88S30762 MM-D

By:  Buckley H.B. No. 1

A BILL TO BE ENTITLED

AN ACT

relating to primary and secondary education, including the certification, compensation, and health coverage of certain public school employees, the public school finance system, special education in public schools, the establishment of an education savings account program, measures to support the education of public school students that include certain educational grant programs, reading instruction, and early childhood education, the provision of virtual education, and public school accountability.

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

ARTICLE 1. CHANGES RELATED TO PUBLIC SCHOOL EDUCATORS EFFECTIVE FOR 2024-2025 SCHOOL YEAR

SECTION 1.01.  Section 19.009(d-2), Education Code, is amended to read as follows:

(d-2)  Beginning with the 2009-2010 school year, the district shall increase the [~~monthly~~] salary of each classroom teacher, full-time speech pathologist, full-time librarian, full-time school counselor certified under Subchapter B, Chapter 21, and full-time school nurse employed by the district by the greater of:

(1)  $80 per month; or

(2)  the maximum uniform amount per month that, when combined with any resulting increases in the amount of contributions made by the district for social security coverage for the specified employees or by the district on behalf of the specified employees under Section 825.405, Government Code, may be provided using an amount equal to the product of $60 multiplied by the number of students in weighted average daily attendance in the district during the 2009-2010 school year.

SECTION 1.02.  Subchapter A, Chapter 21, Education Code, is amended by adding Section 21.010 to read as follows:

Sec. 21.010.  TEACHER POSITION DATA COLLECTION. The agency shall collect data from school districts and open-enrollment charter schools for the recruitment and retention of classroom teachers, including the classification, grade level, subject area, duration, and other relevant information regarding vacant teaching positions in a district or school. The data may be collected using the Public Education Information Management System (PEIMS) or another reporting mechanism specified by the agency.

SECTION 1.03.  Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.0411 to read as follows:

Sec. 21.0411.  WAIVER OR PAYMENT OF CERTAIN EXAMINATION AND CERTIFICATION FEES. (a) Notwithstanding a rule adopted under Section 21.041(c), the board shall, for a person applying for a certification to teach established under this subchapter, waive:

(1)  a certification examination fee imposed by the board for the first administration of the examination to the person; and

(2)  a fee associated with the application for certification by the person.

(b)  The board shall pay to a vendor that administers a certification examination required for certification to teach under this subchapter a fee assessed by that vendor for the examination of a person applying for a certification to teach established under this subchapter for the first administration of the examination to the person.

SECTION 1.04.  Section 21.054, Education Code, is amended by amending Subsections (a) and (i) and adding Subsection (i-1) to read as follows:

(a)  The board shall propose rules establishing a process for identifying continuing education courses and programs that fulfill educators' continuing education requirements, including opportunities for educators to receive micro-credentials, as provided by Subsection (i), in:

(1)  fields of study related to the educator's certification class; or

(2)  digital teaching [~~as provided by Subsection (i)~~].

(i)  The board shall propose rules establishing a program to issue micro-credentials in fields of study related to an educator's certification class or in digital teaching. The agency shall approve continuing education providers to offer micro-credential courses. A micro-credential received by an educator shall be recorded on the agency's Educator Certification Online System (ECOS) and included as part of the educator's public certification records.

(i-1)  In proposing rules under Subsection (i) for micro-credentials related to digital teaching, the board shall engage relevant stakeholders.

SECTION 1.05.  Section 21.105, Education Code, is amended by amending Subsection (c) and adding Subsection (g) to read as follows:

(c)  Subject to Subsections (e), [~~and~~] (f), and (g), on written complaint by the employing district, the State Board for Educator Certification may impose sanctions against a teacher employed under a probationary contract who:

(1)  resigns;

(2)  fails without good cause to comply with Subsection (a) or (b); and

(3)  fails to perform the contract.

(g)  The State Board for Educator Certification may not impose a sanction under Subsection (c) against a teacher who relinquishes a position under a probationary contract and leaves the employment of the district after the 45th day before the first day of instruction for the upcoming school year in violation of Subsection (a) and without the consent of the board of trustees under Subsection (b) if the teacher's failure to comply with Subsection (a) was due to:

(1)  a serious illness or health condition of the teacher or a close family member of the teacher;

(2)  the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;

(3)  a significant change in the needs of the teacher's family in a manner that requires the teacher to:

(A)  relocate; or

(B)  forgo employment during a period of required employment under the teacher's contract; or

(4)  the teacher's reasonable belief that the teacher had written permission from the school district's administration to resign.

SECTION 1.06.  Section 21.160, Education Code, is amended by amending Subsection (c) and adding Subsection (g) to read as follows:

(c)  Subject to Subsections (e), [~~and~~] (f), and (g), on written complaint by the employing district, the State Board for Educator Certification may impose sanctions against a teacher who is employed under a continuing contract that obligates the district to employ the person for the following school year and who:

(1)  resigns;

(2)  fails without good cause to comply with Subsection (a) or (b); and

(3)  fails to perform the contract.

(g)  The State Board for Educator Certification may not impose a sanction under Subsection (c) against a teacher who relinquishes a position under a continuing contract and leaves the employment of the district after the 45th day before the first day of instruction of the upcoming school year in violation of Subsection (a) and without the consent of the board of trustees under Subsection (b) if the teacher's failure to comply with Subsection (a) was due to:

(1)  a serious illness or health condition of the teacher or a close family member of the teacher;

(2)  the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;

(3)  a significant change in the needs of the teacher's family in a manner that requires the teacher to:

(A)  relocate; or

(B)  forgo employment during a period of required employment under the teacher's contract; or

(4)  the teacher's reasonable belief that the teacher had written permission from the school district's administration to resign.

SECTION 1.07.  Section 21.210, Education Code, is amended by amending Subsection (c) and adding Subsection (g) to read as follows:

(c)  Subject to Subsections (e), [~~and~~] (f), and (g), on written complaint by the employing district, the State Board for Educator Certification may impose sanctions against a teacher who is employed under a term contract that obligates the district to employ the person for the following school year and who:

(1)  resigns;

(2)  fails without good cause to comply with Subsection (a) or (b); and

(3)  fails to perform the contract.

(g)  The State Board for Educator Certification may not impose a sanction under Subsection (c) against a teacher who relinquishes a position under a term contract and leaves the employment of the district after the 45th day before the first day of instruction of the upcoming school year in violation of Subsection (a) and without the consent of the board of trustees under Subsection (b) if the teacher's failure to comply with Subsection (a) was due to:

(1)  a serious illness or health condition of the teacher or a close family member of the teacher;

(2)  the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;

(3)  a significant change in the needs of the teacher's family in a manner that requires the teacher to:

(A)  relocate; or

(B)  forgo employment during a period of required employment under the teacher's contract; or

(4)  the teacher's reasonable belief that the teacher had written permission from the school district's administration to resign.

SECTION 1.08.  Section 21.257, Education Code, is amended by amending Subsection (a) and adding Subsection (f) to read as follows:

(a)  Except as provided by Subsection (f), not [~~Not~~] later than the 60th day after the date on which the commissioner receives a teacher's written request for a hearing, the hearing examiner shall complete the hearing and make a written recommendation that:

(1)  includes proposed findings of fact and conclusions of law; and

(2)  may include a proposal for granting relief.

(f)  The hearing examiner may dismiss a hearing before completing the hearing or making a written recommendation if:

(1)  the teacher requests the dismissal;

(2)  the school district withdraws the proposed decision that is the basis of the hearing; or

(3)  the teacher and school district request the dismissal after reaching a settlement regarding the proposed decision that is the basis of the hearing.

SECTION 1.09.  Sections 21.3521(a), (c), and (e), Education Code, are amended to read as follows:

(a)  Subject to Subsection (b), a school district or open-enrollment charter school may designate a classroom teacher as a master, exemplary, [~~or~~] recognized, or acknowledged teacher for a five-year period based on the results from single year or multiyear appraisals that comply with Section 21.351 or 21.352.

(c)  Notwithstanding performance standards established under Subsection (b), a classroom teacher that holds a National Board Certification issued by the National Board for Professional Teaching Standards may be designated as nationally board certified [~~recognized~~].

(e)  The agency shall develop and provide technical assistance for school districts and open-enrollment charter schools that request assistance in implementing a local optional teacher designation system, including:

(1)  providing assistance in prioritizing high needs campuses;

(2)  providing examples or models of local optional teacher designation systems to reduce the time required for a district or school to implement a teacher designation system;

(3)  establishing partnerships between districts and schools that request assistance and districts and schools that have implemented a teacher designation system;

(4)  applying the performance and validity standards established by the commissioner under Subsection (b);

(5)  providing centralized support for the analysis of the results of assessment instruments administered to district students; and

(6)  facilitating effective communication on and promotion of local optional teacher designation systems.

SECTION 1.10.  Subchapter H, Chapter 21, Education Code, is amended by adding Section 21.3522 to read as follows:

Sec. 21.3522.  LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM GRANT PROGRAM.  (a)  From funds appropriated or otherwise available for the purpose, the agency shall establish and administer a grant program to provide money and technical assistance to:

(1)  expand implementation of local optional teacher designation systems under Section 21.3521; and

(2)  increase the number of classroom teachers eligible for a designation under that section.

(b)  A grant awarded under this section must:

(1)  meet the needs of individual school districts; and

(2)  enable regional leadership capacity.

(c)  The commissioner may adopt rules to establish and administer the grant program under this section.

SECTION 1.11.  Section 21.402, Education Code, is amended by amending Subsections (a) and (g) and adding Subsections (a-1), (c-2), (i), (j), and (k) to read as follows:

(a)  Except as provided by Subsection (c-2) [~~(e-1) or (f)~~], a school district must pay each employee who is employed as a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse not less than the highest annual minimum [~~minimum monthly~~] salary described by the following schedule applicable to [~~, based on~~] the employee's certification, if any, and years [~~level~~] of experience:

(1)  for an employee with less than five years of experience who:

(A)  holds no certification $35,000;

(B)  holds a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B  $37,000;

(C)  holds the base certificate required under Section 21.003(a) for employment in the employee's position other than a certificate described by Paragraph (B) $40,000;

(D)  holds a designation under Section 21.3521 $43,000; or

(E)  holds a residency educator certificate or has successfully completed a residency partnership program under Subchapter R $43,000;

(2)  for an employee with at least five years of experience who holds:

(A)  no certification $45,000;

(B)  a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B  $47,000;

(C)  the base certificate required under Section 21.003(a) for employment in the employee's position other than a certificate described by Paragraph (B) $50,000; or

(D)  a designation under Section 21.3521 $53,000; or

(3)  for an employee with at least 10 years of experience who holds:

(A)  no certification $55,000;

(B)  a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B  $57,000;

(C)  the base certificate required under Section 21.003(a) for employment in the employee's position . . .. $60,000; or

(D)  a designation under Section 21.3521 $63,000 [~~in addition to other factors, as determined by commissioner rule, determined by the following formula:~~

[~~MS = SF x FS~~

[~~where:~~

[~~"MS" is the minimum monthly salary;~~

[~~"SF" is the applicable salary factor specified by Subsection (c); and~~

[~~"FS" is the amount, as determined by the commissioner under Subsection (b), of the basic allotment as provided by Section 48.051(a) or (b) for a school district with a maintenance and operations tax rate at least equal to the state maximum compressed tax rate, as defined by Section 48.051(a)~~].

(a-1)  For purposes of Subsection (a), a full-time school nurse is considered to hold the base certificate required under Section 21.003(a) for employment as a school nurse, regardless of the other certifications held by the nurse.

(c-2)  A school district is not required to pay an employee who is employed as a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse the minimum salary required under Subsection (a) for the school year following a school year during which the district reviews the employee's performance and finds the employee's performance unsatisfactory.

(g)  The commissioner may adopt rules to govern the application of this section, including rules that:

(1)  require the payment of a minimum salary under this section to a person employed in more than one capacity for which a minimum salary is provided and whose combined employment in those capacities constitutes full-time employment; and

(2)  specify the credentials a person must hold to be considered a [~~speech pathologist or~~] school nurse under this section.

(i)  A school district that increases employee compensation in the 2024-2025 school year to comply with Subsection (a), as amended by \_.B. \_\_\_, 88th Legislature, 3rd Called Session, 2023, is providing compensation for services rendered independently of an existing employment contract applicable to that year and is not in violation of Section 53, Article III, Texas Constitution. A school district that does not meet the requirements of Subsection (a) in the 2024-2025 school year may satisfy the requirements of this section by providing an employee a one-time bonus payment during the 2025-2026 school year in an amount equal to the difference between the compensation earned by the employee during the 2024-2025 school year and the compensation the employee should have received during that school year if the district had complied with Subsection (a).

(j)  Notwithstanding the minimum salary schedule under Subsection (a), a school district that increases the amount a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse is compensated during the 2024-2025 school year by at least $8,000 more than the amount the employee was compensated during the 2023-2024 school year complies with the requirements of this section for the 2024-2025 school year.

(k)  Subsections (i) and (j) and this subsection expire September 1, 2027.

SECTION 1.12.  The heading to Section 21.403, Education Code, is amended to read as follows:

Sec. 21.403.  DETERMINATION OF YEARS OF EXPERIENCE [~~PLACEMENT ON MINIMUM SALARY SCHEDULE~~].

SECTION 1.13.  Sections 21.403(b) and (c), Education Code, are amended to read as follows:

(b)  For each year of work experience required for certification in a career or technological field, up to a maximum of two years, a certified career or technology education teacher is entitled to [~~salary step~~] credit as if the work experience were teaching experience.

(c)  The commissioner shall adopt rules for determining the experience for which a teacher, librarian, school counselor, or nurse is to be given credit for purposes of the minimum salary schedule under Section 21.402(a) [~~in placing the teacher, librarian, school counselor, or nurse on the minimum salary schedule~~].  A district shall credit the teacher, librarian, school counselor, or nurse for each year of experience without regard to whether the years are consecutive.

SECTION 1.14.  Subchapter I, Chapter 21, Education Code, is amended by adding Sections 21.416 and 21.417 to read as follows:

Sec. 21.416.  EMPLOYED RETIREE TEACHER REIMBURSEMENT GRANT PROGRAM. (a) From funds appropriated or otherwise available, the commissioner shall establish and administer a grant program to award funds to reimburse a school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf, or the Texas School for the Blind and Visually Impaired that hires a teacher, including an educator who provides services related to special education, who retired before September 1, 2022, for the increased contributions to the Teacher Retirement System of Texas associated with hiring the retired teacher.

(b)  In appropriating money for grants awarded under this section, the legislature may provide for, modify, or limit amounts appropriated for that purpose in the General Appropriations Act, including by:

(1)  providing, notwithstanding Subsection (a), a date or date range other than September 1, 2022, before which a teacher must have retired for a school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf, or the Texas School for the Blind and Visually Impaired that hires the teacher to be eligible; or

(2)  limiting eligibility to a school district or open-enrollment charter school that hires a retired teacher:

(A)  who holds a certain certification;

(B)  to teach a certain subject or grade;

(C)  in a certain geographical area; or

(D)  to provide instruction to certain students, including to students with disabilities.

(c)  The commissioner shall proportionally reduce the amount of funds awarded to school districts, open-enrollment charter schools, the Windham School District, the Texas School for the Deaf, and the Texas School for the Blind and Visually Impaired under this section if the number of grant applications by eligible districts or schools exceeds the number of grants the commissioner could award with the money appropriated or otherwise available for the purpose.

(d)  A school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf, or the Texas School for the Blind and Visually Impaired may use funds received under this section to make required payments under Section 825.4092, Government Code.

Sec. 21.417.  ELECTION BY TEACHER TO USE UNPAID LEAVE. The board of trustees of a school district shall adopt a policy that provides a classroom teacher employed by the district the option to elect not to take the teacher's paid personal leave concurrently with unpaid leave the teacher is entitled to take under the Family and Medical Leave Act of 1993 (29 U.S.C. Section 2601 et seq.) for an absence due to pregnancy or the birth or adoption of a child.

SECTION 1.15.  Section 21.4552(d), Education Code, is amended to read as follows:

(d)  From funds appropriated for that purpose, a teacher who attends a literacy achievement academy is entitled to receive a stipend in the amount determined by the commissioner.  A stipend received under this subsection is not considered in determining whether a school district is paying the teacher the minimum [~~monthly~~] salary under Section 21.402.

SECTION 1.16.  Section 21.4553(d), Education Code, is amended to read as follows:

(d)  From funds appropriated for that purpose, a teacher who attends a mathematics achievement academy is entitled to receive a stipend in the amount determined by the commissioner.  A stipend received under this subsection is not considered in determining whether a district is paying the teacher the minimum [~~monthly~~] salary under Section 21.402.

SECTION 1.17.  Section 21.4555(f), Education Code, is amended to read as follows:

(f)  From funds available for that purpose, a teacher who attends a civics training program may receive a stipend in an amount determined by the commissioner.  A stipend received under this section is not included in determining whether a district is paying the teacher the minimum [~~monthly~~] salary under Section 21.402.

SECTION 1.18.  Subchapter J, Chapter 21, Education Code, is amended by adding Sections 21.466 and 21.467 to read as follows:

Sec. 21.466.  TEACHER QUALITY ASSISTANCE. (a) From funds appropriated or otherwise available for the purpose, the agency shall develop training for and provide technical assistance to school districts and open-enrollment charter schools regarding:

(1)  strategic compensation, staffing, and scheduling efforts that improve professional growth, teacher leadership opportunities, and staff retention;

(2)  programs that encourage high school students or other members of the community in the area served by the district to become teachers, including available teacher apprenticeship programs; and

(3)  programs or strategies that school leaders may use to establish clear and attainable behavior expectations while proactively supporting students.

(b)  From funds appropriated or otherwise available, the agency shall provide grants to school districts and open-enrollment charter schools to implement initiatives developed under this section.

Sec. 21.467.  TEACHER TIME STUDY. (a) From funds appropriated or otherwise available for the purpose, the agency shall develop and maintain a technical assistance program to support school districts and open-enrollment charter schools in:

(1)  studying how the district's or school's staff and student schedules, required noninstructional duties for classroom teachers, and professional development requirements for educators are affecting the amount of time classroom teachers work each week; and

(2)  refining the schedules for students or staff as necessary to ensure teachers have sufficient time during normal work hours to fulfill all job duties, including addressing the needs of students.

(b)  The agency shall periodically make findings and recommendations for best practices publicly available using information from participating school districts and open-enrollment charter schools.

SECTION 1.19.  Chapter 21, Education Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. TEXAS TEACHER RESIDENCY PARTNERSHIP PROGRAM

Sec. 21.901.  DEFINITIONS. In this subchapter:

(1)  "Board" means the State Board for Educator Certification.

(2)  "Cooperating teacher" means a classroom teacher who:

(A)  has at least three full school years of teaching experience with a superior record of assisting students in achieving improvement in student performance;

(B)  is employed by a school district or open-enrollment charter school participating in a partnership program under this subchapter and paired with a partnership resident at the district or school; and

(C)  provides coaching to a partnership resident in the teacher's classroom.

(3)  "Partnership program" means a Texas Teacher Residency Partnership Program established at a school district or open-enrollment charter school in accordance with this subchapter.

(4)  "Partnership resident" means a person enrolled in a qualified educator preparation program participating in a partnership program as a candidate for educator certification.

(5)  "Qualified educator preparation program" means an educator preparation program approved in accordance with rules proposed under Section 21.903.

Sec. 21.902.  ESTABLISHMENT OF PARTNERSHIP PROGRAM. (a) The commissioner shall establish the Texas Teacher Residency Partnership Program to enable qualified educator preparation programs to form partnerships with school districts or open-enrollment charter schools to provide residency positions to partnership residents at the district or school.

(b)  The partnership program must be designed to:

(1)  allow partnership residents to receive field-based experience working with cooperating teachers in prekindergarten through grade 12 classrooms; and

(2)  gradually increase the amount of time a partnership resident spends engaging in instructional responsibilities, including observation, co-teaching, and lead-teaching responsibilities.

Sec. 21.903.  QUALIFIED EDUCATOR PREPARATION PROGRAMS. The board shall propose rules specifying the requirements for board approval of an educator preparation program as a qualified educator preparation program for purposes of this subchapter. The rules must require an educator preparation program to:

(1)  use research-based best practices for recruiting and admitting candidates into the educator preparation program to participate in the partnership program;

(2)  integrate curriculum, classroom practice, and formal observation and feedback;

(3)  use multiple assessments to measure a partnership resident's progress in the partnership program; and

(4)  partner with a school district or open-enrollment charter school.

Sec. 21.904.  REQUIREMENTS FOR PARTICIPATING DISTRICTS AND SCHOOLS. (a) A school district or open-enrollment charter school participating in the partnership program shall:

(1)  enter into a written agreement with a qualified educator preparation program to:

(A)  provide a partnership resident with at least one school year of clinical teaching in a residency position at the district or school in the subject area and grade level for which the resident seeks certification; and

(B)  pair the partnership resident with a cooperating teacher;

(2)  specify the amount of money the district receives under Section 48.157 that the district will provide to the program;

(3)  only use money received under Section 48.157 to:

(A)  implement the partnership program;

(B)  provide compensation to:

(i)  partnership residents in residency positions at the district or school; and

(ii)  cooperating teachers who are paired with partnership residents at the district or school; and

(C)  provide an amount equal to at least 10 percent of the funding received by the district or school to the qualified educator preparation program with which the district or school partners;

(4)  pay at least 50 percent of the compensation paid to partnership residents using money other than money received under Section 48.157; and

(5)  provide any information required by the agency regarding the district's or school's implementation of the program.

(b)  A school district or open-enrollment charter school may only pair a partnership resident with a cooperating teacher who agrees to participate in that role in a partnership program at the district or school partnership program.

(c)  A partnership resident may not serve as a teacher of record, as that term is defined by Section 21.051.

Sec. 21.905.  RESIDENCY EDUCATOR CERTIFICATE. The board shall propose rules specifying the requirements for the issuance of a residency educator certificate to a candidate who has successfully completed a qualified educator preparation program under Section 21.903. The rules may not require the resident to pass a pedagogy examination unless the examination tests subject-specific content appropriate for the grade and subject area for which the candidate seeks certification.

Sec. 21.906.  AGENCY SUPPORT. The agency shall provide technical assistance, planning, and support to school districts, open-enrollment charter schools, and qualified educator preparation programs, which must include:

(1)  providing model forms and agreements a district, school, or educator preparation program may use to comply with the requirements of this subchapter; and

(2)  support for district and school strategic staffing and compensation models to incentivize participation in a partnership program.

Sec. 21.907.  AUTHORITY TO ACCEPT CERTAIN FUNDS. The commissioner may solicit and accept gifts, grants, and donations from public and private entities to use for the purposes of this subchapter.

Sec. 21.908.  RULES; NEGOTIATED RULEMAKING COMMITTEE. (a) The board shall propose rules necessary to implement this subchapter, including, subject to Subsection (b), rules under Sections 21.903 and 21.905.

(b)  In using negotiated rulemaking procedures under Chapter 2008, Government Code, for any proposed rule related to the implementation of Section 21.903 or 21.905, the board must appoint to the negotiated rulemaking committee persons representing institutions of higher education, as defined by Section 61.003.

(c)  The commissioner shall adopt rules as necessary to implement this subchapter after considering the recommendations of the negotiated rulemaking committee appointed under Subsection (b).

SECTION 1.20.  Section 29.153(b), Education Code, is amended to read as follows:

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

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

(2)  is educationally disadvantaged;

(3)  is homeless, regardless of the residence of the child, of either parent of the child, or of the child's guardian or other person having lawful control of the child;

(4)  is the child of an active duty member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who is ordered to active duty by proper authority;

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

(6)  is or ever has been in:

(A)  the conservatorship of the Department of Family and Protective Services following an adversary hearing held as provided by Section 262.201, Family Code; or

(B)  foster care in another state or territory, if the child resides in this state; [~~or~~]

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

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

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

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

(8)  is the child of a person employed as a classroom teacher at a public primary or secondary school in the school district that offers a prekindergarten class under this section.

SECTION 1.21.  Section 30.102(b), Education Code, is amended to read as follows:

(b)  A classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, Chapter 21, or full-time school nurse employed by the department is entitled to receive as a minimum salary the [~~monthly~~] salary specified by Section 21.402. A classroom teacher, full-time librarian, full-time school counselor, or full-time school nurse may be paid, from funds appropriated to the department, a salary in excess of the minimum specified by that section, but the salary may not exceed the rate of pay for a similar position in the public schools of an adjacent school district.

