

By: Bernal

H.B. No. 1017

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study of the impact and feasibility of adopting
3 average daily membership when determining the entitlement of a
4 school district or open-enrollment charter school.

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

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

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

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

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

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

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

24 (D) one representative of a school district that

1 is considered an "other central city suburban" district, as defined
2 by the Texas Education Agency;

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

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

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

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

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

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

19 (K) public school finance experts;

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

22 (M) agency staff, as appropriate.

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

25 (1) the impact of transitioning from average daily
26 attendance to average daily membership on entitlements for school
27 districts and open-enrollment charter schools and the state school

1 finance system, disaggregated by all student groups served by the
2 districts and open-enrollment charter schools, including
3 categories of ethnicity, socioeconomic status, sex, populations
4 eligible for allotments under Subchapter C, Chapter 48, Education
5 Code, and populations served by special programs, including
6 students in special education programs under Subchapter A, Chapter
7 29, Education Code; and

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

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

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

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

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

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

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

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

27 (7) "non-metropolitan: stable" districts, as defined

1 by the Texas Education Agency;

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

4 (9) open-enrollment charter districts.

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

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

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

15 (3) make recommendations regarding:

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

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

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

27 (f) The commissioner of education may partner with school

1 districts, open-enrollment charter schools, or other appropriate
2 entities for assistance and to obtain information necessary to
3 conduct the study. A state agency, school district, or
4 open-enrollment charter school shall assist the commissioner of
5 education if the commissioner of education requests information or
6 assistance in conducting the study.

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

12 SECTION 2. This Act expires September 1, 2023.

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