 2.017. Section 29.167(a), Education Code, is
24 amended to read as follows:

25 (a) A school district shall select and implement a
26 curriculum for a prekindergarten ~~[grant]~~ program ~~[under this~~
27 ~~subchapter]~~ that:

1 (1) includes the prekindergarten guidelines
2 established by the agency;

3 (2) measures the progress of students in meeting the
4 recommended learning outcomes; and

5 (3) does not use national curriculum standards
6 developed by the Common Core State Standards Initiative.

7 SECTION 2.018. Section 29.170(a), Education Code, is
8 amended to read as follows:

9 (a) The commissioner shall evaluate the use and
10 effectiveness of prekindergarten funding [~~provided under this~~
11 ~~subchapter~~] in improving student learning. The commissioner shall
12 identify effective instruction strategies implemented by school
13 districts under this subchapter.

14 SECTION 2.019. Section 29.171(a), Education Code, is
15 amended to read as follows:

16 (a) A school district that offers a prekindergarten
17 [~~participating in the grant~~] program under this subchapter may
18 enter into a contract with an eligible private provider to provide
19 services or equipment for the program.

20 SECTION 2.020. Subchapter Z, Chapter 29, Education Code, is
21 amended by adding Section 29.924 to read as follows:

22 Sec. 29.924. BLENDED LEARNING MATERIALS. (a) In this
23 section, "blended learning" means an instructional delivery method
24 that combines classroom and online instruction.

25 (b) The commissioner shall develop a list of professional
26 development materials for use by school districts that assist
27 educators in implementing blended learning. The materials must be

1 based on best practices for blended learning.

2 SECTION 2.021. Sections 39.0261(a), (e), and (f), Education
3 Code, are amended to read as follows:

4 (a) In addition to the assessment instruments otherwise
5 authorized or required by this subchapter:

6 (1) each school year and at state cost, a school
7 district may administer to students in the spring of the eighth
8 grade an established, valid, reliable, and nationally
9 norm-referenced preliminary college preparation assessment
10 instrument for the purpose of diagnosing the academic strengths and
11 deficiencies of students before entrance into high school;

12 (2) each school year and at state cost, a school
13 district may administer to students in the 10th grade an
14 established, valid, reliable, and nationally norm-referenced
15 preliminary college preparation assessment instrument for the
16 purpose of measuring a student's progress toward readiness for
17 college and the workplace; and

18 (3) high school students in the spring of the 11th
19 grade or during the 12th grade may select and take once, at state
20 cost:

21 (A) [7] one of the valid, reliable, and
22 nationally norm-referenced assessment instruments used by colleges
23 and universities as part of their undergraduate admissions
24 processes; or

25 (B) the assessment instrument designated by the
26 Texas Higher Education Coordinating Board under Section 51.334.

27 (e) Subsection (a)(3) does not prohibit a high school

1 student [~~in the spring of the 11th grade or during the 12th grade~~]
2 from selecting and taking, at the student's own expense, an
3 assessment instrument described by that subdivision [~~one of the~~
4 ~~valid, reliable, and nationally norm-referenced assessment~~
5 ~~instruments used by colleges and universities as part of their~~
6 ~~undergraduate admissions processes more than once~~].

7 (f) The provisions of this section regarding assessment
8 instruments administered under Subsection (a)(1) or (2) apply only
9 if the legislature appropriates funds for those purposes [~~of this~~
10 ~~section~~].

11 SECTION 2.022. Section 39A.105, Education Code, is amended
12 to read as follows:

13 Sec. 39A.105. CONTENTS OF CAMPUS TURNAROUND PLAN. (a) A
14 campus turnaround plan must include:

15 (1) details on the method for restructuring,
16 reforming, or reconstituting the campus;

17 (2) a detailed description of the academic programs to
18 be offered at the campus, including:

19 (A) instructional methods;

20 (B) length of school day and school year;

21 (C) academic credit and promotion criteria; and

22 (D) programs to serve special student
23 populations;

24 (3) if a district charter is to be granted for the
25 campus under Section 12.0522:

26 (A) the term of the charter; and

27 (B) information on the implementation of the

1 charter;

2 (4) written comments from:

3 (A) the campus-level committee established under
4 Section 11.251, if applicable;

5 (B) parents; and

6 (C) teachers at the campus; and

7 (5) a detailed description of the budget, staffing,
8 and financial resources required to implement the plan, including
9 any supplemental resources to be provided by the school district or
10 other identified sources.

