By:  Taylor S.B. No. 1785

AN ACT

relating to grants available to school districts and open-enrollment charter schools to provide services to students after a disaster in the state of Texas; an adjustment to prevent generational educational decline under the public school finance system; and ensure maintenance of effort.

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

SECTION 1.  Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.926 to read as follows:

Sec. 29.926.  GRANT PROGRAM REGARDING DISASTERS IMPACTING

STUDENT INSTRUCTION. (a) From funds appropriated or available for purposes of this section, the commissioner shall establish a grant program to assist school districts, open-enrollment charter schools and regional education service centers in overcoming the educational impact occurring as a result of a state of disaster as declared by the governor under Chapter 418, Government Code. The grant program may include:

(1)  extending instructional time;

(2)  broadband grants to ensure that students have

access to remote instruction;

(3)  innovation in curriculum and instruction;

(4)  improvements in quality of air and water at school

facilities; and

(5)  accelerated learning.

(b)  The commissioner may determine the terms of a grant awarded under this section, including:

(1)  limits on the grant amount awarded to a school district or open-enrollment charter school; and

(2)  the approved use of grant funds.

(c)  The agency may administer the grant program or contract with a regional education service center to administer the grant program.

(d)  The commissioner may recover funds not used in accordance with the terms of a grant by withholding any state funds otherwise due to a school district or open-enrollment charter school that is not complying with the terms of the grant.

(e)  The commissioner may seek gifts, grants, and donations from any public or private sources, including the federal government, for providing grants under this section.

(f)  A decision by the commissioner under this section is final and may not be appealed.

(g)  Broadband grants may include payments by the agency, an agency's contractor or subgrantee, or a public school to a provider of services or equipment for a student or to a student's parents for payment to a provider of services or equipment.

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

SECTION 2.  Section 48.011(d) and (e), Education Code, is amended to read as follows:

(d)  Beginning with the ~~2021-2022~~ 2023-2024 school year, the commissioner may not make an adjustment under Subsection (a) or (a-1).

(e)  This section expires September 1, ~~2023~~2025.

SECTION 3.  Section 48.251(c), Education Code, is amended to read as follows:

(c)  The program shall be financed by:

(1)  state available school funds distributed in accordance with the law and funds described by Section 48.2571;

(2)  ad valorem tax revenue generated by local school district effort; and

(3)  state funds appropriated for the purposes of public school education and allocated to each district in an amount sufficient to finance the cost of each district's Foundation School Program not covered by other funds specified in this subsection.

SECTION 4.  Sections 48.257(a), (b), and (f), Education Code, are amended to read as follows:

(a)  Subject to Subsection (b), if a school district's tier one local share under Section 48.256 exceeds the district's entitlement under Section 48.266(a)(1) less the district's distribution from the state available school fund and funds described by Section 48.2571, the district must reduce the district's tier one revenue level in accordance with Chapter 49 to a level not to exceed the district's entitlement under Section 48.266(a)(1) less the district's distribution from the state available school fund and funds described by Section 48.2571.

(b)  This subsection applies only to a school district to which Subsection (a) applies. If a district 's maintenance and operations tax collections from the tax rate described by Section 45.0032(a) for the current tax year minus the required reduction in a district's tier one revenue level under Subsection (a) results in an amount that is less than the amount of the district's entitlement under Section 48.266(a)(1) less the district's distribution from the state available school fund, the agency shall adjust the amount of the reduction required in the district's tier one revenue level under Subsection (a) up to the amount of local funds necessary for the district's entitlement under Section 48.266(a)(1) less the district's distribution from the state available school fund and funds described by Section 48.2571.

(f)  If the amount of a school district's tier two local share described by Section 48.266(a)(5)(B) to which a district is entitled exceeds the amount described by Section 48.202(a-1)(2), the district must reduce the district's revenue in accordance with Chapter 49 to a level not to exceed the amount described by Section 48.202 (a-1)(2) less the amount distributed to the district under Section 48.2571.

SECTION 5.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2571 to read as follows:

Sec. 48.2571.  ADJUSTMENT TO PREVENT GENERATIONAL EDUCATIONAL DECLINE. (a) From funds identified in the General Appropriations Act for purposes of this section, the agency shall calculate the amount of funds allocated to each school district and open-enrollment charter school.

(b)  The commissioner shall make adjustments under Sections 48.251 and 48.257 in an amount equal to the amount calculated for each school district and open-enrollment charter school under Subsection (a).

(c)  If funds described by Subsection (a) are designated for use during the 2020-2021 school year, the commissioner shall make the adjustments under Subsection (b) for that school year.

(d)  If, after adjustment under this section, a school district has a local revenue level that exceeds the level established under Section 48.257 and the school district does not take action under Chapter 49 to reduce the district's local revenue level, the commissioner shall recover the amount of funds that exceeded the level established under Section 48.257 over a period not to exceed five school years.

(e)  The commissioner may make adjustments as necessary under this chapter to fulfill the purposes of this section and to ensure compliance with the requirements regarding maintenance of state financial support for special education under 20 U.S.C. Section 1412(a)(18).

(f)  A decision by the commissioner under this section is final and may not be appealed.

(g)  Beginning with the 2022-2023 school year, the commissioner may not make an adjustment under this section.

(h)  This section expires September 1, 2022.

SECTION 6.  Section 48.277, Education Code, is amended by adding Subsections (d-4) to read as follows:

(d-4)  Notwithstanding any other provision of this section, if an adjustment is made under Section 48.2571 for the 2020-2021 school year, the commissioner shall reduce the amount of an allotment to which a school district or open-enrollment charter school is entitled under this section in the amount calculated for the school district or open-enrollment charter school under Section 48.2571.

SECTION 7.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.280 to read as follows:

Sec. 48.280.  COMMISSIONER AUTHORITY TO RESOLVE MAINTENANCE ISSUES. (a) The commissioner may adjust school funding entitlement under this chapter or Chapter 49 to ensure compliance with federal maintenance requirements under the Section 313 of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 or Section 2001 of the American Rescue Plan Act of 2021.

(b)  Before making an adjustment under Subsection (a), the commissioner shall notify the Legislative Budget Board and office of the governor of the proposed adjustment.

(c)  If notice of a proposed adjustment is provided under Subsection (b) and neither the Legislative Budget Board nor the office of the governor provide written refusal of the proposed adjustment within thirty days of the date the commissioner provided notice of the proposed adjustment, the commissioner may make the proposed adjustment at any time after the thirtieth day following the date that the commissioner provided notice under Subsection (b).

(d)  This section expires September 1, 2025.

SECTION 8.  (a) If this legislation receives immediate effect, then changes enacted by SECTIONS 3 through 7 of this legislation apply beginning with the 2020-2021 school year.

(b)  SECTIONS 1 and 2 of this legislation apply beginning with 2021-2022 school year.

SECTION 9.  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.