By:  Bernal H.B. No. 1017

A BILL TO BE ENTITLED

AN ACT

relating to a study of the impact and feasibility of adopting average daily membership when determining the entitlement of a school district or open-enrollment charter school.

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

SECTION 1.  (a) The commissioner of education shall conduct a study of the impact and feasibility of adopting average daily membership when determining the entitlement of a school district or open-enrollment charter school.

(b)  The commissioner of education shall establish an advisory committee to assist the commissioner of education in conducting the study. The advisory committee must be composed of:

(1)  the following representatives appointed by the commissioner of education:

(A)  one representative of a school district that is considered a "major urban" district, as defined by the Texas Education Agency;

(B)  one representative of a school district that is considered a "major suburban" district, as defined by the Texas Education Agency;

(C)  one representative of a school district that is considered an "other central city" district, as defined by the Texas Education Agency;

(D)  one representative of a school district that is considered an "other central city suburban" district, as defined by the Texas Education Agency;

(E)  one representative of a school district that is considered an "independent town" district, as defined by the Texas Education Agency;

(F)  one representative of a school district that is considered a "non-metropolitan: fast growing" district, as defined by the Texas Education Agency;

(G)  one representative of a school district that is considered a "non-metropolitan: stable" district, as defined by the Texas Education Agency;

(H)  one representative of a school district that is considered a "rural" district, as defined by the Texas Education Agency;

(I)  one or more representatives from an open-enrollment charter school;

(J)  one or more representatives from organizations interested in the effect of chronic absenteeism;

(K)  public school finance experts;

(L)  one or more representatives from the Texas Demographic Center; and

(M)  agency staff, as appropriate.

(c)  The commissioner of education, with the assistance of the advisory committee, shall study:

(1)  the impact of transitioning from average daily attendance to average daily membership on entitlements for school districts and open-enrollment charter schools and the state school finance system, disaggregated by all student groups served by the districts and open-enrollment charter schools, including categories of ethnicity, socioeconomic status, sex, populations eligible for allotments under Subchapter C, Chapter 48, Education Code, and populations served by special programs, including students in special education programs under Subchapter A, Chapter 29, Education Code; and

(2)  the statutory and administrative changes that would be necessary to effectively calculate district entitlements under Subsection (c)(1);

(d)  In studying the adoption of a new model for entitlement calculations, the commissioner of education and the advisory committee must compare the benefits and costs among different types of districts, including comparisons between:

(1)  "major urban" districts, as defined by the Texas Education Agency;

(2)  "major suburban" districts, as defined by the Texas Education Agency;

(3)  "other central city" districts, as defined by the Texas Education Agency;

(4)  "other central city suburban" districts, as defined by the Texas Education Agency;

(5)  "independent town" districts, as defined by the Texas Education Agency;

(6)  "non-metropolitan: fast growth" districts, as defined by the Texas Education Agency;

(7)  "non-metropolitan: stable" districts, as defined by the Texas Education Agency;

(8)  "rural" districts, as defined by the Texas Education Agency; and

(9)  open-enrollment charter districts.

(e)  The commissioner of education and the advisory committee shall prepare a report that:

(1)  forecasts the fiscal impact to the State to transition from the current school finance system that utilizes average daily attendance to the systems described in Subsection (c)(1) for a period of five years;

(2)  evaluates relevant academic research regarding the connection between attendance and academic success, and methods and their cost to improve attendance in chronically absent populations; and

(3)  make recommendations regarding:

(A)  methods for transitioning away from utilizing average daily attendance as a system of funding distribution to using a system that is dependent on both student enrollment and student attendance in a manner that offers funding stability;

(B)  phasing in a new approach under Subsection (c)(1) in a manner that would lessen the overall cost burden to the state; and

(C)  appropriate ways to consider enrollment when determining entitlement calculations, including establishing average daily membership as a calculation model;

(f)  The commissioner of education may partner with school districts, open-enrollment charter schools, or other appropriate entities for assistance and to obtain information necessary to conduct the study. A state agency, school district, or open-enrollment charter school shall assist the commissioner of education if the commissioner of education requests information or assistance in conducting the study.

(g)  Not later than December 1, 2022, the commissioner of education shall submit to the governor, lieutenant governor, members of the texas senate, speaker of the house of representatives and members of the Texas house of representatives the report prepared under Subsection (e) of this section.

SECTION 2.  This Act expires September 1, 2023.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.