11 (b) If the campus is an elementary or middle school campus,
12 the campus may submit a campus turnaround plan that provides for
13 staffing of the campus with highly effective educators if the
14 campus has implemented an educator effectiveness program under
15 Section 21.360. From funds appropriated for that purpose, the
16 commissioner shall provide matching funds to the school district at
17 which the campus is located for a campus that submits a campus
18 turnaround plan that includes the provisions of this subsection.

19 ARTICLE 3. CONFORMING CHANGES

20 SECTION 3.001. Section 7.062(c), Education Code, is amended
21 to read as follows:

22 (c) Except as otherwise provided by this subsection, if the
23 commissioner certifies that the amount appropriated for a state
24 fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds
25 the amount to which school districts are entitled under those
26 subchapters for that year, the commissioner shall use the excess
27 funds, in an amount not to exceed \$20 million in any state fiscal

1 year, for the purpose of making grants under this section. The use
2 of excess funds under this subsection has priority over any
3 provision of Chapter 42 that permits or directs the use of excess
4 foundation school program funds, including Sections [~~42.2517,~~
5 42.2521, 42.2522, and 42.2531. The commissioner is required to use
6 excess funds as provided by this subsection only if the
7 commissioner is not required to reduce the total amount of state
8 funds allocated to school districts under Section 42.253(h).

9 SECTION 3.002. Section 8.051(d), Education Code, is amended
10 to read as follows:

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

14 (1) training and assistance in:

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

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

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

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

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

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

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

6 SECTION 3.003. Section 12.106(a-1), Education Code, is
7 amended to read as follows:

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

10 (1) the adjustment [~~adjustments~~] under Section
11 [~~Sections 42.102, 42.104, and~~] 42.105 is [~~are~~] based on the average
12 adjustment for the state; and

13 (2) the charter holder is entitled to an [~~the~~]
14 adjustment under former Section 42.103 [~~is~~] based on the average
15 adjustment for the state that would have been provided under that
16 section as it existed on January 1, 2018.

17 SECTION 3.004. Section 29.014(d), Education Code, is
18 amended to read as follows:

19 (d) The basic allotment for a student enrolled in a district
20 to which this section applies is adjusted by[+]

21 [~~(1) the cost of education adjustment under Section~~
22 ~~42.102 for the school district in which the district is~~
23 ~~geographically located; and~~

24 [~~(2)~~] the weight for a homebound student under Section
25 42.151(a).

26 SECTION 3.005. Sections 29.918(a) and (b), Education Code,
27 are amended to read as follows:

1 (a) Notwithstanding Section [~~39.234 or~~] 42.152, a school
2 district or open-enrollment charter school with a high dropout
3 rate, as determined by the commissioner, must submit a plan to the
4 commissioner describing the manner in which the district or charter
5 school intends to use the compensatory education allotment under
6 Section 42.152 [~~and the high school allotment under Section 42.160~~]
7 for developing and implementing research-based strategies for
8 dropout prevention. The district or charter school shall submit
9 the plan not later than December 1 of each school year preceding the
10 school year in which the district or charter school will receive the
11 compensatory education allotment [~~or high school allotment~~] to
12 which the plan applies.

13 (b) A school district or open-enrollment charter school to
14 which this section applies may not spend or obligate more than 25
15 percent of the district's or charter school's compensatory
16 education allotment [~~or high school allotment~~] unless the
17 commissioner approves the plan submitted under Subsection
18 (a). The commissioner shall complete an initial review of the
19 district's or charter school's plan not later than March 1 of the
20 school year preceding the school year in which the district or
21 charter school will receive the compensatory education allotment
22 [~~or high school allotment~~] to which the plan applies.

23 SECTION 3.006. Section 39.0233(a), Education Code, is
24 amended to read as follows:

25 (a) The agency, in coordination with the Texas Higher
26 Education Coordinating Board, shall adopt a series of questions to
27 be included in an end-of-course assessment instrument administered

1 under Section 39.023(c) to be used for purposes of Subchapter F-1,
2 Chapter 51. The questions adopted under this subsection must be
3 developed in a manner consistent with any college readiness
4 standards adopted under [~~Section 39.233 and~~] Subchapter F-1,
5 Chapter 51.