SECTION 1.22.  Section 33.009(h), Education Code, is amended to read as follows:

(h)  From funds appropriated for that purpose, a school counselor who attends the academy under this section is entitled to receive a stipend in the amount determined by the coordinating board. If funds are available after all eligible school counselors have received a stipend under this subsection, the coordinating board shall pay a stipend in the amount determined by the coordinating board to a teacher who attends the academy under this section. A stipend received under this subsection is not considered in determining whether a district is paying the school counselor or teacher the minimum [~~monthly~~] salary under Section 21.402.

SECTION 1.23.  Sections 48.112(c) and (d), Education Code, are amended to read as follows:

(c)  For each classroom teacher with a teacher designation under Section 21.3521 employed by a school district, the school district is entitled to an allotment equal to the following applicable base amount increased by the high needs and rural factor as determined under Subsection (d):

(1)  $12,000, or an increased amount not to exceed $36,000 [~~$32,000~~] as determined under Subsection (d), for each master teacher;

(2)  $9,000 [~~$6,000~~], or an increased amount not to exceed $25,000 [~~$18,000~~] as determined under Subsection (d), for each exemplary teacher; [~~and~~]

(3)  $5,000 [~~$3,000~~], or an increased amount not to exceed $15,000 [~~$9,000~~] as determined under Subsection (d), for each recognized teacher; and

(4)  $3,000, or an increased amount not to exceed $9,000 as determined under Subsection (d), for each:

(A)  acknowledged teacher; or

(B)  teacher designated as nationally board certified.

(d)  The high needs and rural factor is determined by multiplying the following applicable amounts by the average of the point value assigned to each student at a district campus under Subsection (e):

(1)  $6,000 [~~$5,000~~] for each master teacher;

(2)  $4,000 [~~$3,000~~] for each exemplary teacher; [~~and~~]

(3)  $2,500 [~~$1,500~~] for each recognized teacher; and

(4)  $1,500 for each:

(A)  acknowledged teacher; or

(B)  teacher designated as nationally board certified.

SECTION 1.24.  Subchapter D, Chapter 48, Education Code, is amended by adding Section 48.157 to read as follows:

Sec. 48.157.  RESIDENCY PARTNERSHIP ALLOTMENT. (a) In this section, "partnership program" and "partnership resident" have the meanings assigned by Section 21.901.

(b)  For each partnership resident employed at a school district in a residency position under Subchapter R, Chapter 21, the district is entitled to an allotment equal to a base amount of $22,000 increased by the high needs and rural factor, as determined under Subsection (c), to an amount not to exceed $42,000.

(c)  The high needs and rural factor is determined by multiplying $5,000 by the lesser of:

(1)  the average of the point value assigned to each student at a district campus under Sections 48.112(e) and (f); or

(2)  4.0.

(d)  In addition to the funding under Subsection (b), a district that qualifies for an allotment under this section is entitled to an additional $2,000 for each partnership resident employed in a residency position at the district who is a candidate for special education or bilingual education certification.

(e)  The Texas School for the Deaf and the Texas School for the Blind and Visually Impaired are entitled to an allotment under this section. If the commissioner determines that assigning point values under Subsection (c) to students enrolled in the Texas School for the Deaf or the Texas School for the Blind and Visually Impaired is impractical, the commissioner may use the average point value assigned for those students' home districts for purposes of calculating the high needs and rural factor.

SECTION 1.25.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.280 to read as follows:

Sec. 48.280.  SALARY TRANSITION ALLOTMENT. (a) A school district is entitled to receive an annual salary transition allotment equal to the number of employees on the minimum salary schedule under Section 21.402 for the applicable school year multiplied by the difference, if that amount is greater than zero, between:

(1)  the amount calculated under Subsection (b); and

(2)  the amount calculated under Subsection (c).

(b)  The agency shall calculate a school district's value for Subsection (a)(1) by determining the difference between:

(1)  the amount the district must pay in compensation for the current school year for employees on the minimum salary schedule under Section 21.402, as amended by \_.B. \_\_\_, 88th Legislature, 3rd Called Session, 2023, divided by the total number of employees on the minimum salary schedule under that section for that school year; and

(2)  the amount paid in compensation for the 2023-2024 school year for employees on the minimum salary schedule under Section 21.402 divided by the total number of employees on the minimum salary schedule under that section for that school year.

(c)  The agency shall calculate a school district's value for Subsection (a)(2) by determining the difference between:

(1)  the total maintenance and operations revenue for the current school year divided by the total number of employees on the minimum salary schedule under Section 21.402 for that school year; and

(2)  the total maintenance and operations revenue that would have been available to the district for the current school year using the basic allotment formula provided by Section 48.051 and the small and mid-sized allotment formulas provided by Section 48.101 as those sections existed on January 1, 2023, divided by the total number of employees on the minimum salary schedule under Section 21.402 for that school year.

(d)  In calculating the values under this section for a school district or open-enrollment charter school to which Section 21.402 does not apply, the agency shall include as employees on the minimum salary schedule under that section employees of the district or school who would have been on the minimum salary schedule under that section if the district or school were a school district to which that section applies.

(e)  Before making a final determination of the amount of an allotment to which a school district is entitled under this section, the agency shall ensure each school district has an opportunity to review and submit revised information to the agency for purposes of calculating the values under Subsection (a).

(f)  For purposes of this section, "compensation" includes contributions made to the Teacher Retirement System of Texas under Sections 825.4035 and 825.405, Government Code.

SECTION 1.26.  The following provisions are repealed:

(1)  Sections 21.402(b), (c), (c-1), (f), and (h), Education Code;

(2)  Sections 21.403(a) and (d), Education Code;

(3)  Subchapter Q, Chapter 21, Education Code;

(4)  Section 48.114(b), Education Code; and

(5)  Section 825.4092(f), Government Code.

SECTION 1.27.  Not later than September 1, 2026, the commissioner of education, with the assistance of the executive director of the Teacher Retirement System of Texas and the comptroller of public accounts, shall make recommendations to the legislature to improve and coordinate pension contribution appropriations for public school employees.

SECTION 1.28.  Section 21.257(f), Education Code, as added by this article, applies only to a hearing before a hearing examiner commenced on or after the effective date of this article.

SECTION 1.29.  Immediately following the effective date of this article, a school district or open-enrollment charter school shall redesignate a teacher who holds a designation made under Section 21.3521, Education Code, before the effective date of this article, to reflect the teacher's designation under Section 21.3521, Education Code, as amended by this article. Funding provided to a school district under Section 48.112, Education Code, for a teacher who held a designation made under Section 21.3521, Education Code, as that section existed immediately before the effective date of this article, shall be increased to reflect the teacher's redesignation under Section 21.3521, Education Code, as amended by this article.

SECTION 1.30.  Notwithstanding Section 21.903, Education Code, as added by this article, until the State Board for Educator Certification adopts rules specifying the requirements for approval of an educator preparation program as a qualified educator preparation program as required by that section, the commissioner of education may approve a program as a qualified educator preparation program for purposes of Subchapter R, Chapter 21, Education Code, as added by this article, if the commissioner determines that the program meets the requirements under Section 21.903, Education Code, as added by this article. An educator preparation program's designation as a qualified educator preparation program by the commissioner under this section remains effective until the first anniversary of the earliest effective date of a rule adopted by the State Board for Educator Certification under Section 21.903, Education Code, as added by this article.

SECTION 1.31.  This article takes effect September 1, 2024.

ARTICLE 2. CHANGES RELATED TO PUBLIC SCHOOL FINANCE EFFECTIVE FOR 2023-2024 SCHOOL YEAR

SECTION 2.01.  Section 12.106, Education Code, is amended by amending Subsection (d) and adding Subsections (d-1) and (d-2) to read as follows:

(d)  Subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the lesser of:

(1)  the state average interest and sinking fund tax rate imposed by school districts for the current year; or

(2)  a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to $300 [~~$60~~] million or a greater amount provided by appropriation.

(d-1)  Notwithstanding Subsection (d)(2), the total amount that may be used to provide allotments under Subsection (d) may not exceed:

(1)  for the 2023-2024 school year, $108 million;

(2)  for the 2024-2025 school year, $156 million;

(3)  for the 2025-2026 school year, $204 million; and

(4)  for the 2026-2027 school year, $252 million.

(d-2)  Subsection (d-1) and this subsection expire September 1, 2028.

SECTION 2.02.  Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.935 to read as follows:

Sec. 29.935.  UNIVERSITY OF TEXAS MCDONALD OBSERVATORY EDUCATION AND OUTREACH GRANT. (a) From money appropriated for the Foundation School Program or otherwise made available for purposes of this section, the commissioner shall transfer the amount of $10 million to The University of Texas at Austin to enhance education outreach and visitor experiences and engagement, particularly for students and educators, at The University of Texas McDonald Observatory at Mount Locke.

(b)  Funds transferred under this section may only be used by The University of Texas McDonald Observatory at Mount Locke to:

(1)  install new exhibits and renovate existing exhibits;

(2)  modernize self-guided tours with the integration of technology;

(3)  renovate and upgrade the observatory's theater and facilities;

(4)  leverage technology to create first-class virtual experiences; and

(5)  design in-person and virtual engagements for all ages with special consideration given to students and educators.

(c)  The commissioner shall adopt rules as necessary to implement this section.

(d)  This section expires September 1, 2025.

SECTION 2.03.  Section 30.003, Education Code, is amended by amending Subsections (b) and (f-1) and adding Subsection (b-1) to read as follows:

(b)  If the student is admitted to the school for a full-time program for the equivalent of two long semesters, the district's share of the cost is an amount equal to the dollar amount of maintenance and debt service taxes imposed by the district for that year, subject to Subsection (b-1), divided by the district's average daily attendance for the preceding year.

(b-1)  For purposes of Subsection (b), the commissioner shall reduce the dollar amount of maintenance and debt service taxes imposed by the district for a year by the amount, if any, by which the district is required to reduce the district's local revenue level under Section 48.257 for that year.

(f-1)  The commissioner shall determine the total amount that the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf would have received from school districts in accordance with this section if the following provisions had not reduced the districts' share of the cost of providing education services:

(1)  H.B. No. 1, Acts of the 79th Legislature, 3rd Called Session, 2006;

(2)  Subsection (b-1) of this section;

(3)  Section 45.0032;

(4) [~~(3)~~]  Section 48.255; and

(5) [~~(4)~~]  Section 48.2551.

SECTION 2.04.  Subchapter B, Chapter 38, Education Code, is amended by adding Section 38.0631 to read as follows:

Sec. 38.0631.  TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER TEXAS SCHOOL-BASED HEALTH CENTERS GRANT. (a)  From money appropriated for the Foundation School Program or otherwise made available for purposes of this section and in addition to other grants available under this subchapter, the commissioner shall transfer the amount of $20 million to the Texas Tech University Health Sciences Center to enhance the provision of telehealth services to public school students who receive services from school-based health centers located in partner schools that participate in the Texas Child Health Access through Telemedicine program operated by the Texas Child Mental Health Care Consortium established under Chapter 113, Health and Safety Code.

(b)  Funds transferred under this section may only be used by the Texas Tech University Health Sciences Center to:

(1)  establish health care delivery infrastructure to provide public school students the option of virtual health care clinic visits during school hours;

(2)  develop a network of health care providers to facilitate direct access for public school students to health care providers through telehealth platforms; and

(3)  establish partnerships with school districts.

(c)  The commissioner shall adopt rules as necessary to implement this section.

(d)  This section expires September 1, 2025.

SECTION 2.05.  Sections 48.005(b), (e), and (f), Education Code, are amended to read as follows:

(b)  A school district that experiences a decline of more than five [~~two~~] percent [~~or more~~] in average daily attendance shall be funded on the basis of[~~:~~

[~~(1)  the actual average daily attendance of the preceding school year, if the decline is the result of the closing or reduction in personnel of a military base; or~~

[~~(2)  subject to Subsection (e),~~] an average daily attendance of 95 [~~not to exceed 98~~] percent of the actual average daily attendance of the preceding school year[~~, if the decline is not the result of the closing or reduction in personnel of a military base~~].

(e)  For each school year, the commissioner shall adjust the average daily attendance of school districts that are entitled to funding on the basis of an adjusted average daily attendance under Subsection (b) [~~(b)(2)~~] so that:

(1)  all districts are funded on the basis of the same percentage of the preceding year's actual average daily attendance; and

(2)  the total cost to the state does not exceed $50 million [~~the amount specifically appropriated for that year for purposes of Subsection (b)(2)~~].

(f)  An open-enrollment charter school is not entitled to funding based on an adjustment under Subsection (b) [~~(b)(2)~~].

SECTION 2.06.  Sections 48.011(a-1), (d), and (e), Education Code, are amended to read as follows:

(a-1)  The commissioner may modify dates relating to the adoption of a school district's maintenance and operations tax rate and, if applicable, an election required for the district to adopt that rate as necessary to implement the changes to the Foundation School Program and requirements relating to school district tax rates made by the 88th [~~H.B. 3, 86th~~] Legislature, 3rd Called [~~Regular~~] Session, 2023 [~~2019~~].

(d)  Beginning with the 2027-2028 [~~2021-2022~~] school year, the commissioner may not make an adjustment under Subsection (a) or (a-1).

(e)  This section expires September 1, 2028 [~~2023~~].

SECTION 2.07.  Section 48.051, Education Code, is amended by amending Subsections (a), (c), and (d) and adding Subsections (c-3), (c-4), (c-5), and (c-6) to read as follows:

(a)  For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to [~~the lesser of $6,160 or~~] the amount that results from the following formula:

A = B [~~$6,160~~] X TR/MCR

where:

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

"B" is the base amount, which equals the greater of:

(1)  $6,190;

(2)  an amount equal to the district's base amount under this section for the preceding school year; or

(3)  the amount appropriated under Subsection (b);

"TR" is the district's tier one maintenance and operations tax rate, as provided by Section 45.0032; and

"MCR" is the district's maximum compressed tax rate, as determined under Section 48.2551.

(c)  During any school year for which the value of "A" determined [~~maximum amount of the basic allotment provided~~] under Subsection (a) or, if applicable, the sum of the value of "A" and the allotment under Section 48.101 to which the district is entitled, [~~or (b)~~] is greater than the value of "A" or, if applicable, the sum of the value of "A" and the allotment under Section 48.101 to which the district is entitled, [~~maximum amount provided~~] for the preceding school year, a school district must use at least 50 [~~30~~] percent of the amount[~~, if the amount is greater than zero,~~] that equals the product of the average daily attendance of the district multiplied by the amount of the difference between the district's funding under this chapter per student in average daily attendance, excluding the amounts described by Subsection (c-6), for the current school year and the preceding school year to increase the average total compensation per [~~provide compensation increases to~~] full-time district employee [~~employees~~] other than an administrator [~~administrators~~] as follows:

(1)  75 percent must be used to increase the average total compensation per full-time district employee employed as [~~paid to~~] classroom teachers, full-time librarians, full-time school counselors certified under Subchapter B, Chapter 21, and full-time school nurses[~~, prioritizing differentiated compensation for classroom teachers with more than five years of experience~~]; and

(2)  25 percent may be used as determined by the district to increase the average total compensation per [~~paid to~~] full-time district employee who is not described by Subdivision (1) [~~employees~~].

(c-3)  In calculating the average total compensation per full-time district employee under Subsection (c), a school district may not consider compensation paid to a district employee employed in a position described by that subsection who is added by the district for the current school year and that increases the ratio of those employees to students enrolled in the district compared to the preceding school year.

(c-4)  If a school district increases employee compensation in a school year to comply with Subsection (c), as amended by \_.B. \_\_\_, 88th Legislature, 3rd Called Session, 2023, the district is providing compensation for services rendered independently of an existing employment contract applicable to that year and is not a violation of Section 53, Article III, Texas Constitution.

(c-5)  A school district that does not meet the requirements of Subsection (c) during a school year may satisfy the requirements of this section by providing a full-time district employee described by that subsection a one-time bonus payment during the following school year in an amount equal to the difference between the compensation earned by the employee and the compensation the employee should have received during the school year if the district had complied with Subsection (c).

(c-6)  For purposes of determining the amount of a school district's funding under this chapter under Subsection (c), the commissioner shall exclude:

(1)  money received from the state instructional materials and technology fund under Section 31.021;

(2)  the special education full individual and initial evaluation allotment under Section 48.1022;

(3)  the college, career, and military readiness outcomes bonuses under Section 48.110;

(4)  the school safety allotment under Section 48.115; and

(5)  the allotments under Subchapter D, other than the allotments under Sections 48.153 and 48.154.

(d)  In this section, "compensation" includes:

(1)  benefits such as insurance premiums; and

(2)  contributions to the Teacher Retirement System of Texas under Section 825.4035, Government Code.

SECTION 2.08.  Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.1022 to read as follows:

Sec. 48.1022.  SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL EVALUATION. For each student for whom a school district conducts a full individual and initial evaluation under Section 29.004 or 20 U.S.C. Section 1414(a)(1), the district is entitled to an allotment of $500 or a greater amount provided by appropriation.

SECTION 2.09.  Section 48.106(a-1), Education Code, is amended to read as follows:

(a-1)  In addition to the amounts under Subsection (a), for each student in average daily attendance, a district is entitled to $150 [~~$50~~] for each of the following in which the student is enrolled:

(1)  a campus designated as a P-TECH school under Section 29.556; or

(2)  a campus that is a member of the New Tech Network and that focuses on project-based learning and work-based education.

SECTION 2.10.  Section 48.108(a), Education Code, is amended to read as follows:

(a)  For each student in average daily attendance in prekindergarten [~~kindergarten~~] through third grade, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 if the student is:

(1)  educationally disadvantaged; or

(2)  an emergent bilingual student, as defined by Section 29.052, and is in a bilingual education or special language program under Subchapter B, Chapter 29.

SECTION 2.11.  Section 48.110(d), Education Code, is amended to read as follows:

(d)  For each annual graduate in a cohort described by Subsection (b) who demonstrates college, career, or military readiness as described by Subsection (f) in excess of the minimum number of students determined for the applicable district cohort under Subsection (c), a school district is entitled to an annual outcomes bonus of:

(1)  if the annual graduate is educationally disadvantaged, $5,000;

(2)  if the annual graduate is not educationally disadvantaged, $3,000; and

(3)  if the annual graduate is enrolled in a special education program under Subchapter A, Chapter 29, $4,000 [~~$2,000~~], regardless of whether the annual graduate is educationally disadvantaged.

SECTION 2.12.  Section 48.111(a), Education Code, is amended to read as follows:

(a)  A [~~Except as provided by Subsection (c), a~~] school district is entitled to an annual allotment equal to the basic allotment multiplied by the applicable weight under Subsection (a-1) for each enrolled student equal to the difference, if the difference is greater than zero, that results from subtracting 250 from the difference between the number of students enrolled in the district during the school year immediately preceding the current school year and the number of students enrolled in the district during the school year six years preceding the current school year.

SECTION 2.13.  Section 48.115(a), Education Code, is amended to read as follows:

(a)  Except as provided by Subsection (a-1), a school district is entitled to an annual allotment equal to the greater of [~~sum of the following amounts or a greater amount provided by appropriation~~]:

(1)  [~~$10 for each student in average daily attendance, plus $1 for each student in average daily attendance per every $50 by which~~] the [~~district's maximum~~] basic allotment multiplied by 0.005 for each student in average daily attendance [~~under Section 48.051 exceeds $6,160, prorated as necessary~~]; and

(2)  the following amount, as applicable, [~~$15,000~~] per campus:

(A)  $30,000 for each campus with 500 or fewer enrolled students;

(B)  $50,000 for each campus with 501 to 1,000 enrolled students;

(C)  $75,000 for each campus with 1,001 to 1,500 enrolled students;

(D)  $87,500 for each campus with 1,501 to 2,000 enrolled students; and

(E)  $100,000 for each campus with more than 2,000 enrolled students.

SECTION 2.14.  Subchapter C, Chapter 48, Education Code, is amended by adding Sections 48.116 and 48.119 to read as follows:

Sec. 48.116.  FINE ARTS ALLOTMENT. (a) For each student in average daily attendance enrolled in a fine arts education course approved by the agency under Subsection (b) in grades 6 through 12, a school district is entitled to an annual allotment equal to:

(1)  if the student is not educationally disadvantaged, the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by .008; or

(2) if the student is educationally disadvantaged, the amount determined under Subdivision (1) multiplied by two.

(b)  The agency shall approve fine arts education courses that qualify for the allotment provided under this section. The approved courses must include fine arts education courses that:

(1)  are authorized by the State Board of Education, including music, art, theater, and dance;

(2)  provide students with the knowledge and skills necessary for success in the fine arts; and

(3)  require a student in full-time attendance to receive not less than 225 minutes of fine arts instruction per week.

(c)  The agency shall annually publish a list of fine arts courses approved under Subsection (b).

Sec. 48.119.  BOOK SAFETY ALLOTMENT. (a) For each student in average daily attendance, a school district is entitled to an annual allotment of $3 or a greater amount provided by appropriation.

(b)  Funds allocated under this section may be used only to ensure that school library books and related materials meet the standards adopted under Section 33.021.

(c)  The agency shall adopt a list of approved vendors at which a school district may spend funds allocated under this section for the purpose described by Subsection (b).

SECTION 2.15.  Section 48.118(f), Education Code, is amended to read as follows:

(f)  The total amount of state funding for allotments and outcomes bonuses under this section may not exceed $5 million per year unless money is specifically appropriated for the purpose of this section and designated as money in excess of the $5 million permitted under this subsection. If the total amount of allotments and outcomes bonuses to which school districts are entitled under this section exceeds the amount permitted under this subsection, the agency shall allocate state funding to districts under this section in the following order:

(1)  allotments under Subsection (a) for which school districts participating in partnerships prioritized under Section 29.912(h) are eligible;

(2)  allotments under Subsection (a) for which school districts that entered into a memorandum of understanding or letter of commitment regarding a multidistrict pathway partnership, as defined by commissioner rule, before May 1, 2023, are eligible;

(3)  allotments under Subsection (a) for which school districts that have entered into a performance agreement under Section 29.912 with a coordinating entity that is an institution of higher education, as defined by Section 61.003, are eligible;

(4)  allotments under Subsection (a) for which school districts with the highest percentage of students who are educationally disadvantaged, in descending order, are eligible; and

(5)  outcomes bonuses under Subsection (c) for which school districts with the highest percentage of students who are educationally disadvantaged, in descending order, are eligible.

SECTION 2.16.  Section 48.151(g), Education Code, is amended to read as follows:

(g)  A school district or county that provides special transportation services for eligible special education students is entitled to a state allocation at a [~~paid on a previous year's cost-per-mile basis. The~~] rate of $1.75 per mile or a greater amount provided [~~allowable shall be set~~] by appropriation [~~based on data gathered from the first year of each preceding biennium~~]. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner may grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting eligible special education students. The mileage allowed shall be computed along the shortest public road from the student's home to school and back, morning and afternoon. The need for this type of transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

SECTION 2.17.  Subchapter D, Chapter 48, Education Code, is amended by adding Sections 48.160 and 48.161 to read as follows:

Sec. 48.160.  ALLOTMENT FOR ADVANCED MATHEMATICS PATHWAYS AND CERTAIN PROGRAMS OF STUDY. (a) A school district is eligible to receive an allotment under this section if the district offers through in-person instruction, remote instruction, or a hybrid of in-person and remote instruction:

(1)  an advanced mathematics pathway that begins with Algebra I in grade eight and continues through progressively more advanced mathematics courses in each grade from grade 9 through 12;

(2)  a program of study in:

(A)  computer programming and software development; or

(B)  cybersecurity; and

(3)  a program of study in a specialized skilled trade, such as:

(A)  plumbing and pipefitting;

(B)  electrical;

(C)  welding;

(D)  diesel and heavy equipment;

(E)  aviation maintenance; or

(F)  applied agricultural engineering.

