

Amend SB 2 as follows:

(1) Strike SECTION 15(b) of the bill, providing an effective date for certain provisions, and substitute the following:

(b) The following provisions take effect September 1, 2024:

(1) Section 29.014(d), Education Code, as amended by this Act;

(2) Section 48.102, Education Code, as amended by this Act;

(3) Sections 48.1021, 48.1022, and 48.1023, Education Code, as added by this Act;

(4) Section 48.103(c), Education Code, as amended by this Act;

(5) Sections 48.277(c-1), (d), and (e), Education Code, as amended by this Act; and

(6) Section 48.279(e), Education Code, as amended by this Act.

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 29.014(d), Education Code, is amended to read as follows:

(d) The basic allotment for a student enrolled in a district to which this section applies is adjusted by the tier of intensity of service defined in accordance with [weight for a homebound student under] Section 48.102 and designated by commissioner rule for use under this section [48.102(a)].

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

Sec. 48.102. SPECIAL EDUCATION. (a) For each 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].

(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. ~~[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]~~

(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 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 _____. Subchapter C, Chapter 48, Education Code, is amended by adding Sections 48.1021, 48.1022, 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. 48.1022. 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.

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 _____. 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 _____. Section 48.279(e), Education Code, is amended to read as follows:

(e) After the commissioner has replaced any withheld federal funds as provided by Subsection (d), the commissioner shall

distribute the remaining amount, if any, of funds described by Subsection (a) to proportionately increase funding for the special education allotment under Section 48.102 and the special education service group allotment under Section 48.1021.