6 SECTION 3.007. Section 41.034(a), Education Code, is
7 amended to read as follows:

8 (a) For the first and second school years after creation of
9 a consolidated district under this subchapter, the commissioner
10 shall:

11 (1) adjust allotments to the consolidated district to
12 the extent necessary to preserve the effects of an adjustment under
13 Section [~~42.102, 42.103, or~~] 42.105 to which either of the
14 consolidating districts would have been entitled but for the
15 consolidation; and

16 (2) if either of the consolidating districts would
17 have been entitled to an allotment under Section 42.164 but for the
18 consolidation, adjust allotments to the consolidated district in
19 the amount of the allotment to which the district would have been
20 entitled under that section.

21 SECTION 3.008. Section 41.099(a), Education Code, is
22 amended to read as follows:

23 (a) Sections [~~41.002(e),~~] 41.094 and[~~7~~] 41.097[~~7~~ and
24 41.098] apply only to a district that:

25 (1) executes an agreement to purchase all attendance
26 credits necessary to reduce the district's wealth per student to
27 the equalized wealth level;

1 (2) executes an agreement to purchase attendance
2 credits and an agreement under Subchapter E to contract for the
3 education of nonresident students who transfer to and are educated
4 in the district but who are not charged tuition; or

5 (3) executes an agreement under Subchapter E to
6 contract for the education of nonresident students:

7 (A) to an extent that does not provide more than
8 10 percent of the reduction in wealth per student required for the
9 district to achieve a wealth per student that is equal to or less
10 than the equalized wealth level; and

11 (B) under which all revenue paid by the district
12 to other districts, in excess of the reduction in state aid that
13 results from counting the weighted average daily attendance of the
14 students served in the contracting district, is required to be used
15 for funding a consortium of at least three districts in a county
16 with a population of less than 40,000 that is formed to support a
17 technology initiative.

18 SECTION 3.009. Section [41.257](#), Education Code, is amended
19 to read as follows:

20 Sec. 41.257. APPLICATION OF SPARSITY ADJUSTMENT [~~SMALL AND~~
21 ~~SPARSE ADJUSTMENTS~~] AND TRANSPORTATION AND SMALL DISTRICT
22 ALLOTMENTS [~~ALLOTMENT~~]. The budget of the consolidated district
23 must apply the benefit of the adjustment or allotment to the schools
24 of the consolidating district to which Section [~~42.103,~~] [42.105](#),
25 [~~or~~] [42.155](#), or [42.164](#) would have applied in the event that the
26 consolidated district still qualifies as a small or sparse
27 district.

1 SECTION 3.010. Section 42.007(c), Education Code, is
2 amended to read as follows:

3 (c) The funding elements must include:

4 (1) a basic allotment for the purposes of Section
5 42.101 that, when combined with the guaranteed yield component
6 provided by Subchapter F, represents the cost per student of a
7 regular education program that meets all mandates of law and
8 regulation;

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

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

17 (3) ~~[(4)]~~ the maximum guaranteed level of qualified
18 state and local funds per student for the purposes of Subchapter F;

19 (4) ~~[(5)]~~ the enrichment ~~[and facilities]~~ tax rate
20 under Subchapter F;

21 (5) ~~[(6)]~~ the computation of students in weighted
22 average daily attendance under Section 42.302; and

23 (6) ~~[(7)]~~ the amount to be appropriated for the school
24 facilities assistance program under Chapter 46.

25 SECTION 3.011. Sections 42.105(a) and (c), Education Code,
26 are amended to read as follows:

27 (a) Notwithstanding Section ~~[Sections]~~ 42.101 ~~[, 42.102, and~~

1 ~~42.103~~], a school district that has fewer than 130 students in
2 average daily attendance shall be provided a ~~[an adjusted]~~ basic
3 allotment on the basis of 130 students in average daily attendance
4 if it offers a kindergarten through grade 12 program and has
5 preceding or current year's average daily attendance of at least 90
6 students or is 30 miles or more by bus route from the nearest high
7 school district. A district offering a kindergarten through grade
8 8 program whose preceding or current year's average daily
9 attendance was at least 50 students or which is 30 miles or more by
10 bus route from the nearest high school district shall be provided a
11 ~~[an adjusted]~~ basic allotment on the basis of 75 students in average
12 daily attendance. An average daily attendance of 60 students shall
13 be the basis of providing the ~~[adjusted]~~ basic allotment if a
14 district offers a kindergarten through grade 6 program and has
15 preceding or current year's average daily attendance of at least 40
16 students or is 30 miles or more by bus route from the nearest high
17 school district.