(b)  Notwithstanding Subsection (a), a school district is eligible for the allotment under this section for students in average daily attendance in a high school in the district that does not offer a program of study described by Subsection (a)(2) or (3) if:

(1)  high school students who reside in the attendance zone of the high school may participate in the program of study by enrolling in another high school:

(A)  that:

(i)  is in the same district or a neighboring school district;

(ii)  was assigned the same or a better campus overall performance rating under Section 39.054 as the high school in whose attendance zone the students reside; and

(iii)  offers the program of study; and

(B)  to and from which transportation is provided for those students; or

(2)  students in average daily attendance in the high school:

(A)  are offered instruction for the program of study at another location, such as another high school in the same district or a neighboring school district; and

(B)  receive transportation to and from the location described by Paragraph (A).

(c)  An eligible school district is entitled to an annual allotment of $10 for each student in average daily attendance at a high school in the district that offers a pathway or program of study from each subdivision described by Subsection (a) if:

(1)  each student in average daily attendance at the high school takes a progressively more advanced mathematics course each year of enrollment; and

(2)  for each of those pathways or programs of study, at least one student in average daily attendance at the high school completes a course in the pathway or program of study.

(d)  A school district that receives an allotment under Subsection (c) and Section 48.101 is entitled to receive an additional allotment in an amount equal to the product of 0.1 and the allotment to which the district is entitled under Section 48.101 for each student for which the district receives an allotment under Subsection (c). An open-enrollment charter school is not eligible for an allotment under this subsection.

(e)  The commissioner by rule may establish requirements to ensure students in average daily attendance in a high school to which Subsection (b) applies have meaningful access to the programs of study described by Subsections (a)(2) and (3).

(f)  The agency may reduce the amount of a school district's allotment under this section if the agency determines that the district has not complied with any provision of this section.

Sec. 48.161.  COMMUNITIES IN SCHOOLS EXPANSION ALLOTMENT.  (a)  A school district is eligible to receive an annual allotment of $50,000 for each campus in the district that participates in the Communities In Schools program under Subchapter E, Chapter 33.

(b)  The commissioner by rule may establish requirements for the use of an allotment under this section by a school district to ensure that the allotment is used to establish or expand a Communities In Schools program on a district campus.

(c)  The amount appropriated for allotments under this section may not exceed $50 million in a school year. If the total amount of allotments to which districts are entitled under this section for a school year exceeds the amount appropriated under this subsection, the commissioner shall proportionately reduce each district's allotment under this section.

(d)  The commissioner may reduce the amount of a school district's allotment under this section if the commissioner determines that the district has not complied with any provision of this section.

SECTION 2.18.  Section 48.202, Education Code, is amended by amending Subsection (a-1) and adding Subsections (f-1) and (f-2) to read as follows:

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

(1)  the greater of the amount of district tax revenue per weighted student per cent of tax effort available to a school district at the 96th percentile of wealth per weighted student or the amount that results from multiplying the maximum amount of the basic allotment provided under Section 48.051 for the applicable school year [~~6,160, or the greater amount provided under Section 48.051(b), if applicable,~~] by 0.016, for the first eight cents by which the district's maintenance and operations tax rate exceeds the district's tier one tax rate; and

(2)  subject to Subsection (f), the amount that results from multiplying the maximum amount of the basic allotment provided under Section 48.051 for the applicable school year [~~$6,160, or the greater amount provided under Section 48.051(b), if applicable,~~] by 0.008, for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (1).

(f-1)  Notwithstanding any other provision of this chapter, Subsection (f) does not apply for the 2023-2024 school year.

(f-2)  Subsection (f-1) and this subsection expire September 1, 2025.

SECTION 2.19.  Section 48.277(b), Education Code, is amended to read as follows:

(b)  For purposes of calculating maintenance and operations revenue under Subsection (a), the commissioner shall:

(1)  for purposes of Subsections (a)(1) and (2), use the following applicable school year:

(A)  in a school year ending in an even-numbered year, the 2019-2020 school year; and

(B)  in a school year ending in an odd-numbered year, the 2019-2020 or 2020-2021 school year, whichever is greater;

(2)  include all state and local funding, except for any funding resulting from:

(A)  reimbursement for disaster remediation costs under former Sections 41.0931 and 42.2524;

(B)  an adjustment for rapid decline in taxable value of property under former Section 42.2521;

(C)  an adjustment for property value affected by a state of disaster under former Section 42.2523; [~~and~~]

(D)  additional state aid under Section 48.307 or 48.308; and

(E)  additional state aid for retention stipends under Section 48.285;

(3)  adjust the calculation to reflect a reduction in tax effort by a school district; and

(4)  if a school district or open-enrollment charter school receives a waiver relating to eligibility requirements for the national free or reduced-price lunch program under 42 U.S.C. Section 1751 et seq., use the numbers of educationally disadvantaged students on which the district's or school's entitlement to compensatory education funds was based for the school year before the school year in which the district or school received the waiver, adjusted for estimated enrollment growth.

SECTION 2.20.  Subchapter F, Chapter 48, Education Code, is amended by adding Sections 48.284 and 48.285 to read as follows:

Sec. 48.284.  PROPERTY VALUE STUDY HARDSHIP GRANTS. (a) For the 2023-2024 and 2024-2025 school years, from money appropriated for purposes of this section, the commissioner may administer a grant program to provide grants to eligible school districts to offset a reduction in the district's funding under the Foundation School Program resulting from the use of the state value for the district's taxable value of property as provided by Section 403.302(c), Government Code, for the 2022 and 2023 tax years.

(b)  The amount of a grant awarded under this section is the difference, if that difference is greater than zero, between:

(1)  the funding the school district would have received under Chapter 46, this chapter, and Chapter 49 for the applicable school year if the local value for the district's taxable value of property was used for the applicable tax year; and

(2)  the funding to which the district is entitled under Chapter 46, this chapter, and Chapter 49 for the applicable school year.

(c)  An open-enrollment charter school is not eligible to receive a grant under this section.

(d)  Funding provided to a school district under this section is in addition to all other funding provided under Chapter 46, this chapter, and Chapter 49.

(e)  The commissioner may require a school district to submit, or request from a state agency or a political subdivision of this state, additional information as needed to make a determination under this section.

(f)  The total amount of grants awarded under this section for a school year may not exceed $60 million.

(g)  In awarding grants under this section, the commissioner shall prioritize school districts experiencing the greatest percentage reduction in funding described by Subsection (a).

(h)  The commissioner may not adjust the amount of a grant awarded under this section based on data revisions received after the grant has been awarded.

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

(j)  This section expires September 1, 2025.

Sec. 48.285.  ADDITIONAL STATE AID FOR RETENTION STIPENDS. (a) For the 2023-2024 school year, a school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount equal to the sum of:

(1)  the product of $4,000 multiplied by the number of full-time employees subject to the minimum salary schedule under Section 21.402 employed by the district; and

(2)  the product of $2,000 multiplied by the number of part-time classroom teachers, part-time librarians, part-time school counselors certified under Subchapter B, Chapter 21, and part-time school nurses employed by the district.

(b)  A school district shall use state aid received under Subsection (a) to provide a one-time stipend to each employee for whom the district received state aid in the amount of the state aid provided under that subsection for that employee.

(c)  An open-enrollment charter school is entitled to state aid under this section in the same manner as a school district and is required to provide a one-time stipend to each employee in a comparable role as a school district employee described by Subsection (a) as if those employees were subject to the minimum salary schedule under Section 21.402.

(d)  A one-time stipend provided to an eligible employee under this section satisfies the compensation increase required by Section 48.051.

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

(f)  A school district or an open-enrollment charter school is not entitled to funding under this section beginning with the 2024-2025 school year.

(g)  This section expires September 1, 2025.

SECTION 2.21.  Sections 48.111(c), (c-1), and (c-2), Education Code, are repealed.

SECTION 2.22.  Except as otherwise provided by this article, this article takes effect immediately if this Act 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, the entirety of this article takes effect on the 91st day after the last day of the legislative session.

ARTICLE 3. CHANGES RELATED TO PUBLIC SCHOOL FINANCE EFFECTIVE FOR 2024-2025 SCHOOL YEAR

SECTION 3.01.  Section 12.263(b), Education Code, is amended to read as follows:

(b)  For purposes of determining the average daily attendance of an adult education program operated under a charter granted under this subchapter, a student is considered to be in average daily attendance, with a 100 percent attendance rate, for:

(1)  all of the instructional days of the school year, if the student is enrolled for at least 75 percent of the school year;

(2)  three-quarters [~~half~~] of the instructional days of the school year, if the student is enrolled for at least 50 percent but less than 75 percent of the school year;

(3)  half [~~a quarter~~] of the instructional days of the school year, if the student is enrolled for at least 25 percent but less than 50 percent of the school year; or

(4)  a quarter [~~one-tenth~~] of the instructional days of the school year, if the student is enrolled for at least 10 percent but less than 25 percent of the school year.

SECTION 3.02.  Sections 48.0051(a), (b), and (d), Education Code, are amended to read as follows:

(a)  The [~~Subject to Subsection (a-1), the~~] commissioner shall adjust the average daily attendance of a school district or open-enrollment charter school under Section 48.005 in the manner provided by Subsection (b) if the district or school:

(1)  provides the minimum number of minutes of operational and instructional time required under Section 25.081 and commissioner rules adopted under that section over at least 175 [~~180~~] days of instruction; and

(2)  offers an additional 30 days of half-day instruction for students enrolled in prekindergarten through fifth grade.

(b)  For a school district or open-enrollment charter school described by Subsection (a), the commissioner shall increase the average daily attendance of the district or school under Section 48.005 by the amount that results from the quotient of the sum of attendance by students described by Subsection (a)(2) for each of the 30 additional instructional days of half-day instruction that are provided divided by 175 [~~180~~].

(d)  This section does not prohibit a school district from providing the minimum number of minutes of operational and instructional time required under Section 25.081 and commissioner rules adopted under that section over fewer than 175 [~~180~~] days of instruction.

SECTION 3.03.  Section 48.051(a), Education Code, is amended to read as follows:

(a)  For each student in average daily attendance, not including the time students spend each day in special education programs in a setting [~~an instructional arrangement~~] other than a general education setting [~~mainstream~~] or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to [~~the lesser of $6,160 or~~] the amount that results from the following formula:

A = B [~~$6,160~~] X TR/MCR

where:

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

"B" is the base amount, which equals the greater of:

(1)  $6,500;

(2)  an amount equal to the district's base amount under this section for the preceding school year; or

(3)  the amount appropriated under Subsection (b);

"TR" is the district's tier one maintenance and operations tax rate, as provided by Section 45.0032; and

"MCR" is the district's maximum compressed tax rate, as determined under Section 48.2551.

SECTION 3.04.  Effective September 1, 2026, Section 48.051, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1)  Notwithstanding Subsection (a), for the second year of each state fiscal biennium, the commissioner shall adjust the value of "B" under that subsection for the preceding state fiscal year by a factor equal to the average annual percentage increase, if any, in the Texas Consumer Price Index for the preceding 10 years.

SECTION 3.05.  Section 48.101, Education Code, is amended to read as follows:

Sec. 48.101.  SMALL AND MID-SIZED DISTRICT ALLOTMENT. (a) Small and mid-sized districts are entitled to an annual allotment in accordance with this section.  In this section:

(1)  "AA" is the district's annual allotment per student in average daily attendance;

(2)  "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 48.051, other than students in average daily attendance who do not reside in the district and are enrolled in a full-time virtual program; and

(3)  "BA" is the basic allotment determined under Section 48.051.

(b)  A school district that has fewer than 1,600 students in average daily attendance is entitled to an annual allotment for each student in average daily attendance based on the following formula:

AA = ((1,600 - ADA) X .00044 [~~.0004~~]) X BA

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

(1)  the formula in Subsection (b), if the district is eligible for that formula; or

(2)  AA = ((5,000 - ADA) X .000034 [~~.000025~~]) X BA.

(d)  Instead of the allotment under Subsection (b) or (c)(1), a school district that has fewer than 300 students in average daily attendance and is the only school district located in and operating in a county is entitled to an annual allotment for each student in average daily attendance based on the following formula:

AA = ((1,600 - ADA) X .00054 [~~.00047~~]) X BA

SECTION 3.06.  Section 48.102, Education Code, is amended to read as follows:

Sec. 48.102.  SPECIAL EDUCATION. (a) For each enrolled student [~~in average daily attendance~~] in a special education program under Subchapter A, Chapter 29, [~~in a mainstream instructional arrangement,~~] a school district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight in an amount set by the legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualifies [~~1.15~~]. [~~For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight determined according to instructional arrangement as follows:~~

[~~Homebound             5.0~~

[~~Hospital class             3.0~~

[~~Speech therapy             5.0~~

[~~Resource room             3.0~~

[~~Self-contained, mild and moderate,~~

~~regular campus             3.0~~

[~~Self-contained, severe, regular campus           3.0~~

[~~Off home campus             2.7~~

[~~Nonpublic day school             1.7~~

[~~Vocational adjustment class             2.3~~]

(a-1)  Notwithstanding Subsection (a), for the 2024-2025 and 2025-2026 school years, the amount of an allotment under this section shall be determined in accordance with Section 48.1023. This subsection expires September 1, 2026.

(b)  The commissioner by rule shall define seven tiers of intensity of service for use in determining funding under this section. The commissioner must include one tier specifically addressing students receiving special education services in residential placement [~~A special instructional arrangement for students with disabilities residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services shall be established by commissioner rule.  The funding weight for this arrangement shall be 4.0 for those students who receive their education service on a local school district campus.  A special instructional arrangement for students with disabilities residing in state schools shall be established by commissioner rule with a funding weight of 2.8~~].

(c)  [~~For funding purposes, the number of contact hours credited per day for each student in the off home campus instructional arrangement may not exceed the contact hours credited per day for the multidistrict class instructional arrangement in the 1992-1993 school year.~~

[~~(d)  For funding purposes the contact hours credited per day for each student in the resource room;  self-contained, mild and moderate; and self-contained, severe, instructional arrangements may not exceed the average of the statewide total contact hours credited per day for those three instructional arrangements in the 1992-1993 school year.~~

[~~(e)  The commissioner by rule shall prescribe the qualifications an instructional arrangement must meet in order to be funded as a particular instructional arrangement under this section.  In prescribing the qualifications that a mainstream instructional arrangement must meet, the commissioner shall establish requirements that students with disabilities and their teachers receive the direct, indirect, and support services that are necessary to enrich the regular classroom and enable student success.~~

[~~(f)  In this section, "full-time equivalent student" means 30 hours of contact a week between a special education student and special education program personnel.~~

[~~(g)~~]  The commissioner shall adopt rules and procedures governing contracts for residential and day program placement of [~~special education~~] students receiving special education services.

(d)  [~~The legislature shall provide by appropriation for the state's share of the costs of those placements.~~

[~~(h)~~]  At least 55 percent of the funds allocated under this section must be used in the special education program under Subchapter A, Chapter 29.

(e) [~~(i)~~]  The agency shall ensure [~~encourage~~] the placement of students in special education programs, including students in residential placement [~~instructional arrangements~~], in the least restrictive environment appropriate for their educational needs.

(f) [~~(j)~~]  A school district that provides an extended year program required by federal law for special education students who may regress is entitled to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled for each [~~full-time equivalent~~] student in average enrollment [~~daily attendance~~], multiplied by the amount designated for the highest tier of intensity of service for which the student qualifies [~~student's instructional arrangement~~] under this section, for each day the program is provided divided by the number of days in the minimum school year. The total amount of state funding for extended year services under this section may not exceed $10 million per year.  A school district may use funds received under this section only in providing an extended year program.

(g) [~~(k)~~]  From the total amount of funds appropriated for special education under this section, the commissioner shall withhold an amount specified in the General Appropriations Act, and distribute that amount to school districts for programs under Section 29.014.  The program established under that section is required only in school districts in which the program is financed by funds distributed under this subsection and any other funds available for the program.  After deducting the amount withheld under this subsection from the total amount appropriated for special education, the commissioner shall reduce each district's allotment proportionately and shall allocate funds to each district accordingly.

(h)  Not later than December 1 of each even-numbered year, the commissioner shall submit to the Legislative Budget Board, for purposes of the allotment under this section, proposed weights for the tiers of intensity of service for the next state fiscal biennium.

SECTION 3.07.  Subchapter C, Chapter 48, Education Code, is amended by adding Sections 48.1021 and 48.1023 to read as follows:

Sec. 48.1021.  SPECIAL EDUCATION SERVICE GROUP ALLOTMENT. (a) For each six-week period in which a student in a special education program under Subchapter A, Chapter 29, receives eligible special education services, a school district is entitled to an allotment in an amount set by the legislature in the General Appropriations Act for the service group for which the student is eligible.

(a-1)  Notwithstanding Subsection (a), for the 2024-2025 and 2025-2026 school years, the amount of an allotment under this section shall be determined in accordance with Section 48.1023. This subsection expires September 1, 2026.

(b)  The commissioner by rule shall establish four service groups for use in determining funding under this section. In establishing the groups, the commissioner must consider the level of services, equipment, and technology required to meet the needs of students receiving special education services.

(c)  A school district is entitled to receive an allotment under this section for each service group for which a student is eligible.

(d)  A school district is entitled to the full amount of an allotment under this section for a student receiving eligible special education services during any part of a six-week period.

(e)  At least 55 percent of the funds allocated under this section must be used for a special education program under Subchapter A, Chapter 29.

(f)  Not later than December 1 of each even-numbered year, the commissioner shall submit to the Legislative Budget Board, for purposes of the allotment under this section, proposed amounts of funding for the service groups for the next state fiscal biennium.

Sec. 48.1023.  SPECIAL EDUCATION TRANSITION FUNDING. (a) For the 2024-2025 and 2025-2026 school years, the commissioner may adjust weights or amounts provided under Section 48.102 or 48.1021 as necessary to ensure compliance with requirements regarding maintenance of state financial support under 20 U.S.C. Section 1412(a)(18) and maintenance of local financial support under applicable federal law.

(b)  For the 2024-2025 and 2025-2026 school years, the commissioner shall determine the formulas through which school districts receive funding under Sections 48.102 and 48.1021. In determining the formulas, the commissioner may combine the methods of funding under those sections with the method of funding provided by Section 48.102, as it existed on September 1, 2023.

(c)  For the 2026-2027 school year, the commissioner may adjust the weights or amounts set by the legislature in the General Appropriations Act for purposes of Section 48.102 or 48.1021. Before making an adjustment under this subsection, the commissioner shall notify and must receive approval from the Legislative Budget Board.

(d)  Notwithstanding any other provision of this section, the sum of funding provided under Sections 48.102 and 48.1021 for the 2024-2025 or for the 2025-2026 school year as adjusted under this section may not exceed the sum of:

(1)  funding that would have been provided under Section 48.102, as it existed on September 1, 2023; and

(2)  the amount set by the legislature in the General Appropriations Act.

(e)  Each school district and open-enrollment charter school shall report to the agency information necessary to implement this section.

(f)  The agency shall provide technical assistance to school districts and open-enrollment charter schools to ensure a successful transition in funding formulas for special education.

(g)  This section expires September 1, 2028.

SECTION 3.08.  Section 48.103(c), Education Code, is amended to read as follows:

(c)  A school district may receive funding for a student under each provision of this section, [~~and~~] Section 48.102, and Section 48.1021 for which [~~if~~] the student qualifies [~~satisfies the requirements of both sections~~].

SECTION 3.09.  Sections 48.104(a), (d), and (e), Education Code, are amended to read as follows:

(a)  For each student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student is educationally disadvantaged, 0.28 [~~0.275~~]. For each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant, a district is entitled to an annual allotment equal to the basic allotment multiplied by 2.41.

(d)  The weights assigned to the five tiers of the index established under Subsection (c) are, from least to most severe economic disadvantage, 0.23 [~~0.225~~], 0.2425 [~~0.2375~~], 0.255 [~~0.25~~], 0.2675 [~~0.2625~~], and 0.28 [~~0.275~~].

(e)  If insufficient data is available for any school year to evaluate the level of economic disadvantage in a census block group, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.23 [~~0.225~~] for each student who is educationally disadvantaged and resides in that census block group.

SECTION 3.10.  Section 48.108, Education Code, is amended by adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as follows:

(a-1)  In addition to the allotment under Subsection (a) and subject to Subsection (a-2), a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 for each student in average daily attendance enrolled in a prekindergarten class provided through a contract with a community-based child-care provider under Section 29.153.

(a-2)  The total number of students in average daily attendance statewide for whom an allotment may be provided under Subsection (a-1) for a school year may not exceed 10,000 students in average daily attendance. If the number of students in average daily attendance for whom a school district is entitled to an allotment under this section exceeds the maximum number provided by this subsection, the commissioner shall allocate the allotments to school districts under this section in accordance with commissioner rule.

(a-3)  Notwithstanding Subsection (a-2), the maximum number of students in average daily attendance statewide for whom an allotment may be provided under Subsection (a-1) for a school year is:

(1)  for the 2024-2025 school year, 2,000 students;

(2)  for the 2025-2026 school year, 4,500 students; and

(3)  for the 2026-2027 school year, 7,000 students.

(a-4)  Subsection (a-3) and this subsection expire September 1, 2027.

SECTION 3.11.  Section 48.114, Education Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a)  A school district [~~that has implemented a mentoring program for classroom teachers who have less than two years of teaching experience under Section 21.458~~] is entitled to an allotment [~~as determined under Subsection (b)~~] to fund a [~~the~~] mentoring program and to provide stipends for mentor teachers if:

(1)  the district has implemented a mentoring program for classroom teachers under Section 21.458; and

(2)  the mentor teachers assigned under that program complete a training program that is required or developed by the agency for mentor teachers.

(d)  A school district is entitled to an allotment of $2,000 for each classroom teacher with less than two years of experience who participates in a mentoring program described by Subsection (a). A district may receive an allotment under this section for no more than 40 teachers during a school year unless an appropriation is made for the purposes of providing a greater number of allotments per district.

SECTION 3.12.  Section 48.115(a), Education Code, is amended to read as follows:

(a)  Except as provided by Subsection (a-1), a school district is entitled to an annual allotment equal to the greater of [~~sum of the following amounts or a greater amount provided by appropriation~~]:

(1)  [~~$10 for each student in average daily attendance, plus $1 for each student in average daily attendance per every $50 by which~~] the [~~district's maximum~~] basic allotment multiplied by 0.01 for each student in average daily attendance [~~under Section 48.051 exceeds $6,160, prorated as necessary~~]; and

(2)  the following amount, as applicable, [~~$15,000~~] per campus:

(A)  $50,000 for each campus with 500 or fewer enrolled students;

(B)  $100,000 for each campus with 501 to 1,000 enrolled students;

(C)  $150,000 for each campus with 1,001 to 1,500 enrolled students;

(D)  $175,000 for each campus with 1,501 to 2,000 enrolled students; and

(E)  $200,000 for each campus with more than 2,000 enrolled students.

SECTION `1.  Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.120 to read as follows:

Sec. 48.120.  MILITARY TRANSITION AID. (a) A school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.08 for each eligible student in average daily attendance.

(b)  A student is eligible for purposes of Subsection (a) if the student:

(1)  is a military-connected student, as defined by Section 25.006; and

(2)  is in the student's first year of enrollment in the school district.

(c)  Funds allocated under this section may be used only to maintain a transition program that assists military families with relocation, enrollment, registration, records transfer, academic planning, counseling, and other support services available at a Purple Star Campus, as described by Section 33.909.

SECTION 3.14.  Section 48.257, Education Code, is amended by amending Subsection (a) and adding Subsection (b-1) to read as follows:

(a)  Subject to Subsection (b) and except as provided by Subsection (b-1), 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, 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.

(b-1)  This subsection applies only to a school district to which Subsection (a) applies, that received an allotment under Section 48.277 for the 2023-2024 school year, and that adopts a maintenance and operations tax rate for the current school year equal to or greater than the sum of the district's maximum compressed tax rate, as determined under Section 48.2551, and four cents. Notwithstanding Subsection (a), if, after reducing the tier one revenue level of a school district to which this subsection applies as required under Subsection (a), the maintenance and operations revenue per student in average daily attendance of the district for a school year would be less than the maintenance and operations revenue per student in average daily attendance available to the district for the 2023-2024 school year, excluding any funding provided to the district under Sections 48.279 and 48.281, 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 to provide the district with the amount of maintenance and operations revenue per student in average daily attendance available to the district for the 2023-2024 school year.

SECTION 3.15.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.286 to read as follows:

Sec. 48.286.  REGIONAL DISASTER INSURANCE VARIATION ALLOTMENT. (a) A school district is entitled to an annual allotment for each student in average daily attendance equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by the product, if the product is greater than zero, of the district's variation factor as determined under Subsection (b) and .012.

