

By: Creighton, et al.

S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a local optional teacher designation system implemented  
3 by a school district, a security officer employed by a school  
4 district, the basic allotment and guaranteed yield under the public  
5 school finance system, and certain allotments under the Foundation  
6 School Program; making an appropriation.

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

8 SECTION 1. Sections 21.3521(a), (c), and (e), Education  
9 Code, are amended to read as follows:

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

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

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

24 (1) providing assistance in prioritizing high needs

1 campuses;

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

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

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

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

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

15 SECTION 2. Subchapter H, Chapter 21, Education Code, is  
16 amended by adding Section 21.3522 to read as follows:

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

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

24 (2) increase the number of classroom teachers eligible  
25 for a designation under that section; and

26 (3) increase the salaries paid to classroom teachers  
27 employed by school districts or open-enrollment charter schools

1 that have established or are seeking to establish a designation  
2 system under that section.

3 (b) A grant awarded under this section must:

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

5 (2) enable regional leadership capacity.

6 SECTION 3. Section 48.051(a), Education Code, is amended to  
7 read as follows:

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

15 
$$A = \underline{B} [\underline{\$6,160}] \times TR/MCR$$

16 where:

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

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

19 (1) \$6,235;

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

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

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

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

27 SECTION 4. Sections 48.112(c) and (d), Education Code, are

1 amended to read as follows:

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

7 (1) \$12,000, or an increased amount not to exceed  
8 \$36,000 [~~\$32,000~~] as determined under Subsection (d), for each  
9 master teacher;

10 (2) \$9,000 [~~\$6,000~~], or an increased amount not to  
11 exceed \$25,000 [~~\$18,000~~] as determined under Subsection (d), for  
12 each exemplary teacher; ~~and~~

13 (3) \$5,000 [~~\$3,000~~], or an increased amount not to  
14 exceed \$15,000 [~~\$9,000~~] as determined under Subsection (d), for  
15 each recognized teacher; and

16 (4) \$3,000, or an increased amount not to exceed  
17 \$9,000 as determined under Subsection (d), for each:

18 (A) acknowledged teacher; or

19 (B) nationally board certified teacher.

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

24 (1) \$6,000 [~~\$5,000~~] for each master teacher;

25 (2) \$4,000 [~~\$3,000~~] for each exemplary teacher; ~~and~~

26 (3) \$2,500 [~~\$1,500~~] for each recognized teacher; and

27 (4) \$1,500 for each:

1                   (A) acknowledged teacher; or

2                   (B) nationally board certified teacher.

3           SECTION 5. Section 48.115(a), Education Code, is amended to  
4 read as follows:

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

8                   (1) \$20 [~~\$10~~] for each student in average daily  
9 attendance, plus \$1 for each student in average daily attendance  
10 per every \$50 by which the district's maximum basic allotment under  
11 Section 48.051 exceeds the greater of \$6,235 or the amount equal to  
12 the district's base amount, as defined by Section 48.051(a), for  
13 the preceding school year [~~\$6,160~~], prorated as necessary; and

14                   (2) \$30,000 [~~\$15,000~~] per campus.

15           SECTION 6. Section 48.202(a-1), Education Code, is amended  
16 to read as follows:

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

20                   (1) the greater of the amount of district tax revenue  
21 per weighted student per cent of tax effort available to a school  
22 district at the 96th percentile of wealth per weighted student or  
23 the amount that results from multiplying the maximum amount of the  
24 basic allotment provided under Section 48.051 for the applicable  
25 school year [~~6,160, or the greater amount provided under Section~~  
26 ~~48.051(b), if applicable,~~] by 0.016, for the first eight cents by  
27 which the district's maintenance and operations tax rate exceeds

1 the district's tier one tax rate; and

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

8 SECTION 7. Sections 48.277(c-1), (d), and (e), Education  
9 Code, are amended to read as follows:

10 (c-1) Notwithstanding any other provision of this chapter,  
11 beginning with the 2024-2025 [~~2021-2022~~] school year, if the total  
12 amount of allotments to which school districts and open-enrollment  
13 charter schools are entitled under this section for a school year  
14 exceeds \$65 [~~\$400~~] million, the commissioner shall proportionately  
15 reduce each district's or school's allotment under this  
16 section. The reduction in the amount to which a district or school  
17 is entitled under this section may not result in an amount that is  
18 less than zero.

19 (d) A school district or open-enrollment charter school is  
20 not entitled to an allotment under Subsection (a) beginning with  
21 the 2025-2026 [~~2024-2025~~] school year.

22 (e) This section expires September 1, 2026 [~~2025~~].