18 (c) Notwithstanding Subsection (a) or Section ~~[Sections]~~
19 ~~42.101~~, ~~42.102~~, and ~~42.103~~], a school district to which this
20 subsection applies, as provided by Subsection (b), that has fewer
21 than 130 students in average daily attendance shall be provided a
22 ~~[an adjusted]~~ basic allotment on the basis of 130 students in
23 average daily attendance if it offers a kindergarten through grade
24 four program and has preceding or current year's average daily
25 attendance of at least 75 students or is 30 miles or more by bus
26 route from the nearest high school district.

27 SECTION 3.012. Sections ~~42.151~~(a) and (k), Education Code,

1 are amended to read as follows:

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

13	Homebound	5.0
14	Hospital class	3.0
15	Speech therapy	5.0
16	Resource room	3.0
17	Self-contained, mild and moderate,	
18	regular campus	3.0
19	Self-contained, severe, regular campus	3.0
20	Off home campus	2.7
21	Nonpublic day school	1.7
22	Vocational adjustment class	2.3

23 (k) A school district that provides an extended year program
24 required by federal law for special education students who may
25 regress is entitled to receive funds in an amount equal to 75
26 percent, or a lesser percentage determined by the commissioner, of
27 the ~~[adjusted]~~ basic allotment ~~[or adjusted allotment, as~~

1 ~~applicable,~~] for each full-time equivalent student in average daily
2 attendance, multiplied by the amount designated for the student's
3 instructional arrangement under this section, for each day the
4 program is provided divided by the number of days in the minimum
5 school year. The total amount of state funding for extended year
6 services under this section may not exceed \$10 million per year. A
7 school district may use funds received under this section only in
8 providing an extended year program.

9 SECTION 3.013. Section 42.152(a), Education Code, is
10 amended to read as follows:

11 (a) For each student who is educationally disadvantaged or
12 who is a student who does not have a disability and resides in a
13 residential placement facility in a district in which the student's
14 parent or legal guardian does not reside, a district is entitled to
15 an annual allotment equal to the ~~[adjusted]~~ basic allotment
16 multiplied by 0.2, and by 2.41 for each full-time equivalent
17 student who is in a remedial and support program under Section
18 29.081 because the student is pregnant.

19 SECTION 3.014. Section 42.157(a), Education Code, is
20 amended to read as follows:

21 (a) Except as provided by Subsection (b), for each student
22 in average daily attendance who is using a public education grant
23 under Subchapter G, Chapter 29, to attend school in a district other
24 than the district in which the student resides, the district in
25 which the student attends school is entitled to an annual allotment
26 equal to the ~~[adjusted]~~ basic allotment multiplied by a weight of
27 0.1.

1 SECTION 3.015. Section 42.2518(a), Education Code, is
2 amended to read as follows:

3 (a) Beginning with the 2017-2018 school year, a school
4 district is entitled to additional state aid to the extent that
5 state and local revenue under this chapter and Chapter 41 is less
6 than the state and local revenue that would have been available to
7 the district under Chapter 41 and this chapter as those chapters
8 existed on September 1, 2015, excluding any state aid or adjustment
9 in wealth per student that would have been provided under former
10 Sections 41.002(e)-(g) or former Section 42.2516, if the increase
11 in the residence homestead exemption under Section 1-b(c), Article
12 VIII, Texas Constitution, and the additional limitation on tax
13 increases under Section 1-b(d) of that article as proposed by
14 S.J.R. 1, 84th Legislature, Regular Session, 2015, had not
15 occurred.

16 SECTION 3.016. Section 42.302(a), Education Code, is
17 amended to read as follows:

18 (a) Each school district is guaranteed a specified amount
19 per weighted student in state and local funds for each cent of tax
20 effort over that required for the district's local fund assignment
21 up to the maximum level specified in this subchapter. The amount
22 of state support, subject only to the maximum amount under Section
23 42.303, is determined by the formula:

24
$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

25 where:

26 "GYA" is the guaranteed yield amount of state funds to be
27 allocated to the district;

1 "GL" is the dollar amount guaranteed level of state and local
2 funds per weighted student per cent of tax effort, which is an
3 amount described by Subsection (a-1) or a greater amount for any
4 year provided by appropriation;