(b)  The commissioner shall determine a school district's variation factor by:

(1)  assigning each school district to the county in which the district's central administrative office is located;

(2)  determining the percentage spent on expenses related to property and casualty insurance by calculating the average of the quotient of property and casualty insurance expenses incurred by all districts assigned to a county under Subdivision (1) divided by total expenditures made by those districts for each of the three most recent school years; and

(3)  subtracting one percentage point from the percentage determined under Subdivision (2).

(c)  The commissioner shall use the variation factor determined under Subsection (b) for the 2023-2024 school year for a school district for purposes of determining a school district's allotment under Subsection (a) for any subsequent school year.

SECTION 3.16.  Subchapter G, Chapter 48, Education Code, is amended by adding Sections 48.304 and 48.306 to read as follows:

Sec. 48.304.  DAY PLACEMENT PROGRAM FUNDING. (a) For each qualifying day placement program that a regional education service center makes available in partnership with a school district, open-enrollment charter school, or shared services arrangement, the center is entitled to an allotment of:

(1)  $250,000 for the first year of the program's operation; and

(2)  $150,000 for each year of the program's operation after the first year.

(b)  A day placement program qualifies for purposes of Subsection (a) if:

(1)  the program complies with commissioner rules adopted under Section 48.102(c);

(2)  the program offers services to students who are enrolled at any school district or open-enrollment charter school in the county in which the program is offered, unless the commissioner by rule waives or modifies the requirement under this subdivision for the program to serve all students in a county; and

(3)  the agency has designated the program for service in the county in which the program is offered and determined that, at the time of designation, the program increases the availability of day placement services in the county.

Sec. 48.306.  PARENT-DIRECTED SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES GRANT. (a) A student to whom the agency awards a grant under Subchapter A-1, Chapter 29, is entitled to receive an amount of $1,500 or a greater amount provided by appropriation.

(b)  The legislature shall include in the appropriations for the Foundation School Program state aid sufficient for the agency to award grants under Subchapter A-1, Chapter 29, in the amount provided by this section.

(c)  A student may receive one grant under Subchapter A-1, Chapter 29, unless the legislature appropriates money for an additional grant in the General Appropriations Act.

(d)  A determination of the commissioner under this section is final and may not be appealed.

SECTION 3.17.  Effective January 1, 2024, Section 26.08(n), Tax Code, is amended to read as follows:

(n)  For purposes of this section, the voter-approval tax rate of a school district is the sum of the following:

(1)  the rate per $100 of taxable value that is equal to the district's maximum compressed tax rate, as determined under Section 48.2551, Education Code, for the current year;

(2)  the greater of:

(A)  the district's enrichment tax rate for the preceding tax year, less any amount by which the district is required to reduce the district's enrichment tax rate under Section 48.202(f), Education Code, in the current tax year; or

(B)  the rate of $0.06 [~~$0.05~~] per $100 of taxable value; and

(3)  the district's current debt rate.

SECTION 3.18.  Except as otherwise provided by this article, this article takes effect September 1, 2024.

ARTICLE 4. CHANGES RELATED TO SPECIAL EDUCATION EFFECTIVE FOR 2024-2025 SCHOOL YEAR

SECTION 4.01.  Section 29.001, Education Code, is amended to read as follows:

Sec. 29.001.  IMPLEMENTATION OF SPECIAL EDUCATION LAW [~~STATEWIDE PLAN~~]. (a) As the state education agency responsible for carrying out the purposes of Part B, Individuals with Disabilities Education Act (IDEA) (20 U.S.C. Section 1411 et seq.), the [~~The~~] agency shall develop, and revise [~~modify~~] as necessary, a comprehensive system to ensure statewide and local compliance [~~design, consistent~~] with federal and state law related to special education[~~, for the delivery of services to children with disabilities in this state that includes rules for the administration and funding of the special education program so that a free appropriate public education is available to all of those children between the ages of three and 21~~].

(b)  The comprehensive system [~~statewide design~~] shall include the provision of services primarily through school districts and shared services arrangements, supplemented by regional education service centers.

(c)  The comprehensive system [~~agency~~] shall focus on maximizing student outcomes and include [~~also develop and implement a statewide plan with programmatic content that includes procedures designed to~~]:

(1)  rulemaking, technical assistance, guidance documents, monitoring protocols, and other resources as necessary to implement and ensure compliance with federal and state law related to special education [~~ensure state compliance with requirements for supplemental federal funding for all state-administered programs involving the delivery of instructional or related services to students with disabilities~~];

(2)  the facilitation of [~~facilitate~~] interagency coordination when other state agencies are involved in the delivery of instructional or related services to students with disabilities;

(3)  the pursuit of [~~periodically assess statewide personnel needs in all areas of specialization related to special education and pursue~~] strategies to meet statewide special education and related services personnel [~~those~~] needs [~~through a consortium of representatives from regional education service centers, local education agencies, and institutions of higher education and through other available alternatives~~];

(4)  ensuring [~~ensure~~] that regional education service centers throughout the state maintain a regional support function, which may include direct service delivery and a component designed to facilitate the placement of students with disabilities who cannot be appropriately served in their resident districts;

(5)  [~~allow the agency to~~] effectively monitoring [~~monitor~~] and periodically conducting [~~conduct~~] site visits of all school districts to ensure that rules adopted under this subchapter [~~section~~] are applied in a consistent and uniform manner, to ensure that districts are complying with those rules, and to ensure that annual statistical reports filed by the districts and not otherwise available through the Public Education Information Management System under Sections 48.008 and 48.009 are accurate and complete; and

(6)  the provision of training and technical assistance to ensure that:

(A)  appropriately trained personnel are involved in the diagnostic and evaluative procedures operating in all districts and that those personnel routinely serve on district admissions, review, and dismissal committees;

(B)  [~~(7)  ensure that~~] an individualized education program for each student with a disability is properly developed, implemented, and maintained in the least restrictive environment that is appropriate to meet the student's educational needs;

(C)  [~~(8)  ensure that,~~] when appropriate, each student with a disability is provided an opportunity to participate in career and technology and physical education classes[~~, in addition to participating in regular or special classes~~];

(D)  [~~(9)  ensure that~~] each student with a disability is provided necessary related services;

(E)  [~~(10)  ensure that~~] an individual assigned to act as a surrogate parent for a child with a disability, as provided by 20 U.S.C. Section 1415(b), is required to:

(i) [~~(A)~~]  complete a training program that complies with minimum standards established by agency rule;

(ii) [~~(B)~~]  visit the child and the child's school;

(iii) [~~(C)~~]  consult with persons involved in the child's education, including teachers, caseworkers, court-appointed volunteers, guardians ad litem, attorneys ad litem, foster parents, and caretakers;

(iv) [~~(D)~~]  review the child's educational records;

(v) [~~(E)~~]  attend meetings of the child's admission, review, and dismissal committee;

(vi) [~~(F)~~]  exercise independent judgment in pursuing the child's interests; and

(vii) [~~(G)~~]  exercise the child's due process rights under applicable state and federal law; and

(F)  [~~(11)  ensure that~~] each district develops a process to be used by a teacher who instructs a student with a disability in a regular classroom setting:

(i) [~~(A)~~]  to request a review of the student's individualized education program;

(ii) [~~(B)~~]  to provide input in the development of the student's individualized education program;

(iii) [~~(C)~~]  that provides for a timely district response to the teacher's request; and

(iv) [~~(D)~~]  that provides for notification to the student's parent or legal guardian of that response.

SECTION 4.02.  Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0012 to read as follows:

Sec. 29.0012.  ANNUAL MEETING ON SPECIAL EDUCATION. (a) At least once each year, the board of trustees of a school district or the governing body of an open-enrollment charter school shall include during a public meeting a discussion of the performance of students receiving special education services at the district or school.

(b)  The agency by rule shall adopt a set of performance indicators for measuring and evaluating the quality of learning and achievement for students receiving special education services at the school district or open-enrollment charter school to be considered at a meeting held under this section. The indicators must include performance on the college, career, or military readiness outcomes described by Section 48.110.

SECTION 4.03.  Section 29.003, Education Code, is amended to read as follows:

Sec. 29.003.  ELIGIBILITY CRITERIA. (a) The agency shall develop specific eligibility criteria based on the general classifications established by this section and in accordance with federal law [~~with reference to contemporary diagnostic or evaluative terminologies and techniques~~]. Eligible students with disabilities shall enjoy the right to a free appropriate public education, which may include instruction in the regular classroom, instruction through special teaching, or instruction through contracts approved under this subchapter. Instruction shall be supplemented by the provision of related services when appropriate.

(b)  A student is eligible to participate in a school district's special education program [~~if the student~~]:

(1)  from birth through [~~is not more than~~] 21 years of age if the student [~~and~~] has a visual [~~or auditory~~] impairment or is deaf or hard of hearing and that disability prevents the student from being adequately or safely educated in public school without the provision of special education services; [~~or~~]

(2)  from three years of age through five years of age if the student is experiencing developmental delays as described by 20 U.S.C. Section 1401(3)(B) and defined by commissioner rule; or

(3)  from 3 years of age through [~~is at least three but not more than~~] 21 years of age if the student [~~and~~] has one or more of the [~~following~~] disabilities described by 20 U.S.C. Section 1401(3)(A) and that disability prevents the student from being adequately or safely educated in public school without the provision of special education services[~~:~~

[~~(A)  physical disability;~~

[~~(B)  intellectual or developmental disability;~~

[~~(C)  emotional disturbance;~~

[~~(D)  learning disability;~~

[~~(E)  autism;~~

[~~(F)  speech disability; or~~

[~~(G)  traumatic brain injury~~].

SECTION 4.04.  Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0056 to read as follows:

Sec. 29.0056.  INFORMATION REGARDING STATE SUPPORTED LIVING CENTERS. (a) In this section, "state supported living center" has the meaning assigned by Section 531.002, Health and Safety Code.

(b)  The Health and Human Services Commission, in collaboration with the agency and stakeholders who represent the full continuum of educational residential placement options, shall develop and provide to the agency materials regarding educational residential placement options for children who may qualify for placement in a state supported living center. The agency shall make the materials developed under this subsection available to school districts.

(c)  At a meeting of a child's admission, review, and dismissal committee at which residential placement is discussed, the school district shall provide to the child's parent the materials developed under Subsection (b).

SECTION 4.05.  Section 29.008, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a)  The commissioner shall establish a list of approved public or private facilities, institutions, or agencies inside or outside of this state that a [~~A~~] school district, shared services arrangement unit, or regional education service center may contract with [~~a public or private facility, institution, or agency inside or outside of this state~~] for the provision of services to students with disabilities in a residential placement. The commissioner may approve either the whole or a part of a facility or program.

(a-1)  Each contract described by this section [~~for residential placement~~] must be approved by the commissioner. The commissioner may approve a [~~residential placement~~] contract under this section only after at least a programmatic evaluation of personnel qualifications, costs, adequacy of physical plant and equipment, and curriculum content. [~~The commissioner may approve either the whole or a part of a facility or program.~~]

(b)  Except as provided by Subsection (c), costs of an approved contract for residential placement may be paid from a combination of federal, state, and local funds. The local share of the total contract cost for each student is that portion of the local tax effort that exceeds the district's local fund assignment under Section 48.256, divided by the average daily attendance in the district. If the contract involves a private facility, the state share of the total contract cost is that amount remaining after subtracting the local share. If the contract involves a public facility, the state share is that amount remaining after subtracting the local share from the portion of the contract that involves the costs of instructional and related services. For purposes of this subsection, "local tax effort" means the total amount of money generated by taxes imposed for debt service and maintenance and operation less any amounts paid into a tax increment fund under Chapter 311, Tax Code. This subsection expires September 1, 2027.

SECTION 4.06.  The heading to Section 29.009, Education Code, is amended to read as follows:

Sec. 29.009.  PUBLIC NOTICE CONCERNING EARLY CHILDHOOD SPECIAL EDUCATION [~~PRESCHOOL~~] PROGRAMS [~~FOR STUDENTS WITH DISABILITIES~~].

SECTION 4.07.  Section 29.010, Education Code, is amended to read as follows:

Sec. 29.010.  GENERAL SUPERVISION AND COMPLIANCE. (a) The agency shall develop [~~adopt~~] and implement a comprehensive system for monitoring school district compliance with federal and state laws relating to special education. The monitoring system must include a comprehensive cyclical process and a targeted risk-based process [~~provide for ongoing analysis of district special education data and of complaints filed with the agency concerning special education services and for inspections of school districts at district facilities~~]. The agency shall establish criteria and instruments for use in determining district compliance under this section [~~use the information obtained through analysis of district data and from the complaints management system to determine the appropriate schedule for and extent of the inspection~~].

(b)  As part of the monitoring process [~~To complete the inspection~~], the agency must obtain information from parents and teachers of students in special education programs in the district.

(c)  The agency shall develop and implement a system of interventions and sanctions for school districts the agency identifies as being in noncompliance with [~~whose most recent monitoring visit shows a failure to comply with major requirements of~~] the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), federal regulations, state statutes, or agency requirements necessary to carry out federal law or regulations or state law relating to special education.

(d)  The agency shall establish a graduated process of sanctions to apply to [~~For~~] districts that remain in noncompliance for more than one year[~~, the first stage of sanctions shall begin with annual or more frequent monitoring visits~~]. The [~~Subsequent~~] sanctions shall [~~may~~] range in severity and may include [~~up to~~] the withholding of funds. If funds are withheld, the agency may use the funds to provide, through alternative arrangements, services to students and staff members in the district from which the funds are withheld.

(e)  The agency's complaint management division shall develop a system for expedited investigation and resolution of complaints concerning a district's failure to provide special education or related services to a student eligible to participate in the district's special education program.

[~~(f)  This section does not create an obligation for or impose a requirement on a school district or open-enrollment charter school that is not also created or imposed under another state law or a federal law.~~]

SECTION 4.08.  Section 29.018, Education Code, is amended by adding Subsection (g) to read as follows:

(g)  This section expires September 1, 2026.

SECTION 4.09.  Subchapter A, Chapter 29, Education Code, is amended by adding Sections 29.026, 29.027, and 29.029 to read as follows:

Sec. 29.026.  GRANT PROGRAM PROVIDING SERVICES TO STUDENTS WITH AUTISM. (a)  The commissioner shall establish a program to award grants to school districts and open-enrollment charter schools that provide innovative services to students with autism.

(b)  A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, and an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014, may apply for a grant under this section.

(c)  A program is eligible for a grant under this section if the program:

(1)  incorporates:

(A)  evidence-based and research-based design;

(B)  the use of empirical data on student achievement and improvement;

(C)  parental support and collaboration;

(D)  the use of technology;

(E)  meaningful inclusion; and

(F)  the ability to replicate the program for students statewide; and

(2)  gives priority for enrollment to students with autism.

(d)  A school district or open-enrollment charter school may not:

(1)  charge a fee for the program, other than those authorized by law for students in public schools;

(2)  require a parent to enroll a child in the program;

(3)  allow an admission, review, and dismissal committee to place a student in the program without the written consent of the student's parent or guardian; or

(4)  continue the placement of a student in the program after the student's parent or guardian revokes consent, in writing, to the student's placement in the program.

(e)  A program under this section may:

(1)  alter the length of the school day or school year or the number of minutes of instruction received by students;

(2)  coordinate services with private or community-based providers;

(3)  allow the enrollment of students without disabilities or with other disabilities, if approved by the commissioner; and

(4)  adopt staff qualifications and staff to student ratios that differ from the applicable requirements of this title.

(f)  The commissioner shall create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.

(g)  In selecting programs to receive a grant under this section, the commissioner shall prioritize programs that are collaborations between multiple school districts, multiple charter schools, or school districts and charter schools.  The selected programs must reflect the diversity of this state.

(h)  A program selected to receive a grant under this section is to be funded for two years.

(i)  A grant awarded to a school district or open-enrollment charter school under this section is in addition to the Foundation School Program funds that the district or charter school is otherwise entitled to receive.  A grant awarded under this section may not come out of Foundation School Program funds.

(j)  The commissioner shall use funds appropriated or otherwise available to fund grants under this section.

(k)  The commissioner and any program selected under this section may accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program.  The commissioner and any program selected under this section may not require any financial contribution from parents to implement and administer the program.

(l)  A regional education service center may administer grants awarded under this section.

Sec. 29.027.  GRANT PROGRAM PROVIDING TRAINING IN DYSLEXIA FOR TEACHERS AND STAFF. (a)  The commissioner shall establish a program to award grants to school districts and open-enrollment charter schools to increase local capacity to appropriately serve students with dyslexia.

(b)  A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, or an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014, is eligible to apply for a grant under this section if the district or school submits to the commissioner a proposal on the use of grant funds that:

(1)  incorporates  evidence-based and research-based design; and

(2)  increases local capacity to appropriately serve students with dyslexia by providing:

(A)  high-quality training to classroom teachers and administrators in meeting the needs of students with dyslexia; or

(B)  training to intervention staff resulting in appropriate credentialing related to dyslexia.

(c)   The commissioner shall create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.

(d)  A grant under this section is to be awarded for two years.

(e)  A grant awarded to a school district or open-enrollment charter school under this section is in addition to the Foundation School Program funds that the district or charter school is otherwise entitled to receive. A grant awarded under this section may not come out of Foundation School Program funds.

(f)  The commissioner shall use funds appropriated or otherwise available to fund grants under this section.

(g)  The commissioner and any grant recipient selected under this section may accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the grant.  The commissioner and any grant recipient selected under this section may not require any financial contribution from parents to implement and administer the grant.

(h)  A regional education service center may administer grants awarded under this section.

Sec. 29.029.  SUPPORTS FOR RECRUITING SPECIAL EDUCATION STAFF. (a) From funds appropriated or otherwise available for the purpose, the agency shall provide grants to school districts and open-enrollment charter schools to increase the number of qualified and appropriately credentialed special education staff, including special education teachers, special education paraprofessionals, evaluation personnel, ancillary instruction personnel, and related service personnel.

(b)  A school district or open-enrollment charter school that receives a grant under this section shall require each person the district or school uses the grant money to assist in becoming licensed, certified, or otherwise credentialed as described by Subsection (a) to work at the district or school for a period established by commissioner rule.

(c)  The commissioner shall adopt rules establishing the period of required employment described by Subsection (b) and any other rules necessary to implement this section.

SECTION 4.10.  The heading to Subchapter A-1, Chapter 29, Education Code, is amended to read as follows:

SUBCHAPTER A-1. PARENT-DIRECTED [~~SUPPLEMENTAL SPECIAL EDUCATION~~] SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES [~~PROGRAM~~]

SECTION 4.11.  Sections 29.041(2) and (3), Education Code, are amended to read as follows:

(2)  "Supplemental [~~special education~~] instructional materials" includes textbooks, computer hardware or software, other technological devices, and other materials suitable for addressing an educational need of a student receiving special education services under Subchapter A.

(3)  "Supplemental [~~special education~~] services" means an additive service that provides an educational benefit to a student receiving special education services under Subchapter A, including:

(A)  occupational therapy, physical therapy, and speech therapy; and

(B)  private tutoring and other supplemental private instruction or programs.

SECTION 4.12.  Section 29.042(a), Education Code, is amended to read as follows:

(a)  The agency by rule shall establish and administer a parent-directed [~~supplemental special education services and instructional materials~~] program for students receiving special education services through which a parent may direct supplemental services and supplemental instructional materials for the parent's student [~~students~~] who meets [~~meet~~] the eligibility requirements for participation in the program. Subject to Subsection (c), the agency shall provide each student approved as provided by this subchapter a grant in the amount provided under Section 48.306 [~~of not more than $1,500~~] to purchase supplemental [~~special education~~] services and supplemental [~~special education~~] instructional materials. A student may receive one grant under this subchapter unless the legislature appropriates money for an additional grant in the General Appropriations Act.

SECTION 4.13.  Section 29.045, Education Code, is amended to read as follows:

Sec. 29.045.  APPROVAL OF APPLICATION; ASSIGNMENT OF ACCOUNT. The [~~Subject to available funding the~~] agency shall approve each student who meets the program eligibility criteria established under Section 29.044 and assign to the student an account maintained under Section 29.042(b). The account may only be used by the student's parent to purchase supplemental [~~special education~~] services or supplemental [~~special education~~] instructional materials for the student, subject to Sections 29.046 and 29.047.

SECTION 4.14.  Sections 29.046(a) and (b), Education Code, are amended to read as follows:

(a)  Money in an account assigned to a student under Section 29.045 may be used only for supplemental [~~special education~~] services and supplemental [~~special education~~] instructional materials.

(b)  Supplemental [~~special education~~] services must be provided by an agency-approved provider.

SECTION 4.15.  Sections 29.047(a), (c), (d), and (e), Education Code, are amended to read as follows:

(a)  The agency shall establish criteria necessary for agency approval for each category of provider of a professional service that is a supplemental [~~special education~~] service, as identified by the agency.

(c)  The agency shall provide a procedure for providers of supplemental [~~special education~~] services to apply to the agency to become an agency-approved provider.

(d)  The agency may establish criteria for agency approval of vendors for each category of supplemental [~~special education~~] instructional materials identified by the agency.

(e)  If the agency establishes criteria for agency approval for a vendor of a category of supplemental [~~special education~~] instructional materials, the agency shall provide a procedure for vendors of that category to apply to the agency to become an agency-approved vendor.

SECTION 4.16.  Subchapter A-1, Chapter 29, Education Code, is amended by adding Section 29.0475 to read as follows:

Sec. 29.0475.  PROGRAM PARTICIPANT, PROVIDER, AND VENDOR AUTONOMY. (a) A provider of supplemental services or vendor of supplemental instructional materials that receives money distributed under the program is not a recipient of federal financial assistance on the basis of receiving that money.

(b)  A rule adopted or action taken related to the program by an individual, governmental entity, court of law, or program administrator may not:

(1)  consider the actions of a provider of supplemental services, vendor of supplemental instructional materials, or program participant to be the actions of an agent of state government;

(2)  limit:

(A)  a provider of supplemental services' ability to determine the methods used to educate the provider's students or to exercise the provider's religious or institutional values; or

(B)  a program participant's ability to determine the participant's educational content or to exercise the participant's religious values;

(3)  obligate a provider of supplemental services or program participant to act contrary to the provider's or participant's religious or institutional values, as applicable;

(4)  impose any regulation on a provider of supplemental services, vendor of supplemental instructional materials, or program participant beyond those regulations necessary to enforce the requirements of the program; or

(5)  require as a condition of receiving money distributed under the program:

(A)  a provider of supplemental services to modify the provider's creed, practices, admissions policies, curriculum, performance standards, employment policies, or assessments; or

(B)  a program participant to modify the participant's creed, practices, curriculum, performance standards, or assessments.

(c)  In a proceeding challenging a rule adopted by a state agency or officer under this subchapter, the agency or officer has the burden of proof to establish by clear and convincing evidence that the rule:

(1)  is necessary to implement or enforce the program as provided by this subchapter;

(2)  does not violate this section;

(3)  does not impose an undue burden on a program participant or a provider of supplemental services or vendor of supplemental instructional materials that participates or applies to participate in the program; and

(4)  is the least restrictive means of accomplishing the purpose of the program while recognizing the independence of a provider of supplemental services to meet the educational needs of students in accordance with the provider's religious or institutional values.

SECTION 4.17.  Section 29.048, Education Code, is amended to read as follows:

Sec. 29.048.  ADMISSION, REVIEW, AND DISMISSAL COMMITTEE DUTIES. (a) A student's admission, review, and dismissal committee shall develop a student's individualized education program under Section 29.005, in compliance with the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), without consideration of any supplemental [~~special education~~] services or supplemental instructional materials that may be provided under the program under this subchapter.

(b)  Unless the district first verifies that an account has been assigned to the student under Section 29.045, the [~~The~~] admission, review, and dismissal committee of a student approved for participation in the program shall provide to the student's parent at an admission, review, and dismissal committee meeting for the student:

(1)  information regarding the types of supplemental [~~special education~~] services or supplemental instructional materials available under the program and provided by agency-approved providers for which an account maintained under Section 29.042(b) for the student may be used; and

(2)  instructions regarding accessing an account described by Subdivision (1).