23 SECTION 8. Subchapter G, Chapter 48, Education Code, is  
24 amended by adding Sections 48.310 and 48.311 to read as follows:

25 Sec. 48.310. TEACHER RETENTION ALLOTMENT. (a) In this  
26 section, "classroom teacher" has the meaning assigned by Section  
27 5.001, except that the term also includes a person who is not

1 required to hold a certificate issued under Subchapter B, Chapter  
2 21 who otherwise meets the definition of a classroom teacher under  
3 that section.

4 (b) A school district is entitled to an annual allotment for  
5 each classroom teacher employed by the district in the school year  
6 for which the allotment is provided as follows:

7 (1) if the district has 5,000 or fewer students  
8 enrolled for that school year, \$10,000 per classroom teacher; and

9 (2) if the district has more than 5,000 students  
10 enrolled for that school year, \$3,000 per classroom teacher.

11 (b-1) In addition to the amount under Subsection (b)(2), a  
12 school district described by that subdivision is entitled to an  
13 allotment in the amount equal to \$7,000 multiplied by the result of  
14 dividing 5,000 by 14.5 if the school district received an allotment  
15 in a previous school year under:

16 (1) Subsection (b)(1); or

17 (2) Section 48.311(b)(1), as that section existed on  
18 January 1, 2024.

19 (c) For the 2024-2025 school year, a school district shall  
20 use money received under Subsection (b) to increase the salary  
21 provided to each classroom teacher in the district for that year  
22 over the salary the teacher received or would have received if  
23 employed by the district in the 2023-2024 school year by at least  
24 the amount received per classroom teacher under Subsection (b).

25 (d) For the 2025-2026 and each subsequent school year, a  
26 school district shall use money received under Subsection (b) to  
27 maintain the salary increases for classroom teachers provided under

1 Subsection (c). Any additional funding generated for a school  
2 district under this section may only be used for the compensation of  
3 classroom teachers employed by the district.

4 (e) Notwithstanding any other law, the commissioner shall  
5 exclude the funding to which a school district is entitled under  
6 this section for purposes of:

7 (1) determining the amount by which the district must  
8 reduce the district's tier one revenue level under Section 48.257;  
9 and

10 (2) calculating a school district's maintenance and  
11 operations revenue under Section 48.277(a).

12 Sec. 48.311. TEACHER RETENTION BONUS FOR 2023-2024 SCHOOL  
13 YEAR. (a) In this section, "classroom teacher" has the meaning  
14 assigned by Section 48.310.

15 (b) A school district is entitled to a one-time payment for  
16 each classroom teacher employed by the district during the  
17 2023-2024 school year in the following amount:

18 (1) if the district has 5,000 or fewer students  
19 enrolled for that school year, \$10,000 per classroom teacher; and

20 (2) if the district has more than 5,000 students  
21 enrolled for that school year, \$3,000 per classroom teacher.

22 (c) A school district shall use money received under  
23 Subsection (b) to provide a bonus payment in the amount received per  
24 classroom teacher under Subsection (b) to each classroom teacher in  
25 the district as part of the teacher's salary payment for December  
26 2023, if feasible, and if not feasible, then the district shall  
27 provide the bonus payment as part of the teacher's salary payment



1 for the first month in which it is feasible. The bonus payment made  
2 under this subsection is in addition to the salary and wages to  
3 which the classroom teacher is otherwise entitled for the 2023-2024  
4 school year.

5 (d) Notwithstanding any other law, the commissioner shall  
6 exclude the funding to which a school district is entitled under  
7 this section for purposes of:

8 (1) determining the amount by which the district must  
9 reduce the district's tier one revenue level under Section 48.257;  
10 and

11 (2) calculating a school district's maintenance and  
12 operations revenue under Section 48.277(a).

13 (e) A bonus payment made under this section is included in  
14 salary and wages for service for purposes of Section 822.201,  
15 Government Code.

16 (f) This section expires September 1, 2024.

17 SECTION 9. Section 822.201(b), Government Code, is amended  
18 to read as follows:

19 (b) "Salary and wages" as used in Subsection (a) means:

20 (1) normal periodic payments of money for service the  
21 right to which accrues on a regular basis in proportion to the  
22 service performed;

23 (2) amounts by which the member's salary is reduced  
24 under a salary reduction agreement authorized by Chapter 610;

25 (3) amounts that would otherwise qualify as salary and  
26 wages under Subdivision (1) but are not received directly by the  
27 member pursuant to a good faith, voluntary written salary reduction

1 agreement in order to finance payments to a deferred compensation  
2 or tax sheltered annuity program specifically authorized by state  
3 law or to finance benefit options under a cafeteria plan qualifying  
4 under Section 125 of the Internal Revenue Code of 1986, if:

5 (A) the program or benefit options are made  
6 available to all employees of the employer; and

7 (B) the benefit options in the cafeteria plan are  
8 limited to one or more options that provide deferred compensation,  
9 group health and disability insurance, group term life insurance,  
10 dependent care assistance programs, or group legal services plans;

11 (4) performance pay awarded to an employee by a school  
12 district as part of a total compensation plan approved by the board  
13 of trustees of the district and meeting the requirements of  
14 Subsection (e);

15 (5) the benefit replacement pay a person earns under  
16 Subchapter H, Chapter 659, except as provided by Subsection (c);

17 (6) stipends paid to teachers in accordance with  
18 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;

19 (7) amounts by which the member's salary is reduced or  
20 that are deducted from the member's salary as authorized by  
21 Subchapter J, Chapter 659;

22 (8) a merit salary increase made under Section 51.962,  
23 Education Code;

24 (9) amounts received under the relevant parts of the  
25 educator excellence awards program under Subchapter O, Chapter 21,  
26 Education Code, or a mentoring program under Section 21.458,  
27 Education Code, that authorize compensation for service;

1 (10) salary amounts designated as health care  
2 supplementation by an employee under Subchapter D, Chapter 22,  
3 Education Code;

4 (11) to the extent required by Sections 3401(h) and  
5 414(u)(12), Internal Revenue Code of 1986, differential wage  
6 payments received by an individual from an employer on or after  
7 January 1, 2009, while the individual is performing qualified  
8 military service as defined by Section 414(u), Internal Revenue  
9 Code of 1986; ~~and~~

10 (12) increased compensation paid to a teacher by a  
11 school district using funds received by the district under the  
12 teacher incentive allotment under Section 48.112, Education Code;  
13 and

14 (13) any increase in the payment of money made to a  
15 classroom teacher by a school district from funds allotted to the  
16 district under Section 48.310, Education Code.

17 SECTION 10. Section 18.78, Article IX, Chapter 1170 (H.B.  
18 1), Acts of the 88th Legislature, Regular Session, 2023 (the  
19 General Appropriations Act), is amended by adding Subsection (m) to  
20 read as follows:

21 (m) In addition to amounts appropriated elsewhere in this  
22 Act, TEA is appropriated \$1,196,500,000 from general revenue to  
23 implement the provisions of S.B. 2, Acts of the 88th Legislature,  
24 3rd Called Session, 2023. From the amount appropriated under this  
25 subsection, not more than:

26 (1) \$400,000,000 may also be used for school safety  
27 and related purposes; and

1           (2) \$796,500,000 may also be used for financial and  
2 other assistance to public school educators and/or the public  
3 school finance system.

4           SECTION 11. Sections 48.051(c), (c-1), (c-2), and (d),  
5 Education Code, are repealed.

6           SECTION 12. A bonus payment made to a classroom teacher, as  
7 defined by Section 48.310, Education Code, as added by this Act, by  
8 a school district with money received by the district under Section  
9 48.311, Education Code, as added by this Act, as that section  
10 existed prior to its expiration, shall be included in salary and  
11 wages for service for purposes of Section 822.201, Government Code,  
12 as amended by this Act, regardless of the date the payment was made.

13           SECTION 13. Immediately following the effective date of  
14 this Act, a school district or open-enrollment charter school shall  
15 redesignate a teacher who holds a designation made under Section  
16 21.3521, Education Code, before the effective date of this Act, to  
17 reflect the teacher's designation under Section 21.3521, Education  
18 Code, as amended by this Act. Funding provided to a school district  
19 under Section 48.112, Education Code, for a teacher who held a  
20 designation made under Section 21.3521, Education Code, as that  
21 section existed immediately before the effective date of this Act,  
22 shall be increased to reflect the teacher's redesignation under  
23 Section 21.3521, Education Code, as amended by this Act.

24           SECTION 14. (a) Except as provided by Subsection (b) of  
25 this section, this Act applies beginning with the 2023-2024 school  
26 year.

27           (b) Sections 48.277(c-1), (d), and (e), Education Code, as

1 amended by this Act and Section 48.310, Education Code, as added by  
2 this Act, apply beginning with the 2024-2025 school year.

3 SECTION 15. (a) Except as provided by Subsection (b), this  
4 Act takes effect immediately if it receives a vote of two-thirds of  
5 all the members elected to each house, as provided by Section 39,  
6 Article III, Texas Constitution. If this Act does not receive the  
7 vote necessary for immediate effect, this Act takes effect on the  
8 91st day after the last day of the legislative session.

9 (b) Sections 48.277(c-1), (d), and (e), Education Code, as  
10 amended by this Act, take effect September 1, 2024.