5 "WADA" is the number of students in weighted average daily
6 attendance, which is calculated by dividing the sum of the school
7 district's allotments under Subchapters B and C, less any allotment
8 to the district for transportation and~~[7]~~ any allotment under
9 Section 42.158 ~~[or 42.160, and 50 percent of the adjustment under~~
10 ~~Section 42.102]~~, by the basic allotment for the applicable year;

11 "DTR" is the district enrichment tax rate of the school
12 district, which is determined by subtracting the amounts specified
13 by Subsection (b) from the total amount of maintenance and
14 operations taxes collected by the school district for the
15 applicable school year and dividing the difference by the quotient
16 of the district's taxable value of property as determined under
17 Subchapter M, Chapter 403, Government Code, or, if applicable,
18 under Section 42.2521, divided by 100; and

19 "LR" is the local revenue, which is determined by multiplying
20 "DTR" by the quotient of the district's taxable value of property as
21 determined under Subchapter M, Chapter 403, Government Code, or, if
22 applicable, under Section 42.2521, divided by 100.

23 SECTION 3.017. Section 322.008(b), Government Code, is
24 amended to read as follows:

25 (b) The general appropriations bill may include for
26 purposes of information the funding elements computed by the
27 Legislative Budget Board under Section 42.007, Education Code~~[7]~~

1 ~~excluding the values for each school district calculated under~~
2 ~~Section 42.007(c)(2), Education Code].~~ If the funding elements are
3 included, the funding elements under Section 42.007(c)(2)
4 ~~[42.007(c)(3)]~~, Education Code, shall be reported in dollar amounts
5 per pupil.

6 SECTION 3.018. Section 825.405(b), Government Code, is
7 amended to read as follows:

8 (b) For purposes of this section:

9 (1) the statutory minimum salary for certain school
10 personnel under Section 21.402, Education Code, is the salary
11 provided by that section multiplied by the cost of education index
12 adjustment adopted by the foundation school fund budget committee
13 and contained in Chapter 203, Title 19, Texas Administrative Code,
14 as that chapter existed on March 26, 1997, applicable ~~[under~~
15 ~~Section 42.102, Education Code,~~] to the district in which the
16 member is employed; and

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

ARTICLE 4. REPEALER

SECTION 4.001. (a) The following provisions of the Education Code are repealed:

- (1) Section 29.097(g);
- (2) Section 29.098(e);
- (3) Section 29.165;
- (4) Section 29.166;
- (5) Section 39.233;
- (6) Section 39.234;
- (7) Sections 41.002(e), (f), and (g);
- (8) Section 41.098;
- (9) Section 42.102;
- (10) Section 42.103;
- (11) Section 42.104;
- (12) Section 42.155(b)(3);
- (13) Section 42.156;
- (14) Section 42.160;
- (15) Section 42.2513; and
- (16) Section 42.2517.

(b) Effective September 1, 2023, Section 42.164(c), Education Code, as added by this Act, is repealed.

ARTICLE 5. TRANSITION

SECTION 5.001. (a) Except as provided by Subsection (b) of this section, Article 2 of this Act applies beginning with the 2019-2020 school year.

(b) Section 28.025, Education Code, as amended by this Act, and Section 28.0256, Education Code, as added by this Act, apply

1 beginning with students enrolled at the 12th grade level during the
2 2020-2021 school year.

3 SECTION 5.002. Not later than September 1, 2019, the
4 commissioner of education shall adopt the list of approved third
5 grade reading multidimensional assessments as required under
6 Section 42.162, Education Code, as added by this Act.

7 SECTION 5.003. Not later than September 1, 2020, each
8 school district shall submit and post on the district's Internet
9 website the initial report required under Section 11.2522,
10 Education Code, as added by this Act.

11 SECTION 5.004. Not later than December 1, 2020, the Texas
12 Education Agency and the Texas Higher Education Coordinating Board
13 jointly shall prepare and submit the initial report required under
14 Section 7.038, Education Code, as added by this Act.

15 SECTION 5.005. To the extent of any conflict, this Act
16 prevails over another Act of the 86th Legislature, Regular Session,
17 2019, relating to nonsubstantive additions to and corrections in
18 enacted codes.

19 ARTICLE 6. EFFECTIVE DATE

20 SECTION 6.001. Except as otherwise provided by this Act,
21 this Act takes effect September 1, 2019.