SECTION 4.18.  Subchapter A-1, Chapter 29, Education Code, is amended by adding Section 29.0485 to read as follows:

Sec. 29.0485.  DETERMINATION OF COMMISSIONER FINAL. Notwithstanding Section 7.057, a determination of the commissioner under this subchapter is final and may not be appealed.

SECTION 4.19.  Section 29.049, Education Code, is amended to read as follows:

Sec. 29.049.  RULES. The commissioner shall adopt rules as necessary to administer the supplemental [~~special education~~] services and supplemental instructional materials program under this subchapter.

SECTION 4.20.  Section 29.315, Education Code, is amended to read as follows:

Sec. 29.315.  TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF UNDERSTANDING. The Texas Education Agency and the Texas School for the Deaf shall develop[~~, agree to, and by commissioner rule adopt no later than September 1, 1998,~~] a memorandum of understanding to establish:

(1)  the method for developing and reevaluating a set of indicators of the quality of learning at the Texas School for the Deaf;

(2)  the process for the agency to conduct and report on an annual evaluation of the school's performance on the indicators;

(3)  the requirements for the school's board to publish, discuss, and disseminate an annual report describing the educational performance of the school;

(4)  the process for the agency to assign an accreditation status to the school, to reevaluate the status on an annual basis, and, if necessary, to conduct monitoring reviews; and

(5)  the type of information the school shall be required to provide through the Public Education Information Management System (PEIMS).

SECTION 4.21.  Section 30.001(b), Education Code, is amended to read as follows:

(b)  The commissioner, with the approval of the State Board of Education, shall develop and implement a plan for the coordination of services to children with disabilities in each region served by a regional education service center.  The plan must include procedures for:

(1)  identifying existing public or private educational and related services for children with disabilities in each region;

(2)  identifying and referring children with disabilities who cannot be appropriately served by the school district in which they reside to other appropriate programs;

(3)  assisting school districts to individually or cooperatively develop programs to identify and provide appropriate services for children with disabilities;

(4)  expanding and coordinating services provided by regional education service centers for children with disabilities; and

(5)  providing for special education supports [~~services~~], including special seats, books, instructional media, and other supplemental supplies and services required for proper instruction.

SECTION 4.22.  Section 30.002(g), Education Code, is amended to read as follows:

(g)  To facilitate implementation of this section, the commissioner shall develop a system to distribute from the foundation school fund to school districts or regional education service centers a special supplemental allowance for each student with a visual impairment and for each student with a serious visual disability and another medically diagnosed disability of a significantly limiting nature who is receiving special education services through any approved program.  The supplemental allowance may be spent only for special education services uniquely required by the nature of the student's disabilities and may not be used in lieu of educational funds otherwise available under this code or through state or local appropriations.

SECTION 4.23.  Section 30.005, Education Code, is amended to read as follows:

Sec. 30.005.  TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED MEMORANDUM OF UNDERSTANDING.  The Texas Education Agency and the Texas School for the Blind and Visually Impaired shall develop[~~, agree to, and by commissioner rule adopt~~] a memorandum of understanding to establish:

(1)  the method for developing and reevaluating a set of indicators of the quality of learning at the Texas School for the Blind and Visually Impaired;

(2)  the process for the agency to conduct and report on an annual evaluation of the school's performance on the indicators;

(3)  the requirements for the school's board to publish, discuss, and disseminate an annual report describing the educational performance of the school;

(4)  the process for the agency to:

(A)  assign an accreditation status to the school;

(B)  reevaluate the status on an annual basis; and

(C)  if necessary, conduct monitoring reviews; and

(5)  the type of information the school shall be required to provide through the Public Education Information Management System (PEIMS).

SECTION 4.24.  Section 37.146(a), Education Code, as effective until January 1, 2025, is amended to read as follows:

(a)  A complaint alleging the commission of a school offense must, in addition to the requirements imposed by Article 45.019, Code of Criminal Procedure:

(1)  be sworn to by a person who has personal knowledge of the underlying facts giving rise to probable cause to believe that an offense has been committed; and

(2)  be accompanied by a statement from a school employee stating:

(A)  whether the child is eligible for or receives special education services under Subchapter A, Chapter 29; and

(B)  the graduated sanctions, if required under Section 37.144, that were imposed on the child before the complaint was filed.

SECTION 4.25.  Section 37.146(a), Education Code, as effective January 1, 2025, is amended to read as follows:

(a)  A complaint alleging the commission of a school offense must, in addition to the requirements imposed by Article 45A.101, Code of Criminal Procedure:

(1)  be sworn to by a person who has personal knowledge of the underlying facts giving rise to probable cause to believe that an offense has been committed; and

(2)  be accompanied by a statement from a school employee stating:

(A)  whether the child is eligible for or receives special education services under Subchapter A, Chapter 29; and

(B)  the graduated sanctions, if required under Section 37.144, that were imposed on the child before the complaint was filed.

SECTION 4.26.  Section 48.265(a), Education Code, is amended to read as follows:

(a)  If [~~Notwithstanding any other provision of law, if~~] the commissioner determines that the amount appropriated for the purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter, the commissioner may provide [~~by rule shall establish a grant program through which excess funds are awarded as~~] grants using the excess money for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education classrooms or other special education settings required under Section 29.022.

SECTION 4.27.  Section 29.002, Education Code, is repealed.

SECTION 4.28.  This article takes effect immediately if this Act 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 article takes effect on the 91st day after the last day of the legislative session.

ARTICLE 5. EDUCATION SAVINGS ACCOUNT PROGRAM

SECTION 5.01.  Chapter 29, Education Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. EDUCATION SAVINGS ACCOUNT PROGRAM

Sec. 29.351.  DEFINITIONS. In this subchapter:

(1)  "Account" means an education savings account established under the program.

(2)  "Certified educational assistance organization" means an organization certified under Section 29.354 to support the administration of the program.

(3)  "Child with a disability" means a child who is eligible to participate in a school district's special education program under Section 29.003.

(4)  "Higher education provider" means an institution of higher education or a private or independent institution of higher education, as those terms are defined by Section 61.003.

(5)  "Parent" means a resident of this state who is a natural or adoptive parent, managing or possessory conservator, legal guardian, custodian, or other person with legal authority to act on behalf of a child.

(6)  "Participating child" means a child enrolled in the program.

(7)  "Participating parent" means a parent of a participating child who submitted an application under Section 29.356 on behalf of the child.

(8)  "Program" means the program established under this subchapter.

(9)  "Program participant" means a participating child or a participating parent.

Sec. 29.352.  ESTABLISHMENT OF PROGRAM. The comptroller shall establish a program to provide funding for approved education-related expenses of participating children.

Sec. 29.353.  PROGRAM FUND. (a) The program fund is an account in the general revenue fund to be administered by the comptroller.

(b)  The fund is composed of:

(1)  money appropriated to the fund;

(2)  gifts, grants, and donations received under Section 29.370; and

(3)  any other money available for purposes of the program.

(c)  Money in the fund may be appropriated only for the uses specified by this subchapter.

(d)  The governor and the Legislative Budget Board may not transfer or repurpose money under a proposal under Chapter 317, Government Code, to provide funding to administer the program.

Sec. 29.3535.  PROMOTION OF PROGRAM. Notwithstanding Chapter 2113, Government Code, the comptroller or the comptroller's designee may enter into contracts or agreements and engage in marketing, advertising, and other activities to promote, market, and advertise the development and use of the program. The comptroller may use money from the program fund to pay for activities authorized under this section.

Sec. 29.354.  SELECTION OF CERTIFIED EDUCATIONAL ASSISTANCE ORGANIZATIONS. (a) An organization may apply to the comptroller for certification as a certified educational assistance organization during an application period established by the comptroller.

(b)  To be eligible for certification, an organization must:

(1)  have the ability to perform one or more of the duties and functions required of a certified educational assistance organization under this subchapter;

(2)  be in good standing with the state; and

(3)  be able to assist the comptroller in administering the program in whole or in part, such as the ability to:

(A)  accept, process, and track applications for the program;

(B)  assist prospective applicants, applicants, and program participants with finding preapproved education service providers and vendors of educational products;

(C)  accept and process payments for approved education-related expenses; and

(D)  verify that program funding is used only for approved education-related expenses.

(c)  The comptroller may certify one or more educational assistance organizations to support the administration of the program, including by:

(1)  administering in whole or in part:

(A)  the application process under Section 29.356; and

(B)  the program expenditures process under Section 29.360; and

(2)  assisting prospective applicants, applicants, and program participants with understanding approved education-related expenses and finding preapproved education service providers and vendors of educational products.

(d)  A certified educational assistance organization is not considered to be a provider of professional or consulting services under Chapter 2254, Government Code.

Sec. 29.355.  ELIGIBLE CHILD. (a) A child is eligible to participate in the program and may, subject to available funding and the requirements of this subchapter, initially enroll in the program for the following school year if the child is eligible to attend a public school under Section 25.001 and:

(1)  either:

(A)  was enrolled in a public school in this state for at least 90 percent of the school year preceding the school year for which the child applies to enroll in the program;

(B)  is enrolling in kindergarten or first grade for the first time; or

(C)  attended a private school on a full-time basis or was home-schooled for the preceding school year; or

(2)  is a sibling of a child who is eligible to participate in the program and:

(A)  applies to enroll in the program for the same school year in which the sibling applies to enroll in the program; or

(B)  is participating in the program.

(b)  A child who establishes eligibility under this section may, subject to available funding and the requirements of this subchapter, participate in the program until the earliest of the following dates:

(1)  the date on which the child graduates from high school;

(2)  the date on which the child is no longer eligible to attend a public school under Section 25.001;

(3)  the date on which the child enrolls in a public school, including an open-enrollment charter school, in a manner in which the child will be counted toward the school's average daily attendance for purposes of the allocation of funding under the foundation school program;

(4)  for a child who performed satisfactorily on an assessment instrument administered under Subchapter B, Chapter 39, in the school year preceding the child's enrollment in the program, the date of the first day of the school year following the school year in which the child fails to perform satisfactorily for the second consecutive year in the same subject area on an assessment instrument required under Section 29.371; or

(5)  the date on which the child is declared ineligible for the program by the comptroller under this subchapter.

(c)  Notwithstanding Subsection (a) or (b), a child is not eligible to participate in the program during the period in which the child's parent or legal guardian is a state representative or state senator.

Sec. 29.3551.  PROGRAM ENROLLMENT. (a) For the 2024-2025 school year, the total amount of children participating in the program may not exceed 25,000.

(b)  For the 2025-2026 and 2026-2027 school years, the total amount of children participating in the program may not exceed the sum of:

(1)  the number of children who participated in the program during the preceding school year; and

(2)  25,000.

(c)  This section expires September 1, 2027.

Sec. 29.356.  APPLICATION TO PROGRAM. (a) A parent of an eligible child may apply to a certified educational assistance organization designated by the comptroller to enroll the child in the program for the following school year. The comptroller shall establish deadlines by which an applicant must complete and submit an application form to participate in the program.

(b)  On receipt of more acceptable applications during an application period for admission under this section than available positions in the program due to insufficient funding, a certified educational assistance organization shall, at the direction of the comptroller, prioritize applicants:

(1)  in the following order:

(A)  children to whom Paragraph (B) does not apply; and

(B)  children who previously ceased participation in the program due to enrollment in a public school; and

(2)  within each of the groups described by Subdivision (1), as follows, as applicable:

(A)  children with a disability who are members of a household with a total annual income that is at or below 400 percent of the federal poverty guidelines;

(B)  children who are members of a household with a total annual income that is at or below 185 percent of the federal poverty guidelines;

(C)  children who are members of a household with a total annual income that is above 185 percent of the federal poverty guidelines and below 400 percent of the federal poverty guidelines; and

(D)  children who are members of a household with a total annual income that is at or above 400 percent of the federal poverty guidelines.

(b-1)  For purposes of Subsection (b), a certified educational assistance organization shall prioritize a participating child's sibling who is initially eligible to participate in the program under Section 29.355(a)(2) in the same manner as the participating child.

(b-2)  The agency shall provide to the comptroller the information necessary to make the determinations required under Subsection (b).

(c)  The comptroller shall create an application form for the program and ensure the application form is made readily available through various sources, including a certified educational assistance organization's Internet website. The application form must state the application deadlines established by the comptroller under Subsection (a). Each certified educational assistance organization designated under Subsection (a) shall ensure that the application form, including any required supporting document, is capable of being submitted to the organization electronically.

(d)  The comptroller shall create and maintain a waiting list based on the priority categories described by Subsection (b) for applicants if, during an application period, there are more acceptable applications for admission than there are available positions.

(e)  Each certified educational assistance organization designated under Subsection (a) shall post on the organization's Internet website program information for prospective applicants, including:

(1)  a description of the program;

(2)  expenses allowed under the program under Section 29.359;

(3)  a link to a list of preapproved education service providers and vendors of educational products under Section 29.358;

(4)  a description of the application process;

(5)  a description of the applicant selection process;

(6)  a description of the program expenditures process under Section 29.360; and

(7)  a description of the responsibilities of program participants.

(f)  A certified educational assistance organization shall produce and provide to each participating parent a comptroller-approved program participant handbook that includes:

(1)  information regarding expenses allowed under the program under Section 29.359;

(2)  if the handbook is provided electronically, a link to a list of preapproved education service providers and vendors of educational products under Section 29.358;

(3)  a description of the program expenditures process under Section 29.360; and

(4)  a description of the responsibilities of program participants.

(g)  Each certified educational assistance organization designated under Subsection (a) shall on enrollment and annually provide to each participating parent the information described by Subsections (e) and (f). The organization may provide the information electronically.

(h)  The comptroller or a certified educational assistance organization designated under Subsection (a):

(1)  may require a participating parent to submit annual notice regarding the parent's intent for the child to continue participating in the program for the next school year; and

(2)  may not require a program participant in good standing to annually resubmit an application for continued participation in the program.

Sec. 29.357.  PARTICIPATION IN PROGRAM. To receive funding under the program, a participating parent must agree to:

(1)  spend money received through the program only for expenses allowed under Section 29.359;

(2)  ensure the administration of assessment instruments to the participating child in accordance with Section 29.371 and share or authorize administrators of assessment instruments to share with the child's certified educational assistance organization the results of those assessment instruments;

(3)  refrain from selling an item purchased with program money while the child is participating in the program; and

(4)  notify the applicable certified educational assistance organization not later than 30 days after the date on which the child:

(A)  enrolls in a public school, including an open-enrollment charter school in a manner in which the child will be counted toward the school's average daily attendance for purposes of the allocation of funding under the foundation school program;

(B)  graduates from high school; or

(C)  is no longer eligible to enroll in a public school under Section 25.001.

Sec. 29.358.  PREAPPROVED PROVIDERS AND VENDORS. (a) The comptroller shall by rule establish a process for the preapproval of education service providers and vendors of educational products for participation in the program. The comptroller shall allow for the submission of applications on a rolling basis.

(b)  The comptroller shall approve an education service provider or vendor of educational products for participation in the program if the provider or vendor:

(1)  has previously been approved by the agency to provide supplemental special education services under Subchapter A-1 and remains in good standing with the agency;

(2)  for a private school, demonstrates accreditation by an organization recognized by:

(A)  the Texas Private School Accreditation Commission; or

(B)  the agency;

(3)  for a public school, demonstrates:

(A)  accreditation by the agency; and

(B)  the ability to provide services or products to participating children in a manner in which the children are not counted toward the school's average daily attendance;

(4)  for a private tutor, therapist, or teaching service, demonstrates that:

(A)  the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child:

(i)  is an educator employed by or a retired educator formerly employed by a school accredited by the agency, an organization recognized by the agency, or an organization recognized by the Texas Private School Accreditation Commission;

(ii)  holds a relevant license or accreditation issued by a state, regional, or national certification or accreditation organization; or

(iii)  is employed in or retired from a teaching or tutoring capacity at a higher education provider;

(B)  the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child provided to the comptroller a national criminal history record information review completed by the tutor, therapist, or employee, as applicable, within a period established by comptroller rule; and

(C)  the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child is not:

(i)  required to be discharged or refused to be hired by a school district under Section 22.085; or

(ii)  included in the registry under Section 22.092; or

(5)  for a higher education provider, demonstrates nationally recognized postsecondary accreditation.

(c)  The comptroller shall review the national criminal history record information or documentation for each private tutor, therapist, or teaching service employee who submits information or documentation under this section. The tutor, therapist, or service must provide the comptroller with any information requested by the comptroller to enable the comptroller to complete the review.

(d)  An education service provider or vendor of educational products shall provide information requested by the comptroller to verify the provider's or vendor's eligibility for preapproval under Subsection (b). The comptroller may not approve a provider or vendor if the comptroller cannot verify the provider's or vendor's eligibility for preapproval.

(e)  An education service provider or vendor of educational products must agree to:

(1)  abide by the disbursement schedule under Section 29.360(c) and all other requirements of this subchapter;

(2)  accept money from the program only for education-related expenses approved under Section 29.359;

(3)  notify the comptroller not later than the 30th day after the date that the provider or vendor no longer meets the requirements of this section; and

(4)  return any money received in violation of this subchapter or other relevant law to the comptroller for deposit into the program fund.

(f)  An education service provider or vendor of educational products that receives approval under this section may participate in the program until the earliest of the date on which the provider or vendor:

(1)  no longer meets the requirements under this section; or

(2)  violates this subchapter or other relevant law.

(g)  This section may not be construed to allow a learning pod, as defined by Section 27.001, or a home school to qualify as an approved education service provider or vendor of educational products.

Sec. 29.359.  APPROVED EDUCATION-RELATED EXPENSES. (a) Subject to Subsection (b), money received under the program may be used only for the following education-related expenses incurred by a participating child at a preapproved education service provider or vendor of educational products:

(1)  tuition and fees for:

(A)  a private school;

(B)  a higher education provider;

(C)  an online educational course or program; or

(D)  a program that provides training for an industry-based credential;

(2)  the purchase of textbooks or other instructional materials or uniforms required by a private school, higher education provider, or course in which the child is enrolled, including purchases made through a third-party vendor of educational products;

(3)  fees for classes or other educational services provided by a public school, including an open-enrollment charter school, if the classes or services do not qualify the child to be included in the school's average daily attendance;

(4)  costs related to academic assessments;

(5)  fees for services provided by a private tutor or teaching service;

(6)  fees for transportation provided by a fee-for-service transportation provider for the child to travel to and from a preapproved education service provider or vendor of educational products;

(7)  fees for educational therapies or services provided by a practitioner or provider, only for fees that are not covered by any federal, state, or local government benefits such as Medicaid or the Children's Health Insurance Program (CHIP) or by any private insurance that the child is enrolled in at the time of receiving the therapies or services;

(8)  costs of computer hardware and software and other technological devices prescribed by a physician to facilitate a child's education, not to exceed in any year 10 percent of the total amount paid to the participating child's account that year;

(9)  costs of breakfast or lunch provided to a child during the school day by a private school; and

(10)  before- and after-school academic child care.

(b)  Money received under the program may not be used to pay any person who is related to the program participant within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code.

(c)  A finding that a program participant used money distributed under the program to pay for an expense not allowed under Subsection (a) does not affect the validity of any payment made by the participant for an approved education-related expense that is allowed under that subsection.

Sec. 29.360.  PROGRAM EXPENDITURES. (a) The comptroller shall disburse from the program fund to each certified educational assistance organization the amount specified under Section 29.361(a) for each participating child for which the organization is responsible.

(b)  To initiate payment to an education service provider or vendor of educational products for an education-related expense approved under Section 29.359, the participating parent must submit a request in a form prescribed by comptroller rule to the applicable certified educational assistance organization.

(c)  Subject to Subsection (d) and Sections 29.362(g) and 29.364, on receiving a request under Subsection (b), a certified educational assistance organization shall verify that the request is for an expense approved under Section 29.359 and, not later than the 15th business day after the date the organization verifies the request, send payment to the education service provider or vendor of educational products.

(d)  A disbursement under this section may not exceed the applicable participating child's account balance.

(e)  A certified educational assistance organization shall provide the participating parent for which the organization is responsible with electronic access to:

(1)  view the current balance of the participating child's account;

(2)  initiate the payment process under Subsection (b); and

(3)  view a summary of the past activity on the participating child's account, including payments from the account to education service providers and vendors of educational products.

Sec. 29.361.  AMOUNT OF PAYMENT; FINANCING. (a) Regardless of the deadline by which the participating parent applies for enrollment in the program under Section 29.356(a) and except as provided by Subsections (a-1) and (a-3), a participating parent shall receive each school year that the parent's child participates in the program payments from the state to be held in trust for the benefit of the child from funds available under Section 29.353 to the child's account equal to 75 percent of the estimated statewide average amount of funding per student in average daily attendance for the applicable school year, as determined by the commissioner not later than January 15 preceding the applicable school year. For purposes of determining the estimated statewide average amount of funding per student under this subsection, the commissioner shall include state and local funding under Chapters 46, 48, and 49 and the amount the state is required to contribute under Section 825.404, Government Code.

(a-1)  If a child enrolls in the program after the beginning of a school year, the comptroller shall prorate the amount the participating parent of the child receives under Subsection (a) based on the date the child enrolls in the program.

(a-2)  A participating parent must submit all requests for payment from the account of the parent's child for expenses incurred during a fiscal year to the comptroller not less than 90 days after the end of that fiscal year.

(a-3)  Notwithstanding Subsection (a), a participating child who is a home-schooled student, as defined by Section 29.916(a)(1), may not receive payments to the child's account under Subsection (a) in an amount that exceeds $1,000 for a school year.

(b)  Any money remaining in a participating child's account at the end of a fiscal year that is not obligated for expenses incurred during that fiscal year shall be returned to the comptroller for deposit to the program fund. The comptroller shall provide to a participating parent adequate notice of the return of money in the account under this subsection.

(c)  A participating parent may make payments for the expenses of educational programs, services, and products not covered by money in the account of the parent's child.

(d)  A payment under Subsection (a) may not be financed using federal money or money from the available school fund or instructional materials fund.

(e)  Payments received under this subchapter do not constitute taxable income to a participating parent, unless otherwise provided by federal or another state's law.

(f)  On dates consistent with satisfying the application deadlines established under Section 29.356(a), the agency shall calculate and report to the comptroller the amount specified under Subsection (a) for each participating child.

Sec. 29.3615.  ENROLLMENT IN PUBLIC SCHOOL. Notwithstanding any other provision of this subchapter or other law, if a child ceases participation in the program due to the child's enrollment in a public school, including an open-enrollment charter school:

(1)  the public school is entitled to receive an amount equal to the amount in the child's account returned to the comptroller under Section 29.362(f); and

(2)  the child may not be considered in evaluating the performance of a public school under the public school accountability system as prescribed by Chapters 39 and 39A for the first school year after the child ceases participation in the program.

Sec. 29.362.  ADMINISTRATION OF ACCOUNTS. (a) On receipt of money distributed by the comptroller for purposes of making payments to accounts, a certified educational assistance organization shall hold the money in trust for the benefit of participating children and make quarterly payments to the account of each participating child for which the organization is responsible in equal amounts on or before the first day of July, October, January, and April.

(b)  Each year, the comptroller may deduct from the total amount of money appropriated for purposes of this subchapter an amount, not to exceed three percent of that total amount, to cover the comptroller's cost of administering the program.

(c)  Each quarter, each certified educational assistance organization shall submit to the comptroller a breakdown of the organization's actual costs of administering the program for the previous quarter and the comptroller shall disburse from money appropriated for the program to each certified educational assistance organization the amount necessary to cover the organization's actual costs of administering the program for that quarter. The total amount disbursed to all certified educational assistance organizations under this subsection for a state fiscal year may not exceed five percent of the amount appropriated for the purposes of the program for that fiscal year.

(d)  On or before the first day of October and February or another date determined by comptroller rule, each certified educational assistance organization shall:

(1)  verify with the agency that each participating child for which the organization is responsible is not enrolled in a public school, including an open-enrollment charter school, in a manner in which the child is counted toward the school's average daily attendance for purposes of the allocation of state funding under the foundation school program; and

(2)  notify the comptroller if the organization determines that a participating child for which the organization is responsible is enrolled in a public school, including an open-enrollment charter school, in a manner in which the child is counted toward the school's average daily attendance for purposes of the allocation of state funding under the foundation school program.

(e)  The comptroller by rule shall establish a process by which a participating parent may authorize the comptroller or the certified educational assistance organization to make a payment directly from the account of the parent's child to a preapproved education service provider or vendor of educational products for an expense allowed under Section 29.359.

(f)  On the date on which a child who participated in the program is no longer eligible to participate in the program under Section 29.355 and payments for any education-related expenses allowed under Section 29.359 from the child's account have been completed, the child's account shall be closed and any remaining money returned to the comptroller for deposit in the program fund.

(g)  Each quarter, any interest or other earnings attributable to money held by a certified educational assistance organization for purposes of the program shall be remitted to the comptroller for deposit in the program fund.

Sec. 29.363.  AUDITING. (a) The comptroller shall contract with a private entity to audit accounts and program participant eligibility data not less than once per year to ensure compliance with applicable law and program requirements. The audit must include a review of:

(1)  each certified educational assistance organization's internal controls over program transactions; and

(2)  compliance by:

(A)  certified educational assistance organizations with Section 29.354 and other program requirements;

(B)  program participants with Section 29.357 and other program requirements; and

(C)  education service providers and vendors of educational products with Section 29.358 and other program requirements.

(b)  In conducting an audit, the private entity may require a certified educational assistance organization, program participant, or education service provider or vendor of educational products to provide information and documentation regarding any transaction occurring under the program.

(c)  The private entity shall report to the comptroller any violation of this subchapter or other relevant law and any transactions the entity determines to be unusual or suspicious found by the entity during an audit conducted under this section. The comptroller shall report the violation or transaction to:

(1)  the applicable certified educational assistance organization;

(2)  the education service provider or vendor of educational products, as applicable; and

(3)  the participating parent of each participating child who is affected by the violation or transaction.

Sec. 29.364.  SUSPENSION OF ACCOUNT. (a) The comptroller shall suspend the account of a program participant who fails to remain in good standing by complying with applicable law or a requirement of the program.

(b)  On suspension of an account under Subsection (a), the comptroller shall notify the participating parent in writing that the account of the parent's child has been suspended and that no additional payments may be made from the account. The notification must specify the grounds for the suspension and state that the participating parent has 30 days to respond and take any corrective action required by the comptroller.

(c)  On the expiration of the 30-day period under Subsection (b), the comptroller shall:

(1)  order closure of the suspended account;

(2)  order temporary reinstatement of the account, conditioned on the performance of a specified action by the program participant; or

(3)  order full reinstatement of the account.

(d)  The comptroller may recover money distributed under the program that was used for expenses not allowed under Section 29.359, for a child who was not eligible to participate in the program at the time of the expenditure, or from an education service provider or vendor of educational products that was not approved at the time of the expenditure. The money may be recovered from the program participant or the education service provider or vendor of educational products that received the money if the participating child's account is suspended or closed under this section. Failure to reimburse the state on demand by the comptroller constitutes a debt to the state for purposes of Section 403.055, Government Code. The comptroller shall deposit money recovered under this subsection into the program fund.

Sec. 29.365.  TUITION AND FEES; REFUND PROHIBITED. (a) An education service provider or vendor of educational products may not charge a participating child an amount greater than the standard amount charged for that service or product by the provider or vendor.

(b)  An education service provider or vendor of educational products receiving money distributed under the program may not in any manner rebate, refund, or credit to or share with a program participant, or any person on behalf of a participant, any program money paid or owed by the participant to the provider or vendor.

Sec. 29.366.  REFERRAL TO DISTRICT ATTORNEY. If the comptroller obtains evidence of fraudulent use of an account or money distributed under the program or any other violation of law by a certified educational assistance organization, program participant, or education service provider or vendor of educational products, the comptroller shall notify the appropriate local county or district attorney with jurisdiction over, as applicable:

(1)  the principal place of business of the organization or provider or vendor; or

(2)  the residence of the program participant.

Sec. 29.367.  SPECIAL EDUCATION NOTICE. (a) Each certified educational assistance organization designated under Section 29.356(a) shall post on the organization's Internet website and provide to each parent who submits an application for the program a notice that:

(1)  states that a private school is not subject to federal and state laws regarding the provision of educational services to a child with a disability in the same manner as a public school; and

(2)  provides information regarding rights to which a child with a disability is entitled under federal and state law if the child attends a public school, including:

(A)  rights provided under the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.); and

(B)  rights provided under Subchapter A.

(b)  A private school in which a participating child with a disability enrolls shall provide to the participating parent a copy of the notice required under Subsection (a).

Sec. 29.368.  CHARACTER OF DISTRIBUTION. An education service provider or vendor of educational products that receives money distributed under the program is not a recipient of federal financial assistance and may not be considered to be an agent of state government on the basis of receiving that money.

Sec. 29.369.  STUDENT RECORDS AND INFORMATION. (a) On request by the parent of a child participating or seeking to participate in the program, the school district or open-enrollment charter school that the child would otherwise attend shall provide a copy of the child's school records possessed by the district or school, if any, to the child's parent or, if applicable, the private school the child attends.

(b)  As necessary to verify a child's eligibility for the program, the agency, a school district, or an open-enrollment charter school shall provide to the applicable certified educational assistance organization any information available to the agency, district, or school requested by the organization regarding a child who participates or seeks to participate in the program, including information regarding:

(1)  the child's public school enrollment status; and

(2)  whether the child:

(A)  is a child with a disability; or

(B)  can be counted toward a public school's average daily attendance for purposes of the allocation of funding under the foundation school program.

(c)  A certified educational assistance organization may not retain information provided under Subsection (b) beyond the period necessary to determine a child's eligibility to participate in the program.

(d)  A certified educational assistance organization or an education service provider or vendor of educational products that obtains information regarding a participating child:

(1)  shall comply with state and federal law regarding the confidentiality of student educational information; and

(2)  may not sell or otherwise distribute information regarding a child participating in the program.

Sec. 29.370.  GIFTS, GRANTS, AND DONATIONS. The comptroller and a certified educational assistance organization may solicit and accept gifts, grants, and donations from any public or private source for any expenses related to the administration of the program, including establishing the program and contracting for the report required under Section 29.372.

Sec. 29.371.  ADMINISTRATION OF STATE ASSESSMENT INSTRUMENTS. (a) The agency shall ensure that each child participating in the program is annually administered each assessment instrument required to be administered to a public school student at the child's grade and course level under Section 39.023(a) or (c), subject to any applicable exemptions or accommodations provided under Subchapter B, Chapter 39.

(b)  For purposes of the annual report required under Section 29.372, the agency shall provide to the comptroller the results of the assessment instruments administered under this section, in aggregate and disaggregated by race, ethnicity, socioeconomic status, and status as a child with a disability. A child's results on an assessment instrument administered under this section are confidential, are not subject to disclosure under Chapter 552, Government Code, and may only be shared as necessary to develop the annual report required under Section 29.372 of this subchapter. In providing the results of the assessment instruments, the agency shall ensure compliance with state and federal law regarding the confidentiality of student educational information, including the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

(c)  The agency shall require a regional education service center to administer assessment instruments under this section.

(d)  A school district may administer assessment instruments under this section.

(e)  If authorized by the agency, a private school may, but is not required to, administer assessment instruments under this section in accordance with agency rule.

Sec. 29.372.  ANNUAL REPORT. (a) The comptroller shall require that the certified educational assistance organizations collaborate to compile program data and produce an annual longitudinal report regarding:

(1)  the number of program applications received, accepted, and wait-listed, disaggregated by age;

(2)  program participant satisfaction;

(3)  the results of assessment instruments provided in accordance with Section 29.371;

(4)  the effect of the program on public and private school capacity and availability;

(5)  the amount of cost savings accruing to the state as a result of the program;

(6)  in a report submitted in an even-numbered year only, an estimate of the total amount of funding required for the program for the next state fiscal biennium;

(7)  the amount of gifts, grants, and donations received under Section 29.370; and

(8)  based on surveys of former program participants or other sources available to the organizations, the number and percentage of participating children who, within one year after graduating from high school, are:

(A)  college ready, as indicated by earning a minimum of 12 non-remedial semester credit hours or the equivalent or an associate degree from a postsecondary educational institution;

(B)  career ready, as indicated by:

(i)  earning a credential of value included in a library of credentials established under Section 2308A.007, Government Code; or

(ii)  employment at or above the median wage in the child's region; or

(C)  military ready, as indicated by achieving a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery and enlisting in the armed forces of the United States or the Texas National Guard.

(b)  In producing the report, the certified educational assistance organizations shall:

(1)  use appropriate analytical and behavioral science methodologies to ensure public confidence in the report; and

(2)  comply with the requirements regarding the confidentiality of student educational information under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

(c)  The report must cover a period of not less than five years and include, subject to Subsection (b)(2), the data analyzed and methodology used.

(d)  The comptroller and the applicable certified educational assistance organizations shall post the report on the comptroller's and organization's respective Internet websites.

Sec. 29.373.  RULES; PROCEDURES. The comptroller shall adopt rules and procedures as necessary to implement, administer, and enforce this subchapter.

Sec. 29.374.  APPEAL; FINALITY OF DECISIONS. (a) A program participant may appeal to the comptroller an administrative decision made by a certified educational assistance organization under this subchapter, including a decision regarding eligibility, allowable expenses, or the participant's removal from the program.

(b)  This subchapter may not be construed to confer a property right on a certified educational assistance organization, education service provider, vendor of educational products, or program participant.

(c)  A decision of the comptroller made under this subchapter is final and not subject to appeal.

Sec. 29.375.  TERM OF AUTHORIZATION. (a) The program is subject to appropriations from the legislature and continues in existence until September 1, 2027, unless reauthorized by the legislature.

(b)  Notwithstanding Subsection (a), a program participant who is participating in the program on or before September 1, 2027, shall continue to receive payments from the state under Section 29.361 until the date on which the child who participated in the program would no longer be eligible to participate in the program under Section 29.355(b).

(c)  This subchapter expires September 1, 2027.

SECTION 5.02.  Section 22.092(d), Education Code, is amended to read as follows:

(d)  The agency shall provide equivalent access to the registry maintained under this section to:

(1)  private schools;

(2)  public schools; [~~and~~]

(3)  nonprofit teacher organizations approved by the commissioner for the purpose of participating in the tutoring program established under Section 33.913; and

(4)  the comptroller for the purpose of preapproving education service providers and vendors of educational products under Section 29.358 for participation in the program established under Subchapter J, Chapter 29.

SECTION 5.03.  Section 411.109, Government Code, is amended by adding Subsection (b-1) and amending Subsection (c) to read as follows:

(b-1)  The comptroller is entitled to obtain criminal history record information as provided by Subsection (c) about a person who is a private tutor, a therapist, or an employee of a teaching service or school who intends to provide educational services to a child participating in the program established under Subchapter J, Chapter 29, Education Code, and is seeking approval to receive money distributed under that program.

(c)  Subject to Section 411.087 and consistent with the public policy of this state, the comptroller is entitled to:

(1)  obtain through the Federal Bureau of Investigation criminal history record information maintained or indexed by that bureau that pertains to a person described by Subsection (a), [~~or~~] (b), or (b-1); and

(2)  obtain from the department or any other criminal justice agency in this state criminal history record information maintained by the department or that criminal justice agency that relates to a person described by Subsection (a), [~~or~~] (b), or (b-1).

SECTION 5.04.  Subchapter J, Chapter 29, Education Code, as added by this article, applies beginning with the 2024-2025 school year.

SECTION 5.05.  Not later than May 15, 2024, the comptroller of public accounts shall adopt rules as provided by Section 29.373, Education Code, as added by this article.

SECTION 5.06.  (a) The constitutionality and other validity under the state or federal constitution of all or any part of Subchapter J, Chapter 29, Education Code, as added by this article, may be determined in an action for declaratory judgment under Chapter 37, Civil Practice and Remedies Code, in a district court in Travis County.

(b)  An order, however characterized, of a trial court granting or denying a temporary or otherwise interlocutory injunction or a permanent injunction on the grounds of the constitutionality or unconstitutionality, or other validity or invalidity, under the state or federal constitution of all or any part of Subchapter J, Chapter 29, Education Code, as added by this article, may be reviewed only by direct appeal to the Texas Supreme Court filed not later than the 15th day after the date on which the order was entered. The Texas Supreme Court shall give precedence to appeals under this section over other matters.

(c)  The direct appeal is an accelerated appeal.

(d)  This section exercises the authority granted by Section 3-b, Article V, Texas Constitution.

(e)  The filing of a direct appeal under this section will automatically stay any temporary or otherwise interlocutory injunction or permanent injunction granted in accordance with this section pending final determination by the Texas Supreme Court, unless the supreme court makes specific findings that the applicant seeking such injunctive relief has pleaded and proved that:

(1)  the applicant has a probable right to the relief it seeks on final hearing;

(2)  the applicant will suffer a probable injury that is imminent and irreparable, and that the applicant has no other adequate legal remedy; and

(3)  maintaining the injunction is in the public interest.

(f)  An appeal under this section, including an interlocutory, accelerated, or direct appeal, is governed, as applicable, by the Texas Rules of Appellate Procedure, including Rules 25.1(d)(6), 28.1, 32.1(g), 37.3(a)(1), 38.6(a) and (b), 40.1(b), and 49.4.

(g)  This section does not authorize an award of attorney's fees against this state, and Section 37.009, Civil Practice and Remedies Code, does not apply to an action filed under this section.

SECTION 5.07.  It is the intent of the legislature that every provision, section, subsection, sentence, clause, phrase, or word in this article, and every application of the provisions in this article to each person or entity, is severable from each other. If any application of any provision in this article to any person, group of persons, or circumstances is found by a court to be invalid for any reason, the remaining applications of that provision to all other persons and circumstances shall be severed and may not be affected.

SECTION 5.08.  This article takes effect immediately if this Act 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 article takes effect on the 91st day after the last day of the legislative session.

ARTICLE 6. CHANGES RELATED TO PUBLIC SCHOOLS GENERALLY

SECTION 6.01.  Subchapter Z, Chapter 25, Education Code, is amended by adding Section 25.906 to read as follows:

Sec. 25.906.  PROTECTIONS FOR CERTAIN MILITARY DEPENDENTS. (a) In this section:

(1)  "Compact" means the Interstate Compact on Educational Opportunity for Military Children executed under Section 162.002.

(2)  "Uniformed services" means:

(A)  the United States Army, Navy, Air Force, Space Force, Marine Corps, or Coast Guard;

(B)  the Commissioned Officer Corps of the National Oceanic and Atmospheric Administration; or

(C)  the Commissioned Corps of the United States Public Health Service.

(b)  The provisions of Articles IV, V, VI, and VII of the compact apply to the following children as if those children were children described by Article III of the compact:

(1)  a child of a veteran of the uniformed services who was discharged or released through retirement, for a period of four years after the date of the veteran's retirement, if the veteran returns to the veteran's home of record on military orders; and

(2)  a child of a member of the uniformed services who dies on active duty or as a result of injuries sustained on active duty, for a period of four years after the member's death.

(c)  Each school district and open-enrollment charter school that maintains an Internet website shall post on the district's or school's Internet website an easily accessible link to information regarding the compact and the additional protections provided by this section.

SECTION 6.02.  Section 26.002, Education Code, is amended to read as follows:

Sec. 26.002.  DEFINITIONS [~~DEFINITION~~].  In this chapter:

(1)  "Benchmark assessment" includes a benchmark assessment instrument as defined by Section 39.0263(a) and a district-required assessment designed to evaluate students against a set of national or state comparison points.

(2)  "Parent" [~~, "parent"~~] includes a person standing in parental relation. The term does not include a person as to whom the parent-child relationship has been terminated or a person not entitled to possession of or access to a child under a court order. Except as provided by federal law, all rights of a parent under Title 2 of this code and all educational rights under Section 151.001(a)(10), Family Code, shall be exercised by a student who is 18 years of age or older or whose disabilities of minority have been removed for general purposes under Chapter 31, Family Code, unless the student has been determined to be incompetent or the student's rights have been otherwise restricted by a court order.

(3)  "Test" includes a benchmark assessment.

SECTION 6.03.  Chapter 26, Education Code, is amended by adding Section 26.0062 to read as follows:

Sec. 26.0062.  NOTICE REGARDING BENCHMARK ASSESSMENT RESULTS. A school district shall report in writing to each student's parent the results of a benchmark assessment administered to the student not later than the 30th calendar day after the date on which the results of the assessment are available. The results may be made available to the parent through a parent portal.

SECTION 6.04.  Section 28.006, Education Code, is amended by amending Subsections (a), (b), (c), (c-1), (c-2), (c-3), and (j) and adding Subsections (a-1), (b-2), (b-3), (b-4), (d-1), (g-3), (g-4), (g-5), (g-6), (n), and (o) to read as follows:

(a)  The commissioner shall adopt procedures [~~develop recommendations~~] for school districts and open-enrollment charter schools for:

(1)  administering reading instruments to:

(A)  ensure the results of the reading instruments are valid, reliable, and equated;

(B)  diagnose student reading development and comprehension; and

(C)  identify students at risk for dyslexia or other reading difficulties;

(2)  training educators in administering the reading instruments; and

(3)  applying the results of the reading instruments to the instructional program and intervention practices.

(a-1)  A school district or open-enrollment charter school may not administer a reading instrument to a student more than three times during a school year.

(b)  The commissioner shall adopt a comprehensive list of reading instruments that a school district or open-enrollment charter school shall select from for [~~may~~] use in diagnosing [~~to diagnose student~~] reading development and comprehension for students who are enrolled in kindergarten through third grade. A reading instrument included on the commissioner's list must include the foundational literacy components of phonemic and phonological awareness, phonics, vocabulary, fluency, and comprehension. For use in diagnosing the reading development and comprehension of kindergarten students, the commissioner shall adopt [~~a~~] multidimensional assessment tools [~~tool~~] that include [~~includes a~~] reading instruments that test [~~instrument and tests~~] at least three developmental skills, including the foundational literacy components. A multidimensional assessment tool administered as provided by this subsection is considered to be a reading instrument for purposes of this section.  A school district or open-enrollment charter school [~~district-level committee established under Subchapter F, Chapter 11,~~] may use other [~~adopt a list of~~] reading instruments, subject to Subsection (b-4), [~~for use in the district in a grade level other than kindergarten~~] in addition to the reading instruments included on the commissioner's list.  Each reading instrument included on the list adopted by the commissioner or administered by a school district or open-enrollment charter school [~~or a district-level committee~~] must:

(1)  be based on scientific research concerning reading skills development and reading comprehension;

(2)  [~~.  A list of reading instruments adopted under this subsection must~~] provide for diagnosing the reading development and comprehension of students participating in a program under Subchapter B, Chapter 29;

(3)  provide progress monitoring capabilities;

(4)  provide a diagnostic tool to assist teachers in developing research-based targeted instruction;

(5)  allow screening of students three times each school year;

(6)  assess only foundational literacy components not already mastered by the student; and

(7)  assess whether a student needs reading instruction intervention.

(b-2)  The commissioner shall include on the commissioner's list any reading instrument that is:

(1)  based on scientific research concerning reading skills development and reading comprehension; and

(2)  submitted for inclusion on the list under Subsection (b-4).

(b-3)  The commissioner shall update the list of reading instruments at least once every four years, including multidimensional assessment tools authorized under this section.

(b-4)  A school district or open-enrollment charter school that uses one or more reading instruments not included on the commissioner's list in accordance with Subsection (b) must submit the instrument to the commissioner to verify the instrument satisfies the requirements of this section. The commissioner shall place on the commissioner's list a reading instrument that satisfies the requirements of this section.

(c)  Each school district and open-enrollment charter school shall administer, at the first and second grade levels, a reading instrument that is based on scientific research concerning reading skills development and reading comprehension included on the list adopted by the commissioner [~~or by the district-level committee~~].  The district or school shall administer the reading instrument in accordance with the commissioner's recommendations under Subsection (a)(1).

(c-1)  Each school district and open-enrollment charter school shall administer at the beginning of the seventh grade a reading instrument included on the list adopted by the commissioner to each student whose performance on the assessment instrument in reading administered under Section 39.023(a) to the student in grade six did not demonstrate reading proficiency, as determined by the commissioner.  The district or school shall administer the reading instrument in accordance with the commissioner's policies adopted [~~recommendations~~] under Subsection (a)(1).

(c-2)  Each school district and open-enrollment charter school shall administer at the kindergarten level a reading instrument included on the list adopted by the commissioner [~~under Subsection (b) or approved by the commissioner under Subsection (b-1)~~].  The district or school shall administer the reading instrument in accordance with the commissioner's policies adopted [~~recommendations~~] under Subsection (a)(1).

(c-3)  The commissioner by rule shall determine the performance on a [~~the~~] reading instrument adopted under Subsection (b) that indicates kindergarten readiness.

(d-1)  The commissioner shall prominently display on the agency's Internet website information regarding the commissioner's list of reading instruments maintained under this section and the process for applying for inclusion on the list, as provided by agency rule adopted under Subsection (n).

(g-3)  A school district or open-enrollment charter school shall provide reading intervention to each student in kindergarten through grade three who is determined to need reading intervention using an assessment administered in accordance with Subsection (b). The school district shall continue to offer a student reading intervention until the student achieves satisfactory performance on a reading instrument. A reading intervention program offered under this subsection must:

(1)  include targeted instruction to improve the student's reading skills in the relevant areas identified through the assessment instrument;

(2)  monitor the progress of the student's reading skills throughout the school year;

(3)  be implemented during regular school hours and in addition to core instruction;

(4)  use high-quality instructional materials, curricula, and curricular tools that are research based and effective for early childhood literacy intervention; and

(5)  be provided by a teacher who has attended a literacy achievement academy provided under Section 21.4552.

(g-4)  In providing reading intervention under Subsection (g-3), a school district or open-enrollment charter school may not remove a student, except under circumstances for which a student enrolled in the same grade level who is not receiving reading intervention would be removed, from:

(1)  instruction in the foundation curriculum and enrichment curriculum adopted under Section 28.002 for the grade level in which the student is enrolled; or

(2)  recess or other physical activity that is available to other students enrolled in the same grade level.

(g-5)  In addition to the report required under Subsection (d)(2), a school district or open-enrollment charter school shall notify the parent or guardian of each student in kindergarten through grade three who is determined to need reading intervention. The notification must:

(1)  be distributed not later than the 30th day after the date the result of the reading instrument indicating that the student needs intervention is available;

(2)  describe the current reading services the district or school provides to the student;

(3)  describe the reading interventions that will be provided to the student to ensure the student will meet or exceed grade-level reading standards; and

(4)  include high-quality resources for the parent or guardian of the student to use at home to help the student succeed at reading.

(g-6)  From funds appropriated for teacher literacy achievement academies developed under Section 21.4552, the commissioner may, in collaboration with regional education service centers, provide assistance to school districts and open-enrollment charter schools in complying with the requirements of Section 28.0062. The commissioner shall prioritize providing assistance under this subsection in school districts with the highest rate of students performing below satisfactory levels on reading instruments administered under Subsection (b).

(j)  [~~No more than 15 percent of the funds certified by the commissioner under Subsection (i) may be spent on indirect costs.~~] The commissioner shall evaluate the programs that fail to meet the standard of performance under Section 39.301(c)(5) and may implement interventions or sanctions under Chapter 39A. [~~The commissioner may audit the expenditures of funds appropriated for purposes of this section. The use of the funds appropriated for purposes of this section shall be verified as part of the district audit under Section 44.008.~~]

(n)  The agency by rule shall provide a process under which a school district or open-enrollment charter school may submit an application for inclusion of a reading instrument on the commissioner's list of reading instruments maintained under this section.

(o)  The agency may not use data collected from a reading instrument administered under this section in evaluating the performance of a school district or campus under Section 39.054.

SECTION 6.05.  Subchapter A, Chapter 28, Education Code, is amended by adding Section 28.0063 to read as follows:

Sec. 28.0063.  SUPPLEMENTAL READING INSTRUCTION FOR CERTAIN STUDENTS. (a) A school district or open-enrollment charter school shall make available supplemental instruction described by Section 28.0211(a-4) to address a student's reading deficiency if the student's results on both of the reading assessments administered under Section 28.006 in two consecutive school years indicate the student needs reading intervention.

(b)  A parent or guardian of a student described by Subsection (a) may select a tutor from a list of high-quality tutors approved by the agency or by the school district or open-enrollment charter school the student attends to provide the supplemental instruction required under Subsection (a). The district or school shall contract directly with the tutor selected, who may be a classroom teacher employed at the district or school. A classroom teacher selected as a student's tutor is entitled to supplemental pay from the district or school. The district or school may not provide money under this subsection directly to a parent or guardian of a student.

(c)  A school district or open-enrollment charter school shall submit to the agency the district's or school's list of high-quality tutors and publish the list on the district's or school's Internet website.

(d)  A school district or open-enrollment charter school that provides a tutor to a student under this section shall continue to provide the student any other reading support required of the district or school by federal or state law.

SECTION 6.06.  Section 28.009, Education Code, is amended by amending Subsection (a) and adding Subsection (a-6) to read as follows:

(a)  Each school district shall implement a program under which students may earn the equivalent of at least 12 semester credit hours of college credit in high school. On request, a public institution of higher education in this state shall assist a school district in developing and implementing the program. The college credit may be earned through:

(1)  international baccalaureate, advanced placement, or dual credit courses, including courses provided through OnRamps;

(2)  articulated postsecondary courses provided for local credit or articulated postsecondary advanced technical credit courses provided for state credit; or

(3)  any combination of the courses described by Subdivisions (1) and (2).

(a-6)  Each school district shall report through the Public Education Information Management System (PEIMS) the number of district students who, during that school year, were enrolled in an OnRamps course and provide the name of the OnRamps courses in which the students were enrolled. The commissioner shall establish a unique identifier in PEIMS for each OnRamps course offered.

SECTION 6.07.  Subchapter E, Chapter 29, Education Code, is amended by adding Section 29.1537 to read as follows:

Sec. 29.1537.  PREKINDERGARTEN COMMUNITY-BASED CHILD-CARE PARTNERSHIP GRANT PROGRAM. (a) The commissioner shall establish and administer a grant program to support school districts and open-enrollment charter schools in increasing partnerships with community-based child-care providers to provide prekindergarten classes under Section 29.153.

(b)  A school district or open-enrollment charter school may apply for a grant under the grant program in partnership with a community-based child-care provider described by Section 29.153(g).

(c)  A school district or open-enrollment charter school shall use money received under the grant program to fund the enrollment of eligible children in prekindergarten classes provided under Section 29.153 through a partnership between the district or school and a community-based child-care provider described by Section 29.153(g). A child is eligible for enrollment in a prekindergarten class described by this subsection using money received under the grant program if the child:

(1)  is at least three years of age; and

(2)  receives subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

(d)  The commissioner may provide grants under the grant program for the enrollment in each school year of not more than 3,500 children in a prekindergarten class described by Subsection (c).

(e)  The agency shall annually report to the legislature regarding the number of children described by Subsection (c) enrolled in a prekindergarten class.

SECTION 6.08.  Section 29.1543, Education Code, is amended to read as follows:

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

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

(2)  a description of any [~~the~~] diagnostic reading instruments administered as provided by Section 28.006 [~~in accordance with Section 28.006(c) or (c-2)~~];

(3)  the number of students who were administered a diagnostic reading instrument administered as provided by Section 28.006 [~~in accordance with Section 28.006(c) or (c-2)~~];

(4)  the number of students whose scores from a diagnostic reading instrument administered as provided by Section 28.006 [~~in accordance with Section 28.006(c) or (c-2)~~] indicate reading proficiency;

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

(6)  the number and percentage of students who perform satisfactorily on the third grade reading or mathematics assessment instrument administered under Section 39.023, disaggregated by whether the student was eligible for free prekindergarten under Section 29.153;

(7)  the number of students described by Subdivision (6) who attended kindergarten in the district, disaggregated by:

(A)  whether the student met the kindergarten readiness standard on a [~~the~~] reading instrument adopted under Section 28.006;

(B)  whether the student attended prekindergarten in the district; and

(C)  the type of prekindergarten the student attended, if applicable; and

(8)  the information described by Subdivisions (6) and (7) disaggregated by whether the student is educationally disadvantaged.

SECTION 6.09.  Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.9016 to read as follows:

Sec. 29.9016.  CAREER AND MILITARY TECHNICAL GRANT PILOT PROGRAM. (a) The agency shall establish a pilot program to award grants to school districts to implement or maintain a program under which the district:

(1)  establishes a junior reserve officer training corps program under 10 U.S.C. Section 2031 for students in high school;

(2)  annually administers the Armed Services Vocational Aptitude Battery test to each student in grades 9 through 12; and

(3)  provides career counseling at least once each year to each student administered the test under Subdivision (2) based on the results of the test.

(b)  The amount of a grant awarded under the pilot program is $50,000.

(c)  The total amount of grants awarded under the pilot program for a school year may not exceed $2 million.

(d)  Not later than December 1, 2026, the agency shall submit to the legislature a report on the results of the pilot program. The report must include the agency's recommendation on whether the pilot program should be continued, expanded, or terminated.

(e)  The commissioner may adopt rules necessary to implement the pilot program.

(f)  This section expires September 1, 2027.

SECTION 6.10.  Chapter 791, Government Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. INTERLOCAL CONTRACTING BETWEEN LOCAL EDUCATION AGENCIES TO PROCURE HEALTH INSURANCE COVERAGE

Sec. 791.051.  DEFINITIONS. In this subchapter:

(1)  "Cooperative" means a cooperative established under this subchapter by an interlocal contract for group health coverage.

(2)  "Local education agency" means:

(A)  a school district; or

(B)  an open-enrollment charter school as defined by Section 5.001, Education Code.

(3)  "Participating local education agency" means, with respect to a cooperative, a local education agency that participates in the cooperative.

Sec. 791.052.  COMPLIANCE WITH SUBCHAPTER REQUIRED. A local education agency shall comply with this subchapter when procuring and administering employee group health coverage with another local education agency.

Sec. 791.053.  INTERLOCAL CONTRACT FOR GROUP HEALTH INSURANCE COVERAGE. (a) The governing body of a local education agency may by resolution enter into an interlocal contract and cooperate with one or more other local education agencies to establish a cooperative for the purposes of procuring group health insurance coverage under this subchapter.

(b)  The governing body of a local education agency may renew an interlocal contract entered into under Subsection (a).

(c)  This subchapter does not affect the ability of local education agencies to provide group health coverage through a risk pool established in accordance with Chapter 172, Local Government Code.

Sec. 791.054.  COOPERATIVE. (a) A cooperative is a legal entity that may procure employee group health insurance coverage for each participating local education agency.

(b)  Participating local education agencies may contract for the supervision and administration of the cooperative in accordance with Section 791.013.

(c)  Except as provided by this subsection, a cooperative is governed by a board of directors composed of the chief executive officers of each participating local education agency or the officers' designees. If the cooperative is composed of more than seven local education agencies, the cooperative shall appoint at least seven directors to serve on the cooperative's board of directors.

Sec. 791.055.  PROCUREMENT. (a) A cooperative must procure a contract for employee group health coverage under this subchapter through a request for proposals to potential vendors advertised in a manner consistent with Section 44.031(g), Education Code, in at least one county in which a participating local education agency's central office is located.

(b)  The board of directors of a cooperative shall select the vendor that provides the best value to participating local education agencies considering the factors described by Section 44.031(b), Education Code.

(c)  A cooperative that enters into a contract in accordance with this section satisfies a competitive bidding requirement applicable to the procurement of group health coverage under other law.

Sec. 791.056.  OFFER OF COVERAGE; PREMIUM LIABILITY. (a) A cooperative shall offer one or more group health insurance plans procured under Section 791.055 to employees of participating local education agencies and dependents of those employees.

(b)  The board of directors of a cooperative may determine a participating local education agency's payment of all or part of the premiums for employees or dependents for a plan offered under Subsection (a).

(c)  A participating local education agency's payment:

(1)  is subject to the requirements described by Section 1581.052, Insurance Code; and

(2)  shall include the contributions by the state described by Subchapter F, Chapter 1579, Insurance Code.

SECTION 6.11.  Section 28.006(b-1), Education Code, is repealed.

SECTION 6.12.  This article applies beginning with the 2024-2025 school year.

SECTION 6.13.  This article takes effect on the 91st day after the last day of the legislative session.

ARTICLE 7. VIRTUAL EDUCATION

SECTION 7.01.  Section 1.001(b), Education Code, is amended to read as follows:

(b)  Except as provided by Chapter 18, Chapter 19, Subchapter A of Chapter 29, or Subchapter E of Chapter 30, [~~or Chapter 30A,~~] this code does not apply to students, facilities, or programs under the jurisdiction of the Department of Aging and Disability Services, the Department of State Health Services, the Health and Human Services Commission, the Texas Juvenile Justice Department, the Texas Department of Criminal Justice, a Job Corps program operated by or under contract with the United States Department of Labor, or any juvenile probation agency.

SECTION 7.02.  Section 7.0561(f), Education Code, is amended to read as follows:

(f)  In consultation with interested school districts, open-enrollment charter schools, and other appropriate interested persons, the commissioner shall adopt rules applicable to the consortium, according to the following principles for a next generation of higher performing public schools:

(1)  engagement of students in digital learning, including engagement through the use of electronic textbooks and instructional materials adopted under Subchapters B and B-1, Chapter 31, and virtual or hybrid courses offered by school districts and open-enrollment charter schools under Chapter 30B [~~through the state virtual school network under Subchapter 30A~~];

(2)  emphasis on learning standards that focus on high-priority standards identified in coordination with districts and charter schools participating in the consortium;

(3)  use of multiple assessments of learning capable of being used to inform students, parents, districts, and charter schools on an ongoing basis concerning the extent to which learning is occurring and the actions consortium participants are taking to improve learning; and

(4)  reliance on local control that enables communities and parents to be involved in the important decisions regarding the education of their children.

SECTION 7.03.  Section 25.007(b), Education Code, is amended to read as follows:

(b)  In recognition of the challenges faced by students who are homeless or in substitute care, the agency shall assist the transition of students who are homeless or in substitute care from one school to another by:

(1)  ensuring that school records for a student who is homeless or in substitute care are transferred to the student's new school not later than the 10th working day after the date the student begins enrollment at the school;

(2)  developing systems to ease transition of a student who is homeless or in substitute care during the first two weeks of enrollment at a new school;

(3)  developing procedures for awarding credit, including partial credit if appropriate, for course work, including electives, completed by a student who is homeless or in substitute care while enrolled at another school;

(4)  developing procedures to ensure that a new school relies on decisions made by the previous school regarding placement in courses or educational programs of a student who is homeless or in substitute care and places the student in comparable courses or educational programs at the new school, if those courses or programs are available;

(5)  promoting practices that facilitate access by a student who is homeless or in substitute care to extracurricular programs, summer programs, credit transfer services, virtual or hybrid [~~electronic~~] courses provided under Chapter 30B [~~30A~~], and after-school tutoring programs at nominal or no cost;

(6)  establishing procedures to lessen the adverse impact of the movement of a student who is homeless or in substitute care to a new school;

(7)  entering into a memorandum of understanding with the Department of Family and Protective Services regarding the exchange of information as appropriate to facilitate the transition of students in substitute care from one school to another;

(8)  encouraging school districts and open-enrollment charter schools to provide services for a student who is homeless or in substitute care in transition when applying for admission to postsecondary study and when seeking sources of funding for postsecondary study;

(9)  requiring school districts, campuses, and open-enrollment charter schools to accept a referral for special education services made for a student who is homeless or in substitute care by a school previously attended by the student, and to provide comparable services to the student during the referral process or until the new school develops an individualized education program for the student;

(10)  requiring school districts, campuses, and open-enrollment charter schools to provide notice to the child's educational decision-maker and caseworker regarding events that may significantly impact the education of a child, including:

(A)  requests or referrals for an evaluation under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), or special education under Section 29.003;

(B)  admission, review, and dismissal committee meetings;

(C)  manifestation determination reviews required by Section 37.004(b);

(D)  any disciplinary actions under Chapter 37 for which parental notice is required;

(E)  citations issued for Class C misdemeanor offenses on school property or at school-sponsored activities;

(F)  reports of restraint and seclusion required by Section 37.0021;

(G)  use of corporal punishment as provided by Section 37.0011; and

(H)  appointment of a surrogate parent for the child under Section 29.0151;

(11)  developing procedures for allowing a student who is homeless or in substitute care who was previously enrolled in a course required for graduation the opportunity, to the extent practicable, to complete the course, at no cost to the student, before the beginning of the next school year;

(12)  ensuring that a student who is homeless or in substitute care who is not likely to receive a high school diploma before the fifth school year following the student's enrollment in grade nine, as determined by the district, has the student's course credit accrual and personal graduation plan reviewed;

(13)  ensuring that a student in substitute care who is in grade 11 or 12 be provided information regarding tuition and fee exemptions under Section 54.366 for dual-credit or other courses provided by a public institution of higher education for which a high school student may earn joint high school and college credit;

(14)  designating at least one agency employee to act as a liaison officer regarding educational issues related to students in the conservatorship of the Department of Family and Protective Services; and

(15)  providing other assistance as identified by the agency.

SECTION 7.04.  The heading to Section 26.0031, Education Code, is amended to read as follows:

Sec. 26.0031.  RIGHTS CONCERNING [~~STATE~~] VIRTUAL AND HYBRID COURSES [~~SCHOOL NETWORK~~].

SECTION 7.05.  Section 26.0031, Education Code, is amended by amending Subsections (a), (b), (c), (c-1), (d), and (e) and adding Subsection (b-1) to read as follows:

(a)  At the time and in the manner that a school district or open-enrollment charter school informs students and parents about courses that are offered in the district's or school's traditional classroom setting, the district or school shall notify parents and students of the option to enroll in a virtual or hybrid [~~an electronic~~] course offered by the district or school in which the student is enrolled or by another district or school [~~through the state virtual school network~~] under Chapter 30B [~~30A~~].

(b)  Except as provided by Subsection (c), a school district or open-enrollment charter school in which a student is enrolled as a full-time student may not deny the request of a parent of a student to enroll the student in a virtual or hybrid [~~an electronic~~] course offered by the district or school in which the student is enrolled or by another district or school [~~through the state virtual school network~~] under Chapter 30B [~~30A~~].

(b-1)  A school district or open-enrollment charter school may not actively discourage a student, including by threat or intimidation, from enrolling in a virtual or hybrid course.

(c)  A school district or open-enrollment charter school may deny a request to enroll a student in a virtual or hybrid [~~an electronic~~] course if:

(1)  a student attempts to enroll in a course load that is inconsistent with the student's high school graduation plan or requirements for college admission or earning an industry certification;

(2)  the student requests permission to enroll in a virtual or hybrid [~~an electronic~~] course at a time that is not consistent with the enrollment period established by the school district or open-enrollment charter school providing the course; or

(3)  the district or school determines that the cost of the course is too high [~~offers a substantially similar course~~].

(c-1)  A school district or open-enrollment charter school may decline to pay the cost for a student of more than three yearlong virtual [~~electronic~~] courses, or the equivalent, during any school year.  This subsection does not:

(1)  limit the ability of the student to enroll in additional virtual [~~electronic~~] courses at the student's cost; or

(2)  apply to a student enrolled in a full-time virtual [~~online~~] program [~~that was operating on January 1, 2013~~].

(d)  Notwithstanding Subsection (c)(2), a school district or open-enrollment charter school that provides a virtual or hybrid [~~an electronic~~] course [~~through the state virtual school network~~] under Chapter 30B [~~30A~~] shall make all reasonable efforts to accommodate the enrollment of a student in the course under special circumstances.

(e)  A school district or open-enrollment charter school that denies a request to enroll a student in a virtual or hybrid course under Subsection (c) must provide a written explanation of the denial to the student and the student's parent. The written explanation must provide notice of the student's ability to appeal the decision and an explanation of the appeal process, including the process of pursuing a final appeal heard by the board of trustees of the district or the governing board of the school. A determination made by the board of trustees of the school district or the governing board of the open-enrollment charter school [~~A parent may appeal to the commissioner a school district's or open-enrollment charter school's decision to deny a request to enroll a student in an electronic course offered through the state virtual school network. The commissioner's decision~~] under this subsection is final and may not be appealed.

SECTION 7.06.  Subtitle F, Title 2, Education Code, is amended by adding Chapter 30B to read as follows:

CHAPTER 30B. VIRTUAL AND HYBRID CAMPUSES, PROGRAMS, AND COURSES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 30B.001.  DEFINITIONS. In this chapter:

(1)  "Full-time hybrid campus" means a school district or open-enrollment charter school campus at which at least 50 percent of the enrolled students are enrolled in a full-time hybrid program authorized under Subchapter C.

(2)  "Full-time hybrid program" means a full-time educational program offered by a school district or open-enrollment charter school campus in which:

(A)  a student is in attendance in person for less than 90 percent of the minutes of instruction provided; and

(B)  the instruction and content may be delivered synchronously or asynchronously over the Internet, in person, or through other means.

(3)  "Full-time virtual campus" means a school district or open-enrollment charter school campus at which at least 50 percent of the enrolled students are enrolled in a full-time virtual program authorized under Subchapter C.

(4)  "Full-time virtual program" means a full-time educational program offered by a school district or open-enrollment charter school campus in which:

(A)  a student is in attendance in person minimally or not at all; and

(B)  the instruction and content are delivered synchronously or asynchronously primarily over the Internet.

(5)  "Hybrid course" means a course in which:

(A)  a student is in attendance in person for less than 90 percent of the minutes of instruction provided; and

(B)  the instruction and content may be delivered synchronously or asynchronously over the Internet, in person, or through other means.

(6)  "Parent" means a student's parent or a person standing in parental relation to a student.

(7)  "Virtual course" means a course in which instruction and content are delivered synchronously or asynchronously primarily over the Internet.

(8)  "Whole program virtual instruction provider" means a private or third-party service that provides oversight and management of the virtual instruction services or otherwise provides a preponderance of those services for a full-time virtual or full-time hybrid campus or program.

Sec. 30B.002.  RULES. (a) The commissioner shall adopt rules as necessary to administer this chapter.

(b)  To the extent practicable, the commissioner shall consult school districts, open-enrollment charter schools, and parents in adopting rules under this section.

(c)  The agency may form an advisory committee to comply with the provisions of this section. Chapter 2110, Government Code, does not apply to an advisory committee formed under this section.

Sec. 30B.003.  GRANTS AND FEDERAL FUNDS. (a) For purposes of this chapter, the commissioner may seek and accept a grant from a public or private person.

(b)  For purposes of this chapter, the commissioner may accept federal funds and shall use those funds in compliance with applicable federal law, regulations, and guidelines.

Sec. 30B.004.  PROVISION OF COMPUTER EQUIPMENT OR INTERNET SERVICE. This chapter does not:

(1)  require a school district, an open-enrollment charter school, a virtual course provider, or the state to provide a student with home computer equipment or Internet access for a virtual course provided by a school district or open-enrollment charter school; or

(2)  prohibit a school district or open-enrollment charter school from providing a student with home computer equipment or Internet access for a virtual course provided by the district or school.

Sec. 30B.005.  EXTRACURRICULAR ACTIVITY. A student enrolled in a virtual or hybrid course, program, or campus offered under this chapter may participate in an extracurricular activity sponsored or sanctioned by the school district or open-enrollment charter school in which the student is enrolled or by the University Interscholastic League in the same manner as other district or school students.

Sec. 30B.006.  HYBRID AND VIRTUAL INSTRUCTION PERMITTED. (a) A school district or open-enrollment charter school may deliver instruction through hybrid courses, virtual courses, full-time hybrid programs, and full-time virtual programs in the manner provided by this chapter.

(b)  The following entities may deliver instruction through hybrid or virtual courses under this chapter in the same manner provided for a school district or open-enrollment charter school:

(1)  a consortium of school districts or open-enrollment charter schools;

(2)  an institution of higher education, as that term is defined by Section 61.003; or

(3)  a regional education service center.

(c)  A school district or open-enrollment charter school that delivers instruction through a hybrid or virtual course shall develop written information describing each hybrid or virtual course available for enrollment and complying with any other requirement of Section 26.0031.

(d)  A school district or open-enrollment charter school shall make information under this section available to students and parents at the time students ordinarily select courses and may provide that information to students and parents at other times as determined by the district or school.

Sec. 30B.007.  FOUNDATION SCHOOL FUNDING. A student enrolled in a hybrid course, virtual course, full-time hybrid program, or full-time virtual program offered under this chapter by a school district or open-enrollment charter school is counted toward the district's or school's average daily attendance in the same manner as district or school students not enrolled in a hybrid course, virtual course, full-time hybrid program, or full-time virtual program.

SUBCHAPTER B. HYBRID AND VIRTUAL COURSES

Sec. 30B.051.  HYBRID OR VIRTUAL COURSE QUALITY REQUIREMENTS. (a) A school district or open-enrollment charter school that offers a hybrid or virtual course under this chapter must certify to the commissioner that the course:

(1)  includes the appropriate essential knowledge and skills adopted under Subchapter A, Chapter 28;

(2)  provides instruction at the appropriate level of rigor for the grade level at which the course is offered and will prepare a student enrolled in the course for the student's next grade level or a subsequent course in a similar subject matter; and

(3)   except as provided by Subsection (b), meets standards for hybrid or virtual courses adopted by the commissioner.

(b)  If the commissioner has not adopted applicable standards for hybrid or virtual courses, a school district or open-enrollment charter school that offers a hybrid or virtual course must instead certify to the commissioner that the course meets the National Standards for Quality Online Courses published by the Virtual Learning Leadership Alliance, Quality Matters, and the Digital Learning Collaborative, or a successor publication.

Sec. 30B.052.  RIGHTS OF STUDENTS REGARDING HYBRID AND VIRTUAL COURSES. (a) Except as provided by Section 30B.104(b), a school district or open-enrollment charter school may not require a student to enroll in a hybrid or virtual course.

(b)  A hybrid or virtual course offered under this chapter to a student receiving special education services or other accommodations must meet the needs of the participating student in a manner consistent with Subchapter A, Chapter 29, and with federal law, including the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.) and Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), as applicable.

Sec. 30B.053.  RIGHTS OF TEACHERS REGARDING HYBRID AND VIRTUAL COURSES. (a) Except as provided by Subsection (a-1), a school district or open-enrollment charter school may not require a classroom teacher to provide both virtual instruction and in-person instruction for a course offered under this chapter during the same class period. The commissioner may waive the requirements of this subsection for courses included in the enrichment curriculum under Section 28.002.

(a-1)  Subsection (a) does not apply to a requirement that a classroom teacher simulcast the teacher's in-person instruction provided that the teacher is not required to interact with students observing the instruction virtually.

(b)  A classroom teacher may not provide instruction for a hybrid or virtual course offered under this chapter unless:

(1)  the teacher has received appropriate professional development in hybrid or virtual instruction, as determined by the school district or open-enrollment charter school at which the teacher is employed; or

(2)  the district or school has determined that the teacher has sufficient previous experience to not require the professional development described by Subdivision (1).

(c)  A school district or open-enrollment charter school may not directly or indirectly coerce any classroom teacher hired to provide in-person instruction to agree to an assignment to teach a hybrid or virtual course.

Sec. 30B.054.  ASSESSMENTS. Except as authorized by commissioner rule, an assessment instrument administered under Section 39.023 or 39.025 to a student enrolled in a hybrid or virtual course offered under this chapter shall be administered to the student in the same manner in which the assessment instrument is administered to a student enrolled in an in-person course at the student's school district or open-enrollment charter school.

Sec. 30B.055.  TUITION AND FEES. A school district or open-enrollment charter school may charge tuition and fees for a hybrid or virtual course provided to a student who:

(1)  is not eligible to enroll in a public school in this state; or

(2)  is not enrolled in the school district or open-enrollment charter school.

Sec. 30B.056.  ATTENDANCE FOR CLASS CREDIT OR GRADE. Notwithstanding Section 25.092, a school district or open-enrollment charter school shall establish the participation necessary to earn credit or a grade for a hybrid or virtual course offered by the district or school.

Sec. 30B.057.  AGENCY PUBLICATION OF AVAILABLE VIRTUAL COURSES. (a) The agency shall publish a list of virtual courses offered by school districts and open-enrollment charter schools in this state that includes:

(1)  whether the course is available to a student who is not otherwise enrolled in the offering district or school;

(2)  the cost of the course; and

(3)  information regarding any third-party provider involved in the delivery of the course.

(b)  A school district or open-enrollment charter school shall provide to the agency information required to publish the list under Subsection (a).

SUBCHAPTER C. FULL-TIME HYBRID AND FULL-TIME VIRTUAL CAMPUSES

Sec. 30B.101.  FULL-TIME HYBRID OR FULL-TIME VIRTUAL CAMPUS AUTHORIZATION. (a) A school district or open-enrollment charter school may operate a full-time hybrid campus or a full-time virtual campus if authorized by the commissioner in accordance with this section.

(b)  The commissioner shall adopt rules establishing the requirements for and process by which a school district or open-enrollment charter school may apply for authorization to operate a full-time hybrid campus or a full-time virtual campus. The rules adopted by the commissioner may require certain written application materials and interviews and shall require a school district or open-enrollment charter school to:

(1)  engage in a year of planning before offering a course under this chapter to verify the course is designed in accordance with high-quality criteria;

(2)  develop an academic plan that incorporates:

(A)  curriculum and instructional practices aligned with the appropriate essential knowledge and skills provided under Subchapter A, Chapter 28;

(B)  monitoring of the progress of student performance and interventions;

(C)  a method for meeting the needs of and complying with federal and state requirements for special populations and at-risk students; and

(D)  compliance with the requirements of this chapter;

(3)  develop an operations plan that addresses:

(A)  staffing models;

(B)  the designation of selected school leaders;

(C)  professional development for staff;

(D)  student and family engagement;

(E)  school calendars and schedules;

(F)  student enrollment eligibility;

(G)  cybersecurity and student data privacy measures; and

(H)  any educational services to be provided by a private or third party; and

(4)  demonstrate the capacity to execute the district's or school's plan successfully.

(c)  A full-time hybrid campus or full-time virtual campus authorized under this section must include:

(1)  at least one grade level in which an assessment instrument is required to be administered under Section 39.023(a) or (c), including each subject or course for which an assessment instrument is required in that grade level;

(2)  sufficient grade levels, as determined by the commissioner, to allow for the annual evaluation of the performance of students who complete the courses offered; or

(3)  for a campus that does not include grade levels described by Subdivision (1) or (2), another performance evaluation measure approved by the commissioner during the authorization process.

(d)  A campus approved under this subchapter may only apply for and receive authorization to operate as a full-time hybrid campus or a full-time virtual campus. A campus may not change its operation designation during the authorization process or after the campus is authorized.

(e)  The commissioner may only authorize a school district or open-enrollment charter school to operate a full-time hybrid campus or a full-time virtual campus if the commissioner determines that the authorization of the campus is likely to result in improved student learning opportunities. If a district or school will use a private or third party in operating the campus, the commissioner shall consider the historical performance of the private or third party, if known, in making a determination under this section.

(f)  A determination made by the commissioner under this section is final and not subject to appeal.

Sec. 30B.102.  REVOCATION. (a) Unless revoked as provided by this section, the commissioner's authorization of a full-time hybrid campus or full-time virtual campus under Section 30B.101 continues indefinitely.

(b)  The commissioner shall revoke the authorization of a full-time hybrid campus or full-time virtual campus if the campus has been assigned, for the three preceding school years:

(1)  a needs improvement or unacceptable performance rating under Subchapter C, Chapter 39;

(2)  a rating of performance that needs improvement or unacceptable, as determined by the commissioner, on a performance evaluation approved by the commissioner under Section 30B.101(c)(3); or

(3)  any combination of the ratings described by Subdivision (1) or (2).

(c)  The commissioner may, based on a special investigation conducted under Section 39.003:

(1)  revoke an authorization of a full-time hybrid campus or full-time virtual campus; or

(2)  require any intervention authorized under that section.

(d)  If a private or third party is determined to be ineligible under Section 30B.152, the commissioner shall revoke an authorization of a full-time hybrid campus or full-time virtual campus for which the private or third party acts as a whole program virtual instruction provider, unless the commissioner approves a request by the school district or open-enrollment charter school that operates the campus to use an alternative private or third party.

(e)  An appeal by a school district or open-enrollment charter school of a revocation of an authorization under this chapter that results in the closure of a campus must be made under Section 39A.301.

Sec. 30B.103.  STUDENT ELIGIBILITY. (a) A student eligible to enroll in a public school of this state is eligible to enroll at a full-time hybrid campus.

(b)  A student is eligible to enroll in a full-time virtual campus if the student:

(1)  attended a public school in this state for a minimum of six weeks in the current school year or in the preceding school year;

(2)  is, in the school year in which the student first seeks to enroll in the full-time virtual campus, enrolled in the first grade or a lower grade level;

(3)  was not required to attend public school in this state due to nonresidency during the preceding school year;

(4)  is a dependent of a member of the United States military who has been deployed; or

(5)  has been placed in substitute care in this state.

Sec. 30B.104.  STUDENT RIGHTS REGARDING FULL-TIME HYBRID AND FULL-TIME VIRTUAL CAMPUSES. (a) A student enrolled in a school district may not be compelled to enroll in a full-time hybrid or full-time virtual campus. A school district must offer the option for a student's parent to select in-person instruction for the student.

(b)  Notwithstanding Subsection (a) or Section 30B.052, an open-enrollment charter school may require a student to attend a full-time hybrid or full-time virtual campus.

Sec. 30B.105.  CAMPUS DESIGNATIONS. The commissioner shall determine and assign a unique campus designation number to each full-time hybrid campus or full-time virtual campus authorized under this subchapter.

Sec. 30B.106.  FUNDING. (a) For purposes of calculating the average daily attendance of students attending a full-time hybrid campus or full-time virtual campus, the commissioner shall use the number of full-time equivalent students enrolled in the full-time hybrid or full-time virtual campus multiplied by the average attendance rate of the school district or open-enrollment charter school that offers the full-time hybrid or full-time virtual campus not including any student enrolled full-time in a full-time hybrid or full-time virtual campus. In the event that a reliable attendance rate cannot be determined under this section, the commissioner shall use the statewide average attendance rate.

(b)  The commissioner shall provide proportionate funding to the applicable school district or open-enrollment charter school for a student that alternates attendance between a traditional, in-person campus setting and the full-time hybrid or full-time virtual campus of any single district or school in the same school year.

SUBCHAPTER D. PRIVATE AND THIRD-PARTY PROVIDERS

Sec. 30B.151.  NOTICE AND USE OF PRIVATE OR THIRD PARTY. (a) A school district or open-enrollment charter school shall provide notice to the commissioner of the use of or change in affiliation of a private or third party acting as a whole program virtual instruction provider for a full-time hybrid or full-time virtual campus or program.

(b)  Except as provided by Section 30B.152, a school district or open-enrollment charter school may not use a private or third party to act as a whole program virtual instruction provider if the party has been determined to be ineligible under that section.

Sec. 30B.152.  PRIVATE OR THIRD-PARTY ACCOUNTABILITY. (a) The commissioner shall, to the extent feasible, evaluate the performance of a private or third party acting as a whole program virtual instruction provider for a school district or open-enrollment charter school.

(b)  The commissioner shall establish a standard to determine if a private or third party is ineligible to act as a whole program virtual instruction provider. A private or third party determined to be ineligible under this section remains ineligible until after the fifth anniversary of that determination.

(c)  A school district or open-enrollment charter school may use a private or third party determined to be ineligible under Subsection (b) as a whole program virtual instruction provider if:

(1)  the district or school requests approval from the commissioner; and

(2)  the commissioner determines that the reasons the private or third party was declared ineligible under Subsection (b) will not affect the operation of the party as a whole program virtual instruction provider at the district or school.

SUBCHAPTER E. STATE SUPPORT

Sec. 30B.201.  EDUCATOR PROFESSIONAL DEVELOPMENT. From funds appropriated or otherwise available, the agency shall develop professional development courses and materials aligned with research-based practices for educators in providing high-quality virtual education.

Sec. 30B.202.  DEVELOPMENT GRANTS FOR VIRTUAL EDUCATION. From funds appropriated or otherwise available, the agency shall provide grants and technical assistance to school districts and open-enrollment charter schools to aid in the establishment of high-quality full-time hybrid or full-time virtual campuses.

SECTION 7.07.  Section 33.009(d), Education Code, is amended to read as follows:

(d)  An academy developed under this section must provide counselors and other postsecondary advisors with knowledge and skills to provide counseling to students regarding postsecondary success and productive career planning and must include information relating to:

(1)  each endorsement described by Section 28.025(c-1), including:

(A)  the course requirements for each endorsement; and

(B)  the postsecondary educational and career opportunities associated with each endorsement;

(2)  available methods for a student to earn credit for a course not offered at the school in which the student is enrolled, including enrollment in a virtual [~~an electronic~~] course provided [~~through the state virtual school network~~] under Chapter 30B [~~30A~~];

(3)  general academic performance requirements for admission to an institution of higher education, including the requirements for automatic admission to a general academic teaching institution under Section 51.803;

(4)  regional workforce needs, including information about the required education and the average wage or salary for careers that meet those workforce needs; and

(5)  effective strategies for engaging students and parents in planning for postsecondary education and potential careers, including participation in mentorships and business partnerships.

SECTION 7.08.  Subchapter A, Chapter 37, Education Code, is amended by adding Section 37.0071 to read as follows:

Sec. 37.0071.  VIRTUAL EDUCATION AS ALTERNATIVE TO EXPULSION. (a) Except as provided by Subsection (b), before a school district or open-enrollment charter school may expel a student, the district or school shall consider the appropriateness and feasibility of, as an alternative to expulsion, enrolling the student in a full-time hybrid program, full-time virtual program, full-time hybrid campus, or full-time virtual campus, as those terms are defined in Section 30B.001.

(b)  Subsection (a) does not apply to a student expelled under Section 37.0081 or 37.007(a), (d), or (e).

SECTION 7.09.  Section 48.005, Education Code, is amended by adding Subsection (e-1) to read as follows:

(e-1)  In a school year in which the occurrence of an emergency or crisis, as defined by commissioner rule, causes a statewide decrease in average daily attendance of school districts entitled to funding under this chapter or, for an emergency or crisis occurring only within a specific region of this state, causes a regional decrease in the average daily attendance of school districts located in the affected region, the commissioner shall modify or waive requirements applicable to the affected districts under this section and adopt appropriate safeguards as necessary to ensure the continued support and maintenance of an efficient system of public free schools and the continued delivery of high-quality instruction under that system.

SECTION 7.10.  Section 48.053(b), Education Code, is amended to read as follows:

(b)  A school district to which this section applies is entitled to funding under this chapter as if the district were a full-time hybrid campus or full-time virtual campus for purposes of Section 30B.106 with [~~had~~] no tier one local share for purposes of Section 48.256 for each student enrolled in the district:

(1)  who resides in this state; or

(2)  who:

(A)  is a dependent of a member of the United States military;

(B)  was previously enrolled in school in this state; and

(C)  does not reside in this state due to a military deployment or transfer.

SECTION 7.11.  Section 48.104(f), Education Code, is amended to read as follows:

(f)  A student receiving a full-time virtual education provided through a full-time virtual campus under Chapter 30B shall [~~through the state virtual school network may~~] be included in determining the number of students who are educationally disadvantaged and reside in an economically disadvantaged census block group under Subsection (b) or (e), as applicable[~~, if the school district submits to the commissioner a plan detailing the enhanced services that will be provided to the student and the commissioner approves the plan~~].

SECTION 7.12.  Section 48.111, Education Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b)  For purposes of Subsection (a), in determining the number of students enrolled in a school district, the commissioner shall exclude students enrolled in the district who receive full-time instruction provided through a full-time virtual campus under Chapter 30B [~~through the state virtual school network under Chapter 30A~~].

(b-1)  For purposes of Subsection (a), in determining the number of students enrolled in a school district, the commissioner shall exclude students enrolled in the district who receive full-time instruction through the state virtual school network under Chapter 30A as that chapter existed on September 1, 2023. This subsection expires September 1, 2029.

SECTION 7.13.  The following provisions of the Education Code are repealed:

(1)  Section 26.0031(f); and

(2)  Chapter 30A.

SECTION 7.14.  (a)  Notwithstanding the repeal by this article of Chapter 30A, Education Code, a school district or open-enrollment charter school providing an electronic course or a full-time program through the state virtual school network in accordance with Chapter 30A, Education Code, as that law existed immediately before the effective date of this article, may, except as provided by Subsection (b) of this section, continue to provide that course or full-time program as if that chapter were still in effect until the end of the 2025-2026 school year.

(b)  The funding provided to a school district or open-enrollment charter school for a student enrolled in an electronic course or full-time program offered through the state virtual school network in accordance with Chapter 30A, Education Code, as that law existed immediately before the effective date of this article, shall be determined, as applicable, under Section 30B.007 or 30B.106, Education Code, as added by this article.

SECTION 7.15.  The commissioner of education shall adopt rules providing an expedited authorization process for a school district or open-enrollment charter school that applies to operate a full-time hybrid campus or a full-time virtual campus under Chapter 30B, Education Code, as added by this article, if the district or school, as of the effective date of this article:

(1)  operates an electronic course or full-time program through the state virtual school network in accordance with Chapter 30A, Education Code, as that law existed immediately before the effective date of this article; or

(2)  operates a virtual education program, regardless of whether the district or school received funding for students enrolled in the program during the 2022-2023 or 2023-2024 school year.

SECTION 7.16.  This article takes effect immediately if this Act 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 article takes effect on the 91st day after the last day of the legislative session.

ARTICLE 8. CHANGES RELATED TO ACCOUNTABILITY

SECTION 8.01.  Subchapter A, Chapter 39, Education Code, is amended by adding Section 39.008 to read as follows:

Sec. 39.008.  EXPIRATION OF CHAPTER. This chapter expires August 31, 2026.

SECTION 8.02.  Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.0521 to read as follows:

Sec. 39.0521.  TEMPORARY PROVISION: ASSIGNMENT OF PERFORMANCE RATINGS AND SCORING OF ASSESSMENT INSTRUMENTS. (a) Notwithstanding any other law, for the 2023-2024, 2024-2025, and 2025-2026 school years, the commissioner shall use the indicators, standards, procedures, criteria, and calculations prescribed by the 2022 Accountability Manual, adopted under 19 T.A.C. Section 97.1001, as that rule existed on September 1, 2023, to:

(1)  evaluate school district and campus performance and assign each district and campus a performance rating; and

(2)  score assessment instruments administered under Subchapter B.

(b)  The agency shall receive a direct appropriation from the legislature for any additional costs for scoring the assessment instruments administered under Subchapter B in the manner described by Subsection (a)(2).

(c)  This section expires August 31, 2026.

SECTION 8.03.  Section 39.053, Education Code, is amended by amending Subsection (c) and adding Subsections (c-4), (c-5), and (c-6) to read as follows:

(c)  School districts and campuses must be evaluated based on three domains of indicators of achievement adopted under this section that include:

(1)  in the student achievement domain, indicators of student achievement that must include:

(A)  for evaluating the performance of districts and campuses generally:

(i)  an indicator that accounts for the results of assessment instruments required under Sections 39.023(a), (c), and (l), as applicable for the district and campus, including the results of assessment instruments required for graduation retaken by a student, aggregated across grade levels by subject area, including:

(a)  for the performance standard determined by the commissioner under Section 39.0241(a), the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and

(b)  for the college readiness performance standard as determined under Section 39.0241, the percentage of students who performed satisfactorily on the assessment instruments, aggregated across grade levels by subject area; and

(ii)  an indicator that accounts for the results of assessment instruments required under Section 39.023(b), as applicable for the district and campus, including the percentage of students who performed satisfactorily on the assessment instruments, as determined by the performance standard adopted by the agency, aggregated across grade levels by subject area; and

(B)  for evaluating the performance of high school campuses and districts that include high school campuses, indicators that account for:

(i)  students who satisfy the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Texas Higher Education Coordinating Board under Section 51.334 on an assessment instrument in reading or mathematics designated by the coordinating board under that section;

(ii)  students who satisfy relevant performance standards on advanced placement tests or similar assessments;

(iii)  students who earn dual course credits in the dual credit courses;

(iv)  students who demonstrate military readiness by:

(a)  enlisting [~~enlist~~] in the armed forces of the United States or the Texas National Guard;

(b)  achieving a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery test; or

(c)  successfully completing a Junior Reserve Officer Training Corps program;

(v)  students who earn industry certifications;

(vi)  students admitted into postsecondary industry certification programs that require as a prerequisite for entrance successful performance at the secondary level;

(vii)  students whose successful completion of a course or courses under Section 28.014 indicates the student's preparation to enroll and succeed, without remediation, in an entry-level general education course for a baccalaureate degree or associate degree;

(viii)  students who successfully met standards on a composite of indicators that through research indicates the student's preparation to enroll and succeed, without remediation, in an entry-level general education course for a baccalaureate degree or associate degree;

(ix)  high school graduation rates, computed in accordance with standards and definitions adopted in compliance with the Every Student Succeeds Act (20 U.S.C. Section 6301 et seq.) subject to the exclusions provided by Subsections (g), (g-1), (g-2), (g-3), and (g-4);

(x)  students who successfully completed an OnRamps dual enrollment course;

(xi)  students who successfully completed a practicum or internship approved by the State Board of Education;

(xii)  students who are awarded an associate degree; and

(xiii)  students who successfully completed a program of study in career and technical education;

(2)  in the school progress domain, indicators for effectiveness in promoting student learning, which must include:

(A)  for assessment instruments, including assessment instruments under Subdivisions (1)(A)(i) and (ii), the percentage of students who met the standard for improvement, as determined by the commissioner; and

(B)  for evaluating relative performance, the performance of districts and campuses compared to similar districts or campuses; and

(3)  in the closing the gaps domain, the use of disaggregated data to demonstrate the differentials among students from different racial and ethnic groups, socioeconomic backgrounds, and other factors, including:

(A)  students formerly receiving special education services;

(B)  students continuously enrolled; and

(C)  students who are mobile.

(c-4)  The agency shall study the college, career, and military readiness indicators adopted under Subsection (c) to determine the correlation of each indicator with post-secondary success, including the correlation of industry certifications with wages and available jobs. The assignment of value for an indicator must be based on the strength of the indicator's correlation with successful outcomes.

(c-5)  The agency shall maintain a list of industry certifications that are eligible for purposes of Subsection (c)(1)(B)(v). The certifications must:

(1)  be aligned to a program of study that, according to labor market data, prepares students for high-wage, high-skill, in-demand occupations;

(2)  allow students to demonstrate mastery of the skills required for occupations within an approved program of study; and

(3)  be obtained through an assessment of the knowledge and skills provided by or determined by an independent, third-party certifying entity using predetermined standards for knowledge, skills, and competencies.

(c-6)  The agency shall determine the eligibility of industry certifications under Subsection (c-5) using the most current labor market information. A certification the agency determines is no longer eligible for purposes of Subsection (c)(1)(B)(v) shall be removed from the list maintained under Subsection (c-5) not later than four years after the date the agency makes the determination. During the four years following an agency's determination under this subsection that an industry certification is no longer eligible for purposes of Subsection (c)(1)(B)(v), a school district may receive the benefit of achievement indicators based on that industry certification for purposes of Subsection (c) only for a cohort of students who earn the industry certification and graduate within the four-year period.

SECTION 8.04.  Section 39.0541, Education Code, is amended to read as follows:

Sec. 39.0541.  ADOPTION OF INDICATORS AND STANDARDS. The commissioner may adopt indicators and standards under this subchapter at any time [~~during a school year~~] before issuing the evaluation of a school district or campus for a school year.

SECTION 8.05.  Section 39.0542(a), Education Code, is amended to read as follows:

(a)  The [~~Each school year, the~~] commissioner shall provide each school district a document in a simple, accessible format that explains the accountability performance measures, methods, and procedures that will be applied [~~for that school year~~] in assigning each school district and campus a performance rating under Section 39.054.

SECTION 8.06.  Subchapter H, Chapter 39, Education Code, is amended by adding Section 39.231 to read as follows:

Sec. 39.231.  LOCAL ACCOUNTABILITY GRANT PROGRAM. (a) With funds appropriated or otherwise available for the purpose, the agency shall establish a grant program with capacity to assist at least one school district per education service center region in developing local accountability systems that comply with the requirements of Section 39.0544.

(b)  The commissioner shall adopt rules to implement this section.

SECTION 8.07.  Chapter 39, Education Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. TEXAS COMMISSION ON ASSESSMENT AND ACCOUNTABILITY

Sec. 39.451.  DEFINITION. In this subchapter, "commission" means the Texas Commission on Assessment and Accountability.

Sec. 39.452.  TEXAS COMMISSION ON ASSESSMENT AND ACCOUNTABILITY. (a) The commission is established to develop and make recommendations for:

(1)  improvements to the current public school assessment and accountability systems; and

(2)  the adoption of a new assessment and accountability system as provided by the Every Student Succeeds Act (20 U.S.C. Section 6301 et seq.).

(b)  The commission is composed of 15 members, consisting of:

(1)  four members appointed by the governor;

(2)  five members appointed by the lieutenant governor;

(3)  five members appointed by the speaker of the house of representatives; and

(4)  a member of the State Board of Education, as designated by the chair of that board.

(c)  The members appointed by the governor must have an interest in public education and include at least:

(1)  one person who is a current or retired classroom teacher with at least 10 years of teaching experience;

(2)  one person who is a member of the business community; and

(3)  one person who is a member of the civic community.

(d)  The appointments made by the lieutenant governor and the speaker of the house of representatives must each consist of:

(1)  three members of the applicable legislative chamber;

(2)  an administrator in the public school system or an elected member of the board of trustees of a school district; and

(3)  a member of the public who works in public education with experience in the assessment and accountability system.

(e)  In making appointments under Subsections (b)(1), (2), and (3), the governor, lieutenant governor, and speaker of the house of representatives shall coordinate to ensure that the membership of the commission reflects, to the extent possible, the ethnic and geographic diversity of this state.

Sec. 39.453.  PRESIDING OFFICER. The governor shall designate the presiding officer of the commission.

Sec. 39.454.  COMPENSATION AND REIMBURSEMENT. A member of the commission is not entitled to compensation for service on the commission but is entitled to reimbursement for actual and necessary expenses incurred in performing commission duties.

Sec. 39.455.  ADMINISTRATIVE SUPPORT AND FUNDING. (a) One full-time employee of the agency shall provide administrative support for the commission. Funding for the full-time employee shall be provided by legislative appropriation not to exceed $100,000 made to the agency for that purpose.

(b)  Funding for the administrative and operational expenses of the commission shall be provided by legislative appropriation not to exceed $100,000 made to the agency for that purpose.

Sec. 39.456.  RECOMMENDATIONS. (a) The commission shall develop recommendations under this subchapter to address issues related to the public school statewide assessment and accountability system, including:

(1)  the purpose of the assessment and accountability system and the relationship between state and local accountability in that system;

(2)  the appropriate number of assessments per grade level that comply with federal requirements;

(3)  changes in policy regarding the assessment and accountability system necessary to meet the needs of the state;

(4)  grading systems and the impact that those systems will have on the assessment and accountability system, including the use of artificial intelligence in grading systems;

(5)  the development and use of additional research-based indicators for the assessment and accountability system; and

(6)  the adoption of an assessment and accountability system that meets the needs of the 21st-century student.

(b)  The commission may establish one or more working groups composed of not more than five members of the commission to study, discuss, and address specific policy issues and recommendations to refer to the commission for consideration.

Sec. 39.457.  REPORT. Not later than December 31, 2024, the commission shall prepare and deliver a report to the governor and the legislature that recommends statutory changes to improve the public school assessment and accountability system, including any adjustments to funding necessary to account for student demographics.

Sec. 39.458.  PUBLIC MEETINGS AND PUBLIC INFORMATION. (a) The commission may hold public meetings as needed to fulfill its duties under this subchapter.

(b)  The commission is subject to Chapters 551 and 552, Government Code.

Sec. 39.459.  COMMISSION ABOLISHED; EXPIRATION OF SUBCHAPTER. The commission is abolished and this subchapter expires January 7, 2025.

SECTION 8.08.  (a) Notwithstanding any other law, the commissioner of education may not assign A through F ratings, domain-scaled scores, or overall scaled scores to an independent school district or district campus under Chapter 39, Education Code, for the 2022-2023 school year.

(b)  Notwithstanding Subchapter B, Chapter 2001, Government Code, the commissioner of education may, using abbreviated notice as determined practicable by the commissioner and without a public hearing, but with input from the legislature, adopt rules for determining the accountability of public schools for the 2022-2023 school year.

SECTION 8.09.  This article takes effect on the 91st day after the last day of the legislative session.