By:  King of Hemphill, VanDeaver, Dutton, H.B. No. 100

     Howard, Buckley, et al.

A BILL TO BE ENTITLED

AN ACT

relating to the compensation of public school educators and to the operation of public schools and the public school finance system, including enrollment-based funding for certain allotments under the Foundation School Program.

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

ARTICLE 1. CHANGES EFFECTIVE FOR 2023-2024 SCHOOL YEAR

SECTION 1.01.  Section 7.062(a), Education Code, is amended to read as follows:

(a)  In this section, "wealth per student" means a school district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258, divided by the district's average daily attendance as determined under Section 48.005.

SECTION 1.02.  Section 12.104(b), Education Code, as amended by Chapters 542 (S.B. 168), 887 (S.B. 1697), 915 (H.B. 3607), 974 (S.B. 2081), and 1046 (S.B. 1365), Acts of the 87th Legislature, Regular Session, 2021, is reenacted and amended to read as follows:

(b)  An open-enrollment charter school is subject to:

(1)  a provision of this title establishing a criminal offense;

(2)  the provisions in Chapter 554, Government Code; and

(3)  a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A)  the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B)  criminal history records under Subchapter C, Chapter 22;

(C)  reading instruments and accelerated reading instruction programs under Section 28.006;

(D)  accelerated instruction under Section 28.0211;

(E)  high school graduation requirements under Section 28.025;

(F)  special education programs under Subchapter A, Chapter 29;

(G)  bilingual education under Subchapter B, Chapter 29;

(H)  prekindergarten programs under Subchapter E or E-1, Chapter 29, except class size limits for prekindergarten classes imposed under Section 25.112, which do not apply;

(I)  extracurricular activities under Section 33.081;

(J)  discipline management practices or behavior management techniques under Section 37.0021;

(K)  health and safety under Chapter 38;

(L)  the provisions of Subchapter A, Chapter 39;

(M)  public school accountability and special investigations under Subchapters A, B, C, D, F, G, and J, Chapter 39, and Chapter 39A;

(N)  the requirement under Section 21.006 to report an educator's misconduct;

(O)  intensive programs of instruction under Section 28.0213;

(P)  the right of a school employee to report a crime, as provided by Section 37.148;

(Q)  bullying prevention policies and procedures under Section 37.0832;

(R)  the right of a school under Section 37.0052 to place a student who has engaged in certain bullying behavior in a disciplinary alternative education program or to expel the student;

(S)  the right under Section 37.0151 to report to local law enforcement certain conduct constituting assault or harassment;

(T)  a parent's right to information regarding the provision of assistance for learning difficulties to the parent's child as provided by Sections 26.004(b)(11) and 26.0081(c) and (d);

(U)  establishment of residency under Section 25.001;

(V)  school safety requirements under Sections 37.108, 37.1081, 37.1082, 37.109, 37.113, 37.114, 37.1141, 37.115, 37.207, and 37.2071;

(W)  the early childhood literacy and mathematics proficiency plans under Section 11.185;

(X)  the college, career, and military readiness plans under Section 11.186; [~~and~~]

(Y) [~~(X)~~]  parental options to retain a student under Section 28.02124; and

(Z)  establishing a local school health advisory council in which members are appointed by the governing body of the school and health education instruction complies with Section 28.004.

SECTION 1.03.  Section 12.106(a-2), Education Code, is amended to read as follows:

(a-2)  In addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school an allotment per student in average daily attendance in an amount equal to the difference between:

(1)  the product of:

(A)  the quotient of:

(i)  the total amount of funding provided to eligible school districts under Section 48.101(b) or (c); and

(ii)  the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(B)  the sum of one and the quotient of:

(i)  the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(ii)  the total number of students in average daily attendance in school districts statewide; and

(2)  $600 [~~$125~~].

SECTION 1.04.  Section 13.051(c), Education Code, is amended to read as follows:

(c)  Territory that does not have residents may be detached from a school district and annexed to another school district if:

(1)  the total taxable value of the property in the territory according to the most recent certified appraisal roll for each school district is not greater than:

(A)  five percent of the district's taxable value of all property in that district as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code~~]; and

(B)  $5,000 property value per student in average daily attendance as determined under Section 48.005; and

(2)  the school district from which the property will be detached does not own any real property located in the territory.

SECTION 1.05.  Section 13.054, Education Code, is amended by amending Subsection (f) and adding Subsections (i-1), (i-2), (i-3), (i-4), and (i-5) to read as follows:

(f)  For five years beginning with the school year in which the annexation occurs, a school district shall receive additional funding under this subsection or Subsection (h). The amount of funding shall be determined by multiplying the lesser of the enlarged district's local fund assignment computed under Section 48.256 or the enlarged district's total cost of tier one by a fraction, the numerator of which is the number of students residing in the territory annexed to the receiving district preceding the date of the annexation and the denominator of which is the number of students residing in the district as enlarged on the date of the annexation, and multiplying the resulting product by the quotient of the enlarged district's maximum compressed tax rate, as determined under Section 48.2551, for the current school year divided by the receiving district's maximum compressed tax rate, as determined under Section 48.2551, for the year in which the annexation occurred. The commissioner shall provide the funding under this subsection from funds appropriated for purposes of the Foundation School Program. A determination by the commissioner under this subsection is final and may not be appealed.

(i-1)  Notwithstanding any other law, a school district is entitled to funding under Subsection (f) for an annexation that occurs on or after June 1, 2013.

(i-2)  For each school district entitled to funding under Subsection (f) as provided by Subsection (i-1) that, as of September 1, 2023, has not received the full amount of funding to which the district would have been entitled under Subsection (f) if Subsection (i-1) had been in effect since June 1, 2013, the commissioner shall:

(1)  determine the difference between:

(A)  the amount of funding to which the district would have been entitled under Subsection (f) if Subsection (i-1) had been in effect since June 1, 2013; and

(B)  the amount of funding the district has received under Subsection (f); and

(2)  provide the amount determined under Subdivision (1) to the district in the form of:

(A)  a lump sum; or

(B)  equal annual installments over a period not to exceed three years.

(i-3)  In addition to the funding provided to a school district under Subsection (i-2), the commissioner may allocate money to the district from funds appropriated for purposes of the Foundation School Program to pay for facilities improvements the commissioner determines necessary as a result of the annexation.

(i-4)  Each school district that receives funding under Subsection (f) as provided by Subsection (i-2) or under Subsection (i-3) for any year shall submit to the commissioner in the form and manner provided by commissioner rule a report on the district's use of the funding for that year.

(i-5)  This subsection and Subsections (i-2), (i-3), and (i-4) expire September 1, 2027.

SECTION 1.06.  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 1.07.  (a) This section takes effect only if H.B. 11, 88th Legislature, Regular Session, 2023, or another Act of that legislature establishing a residency partnership program and authorizing the issuance of a residency educator certificate becomes law.

(b)  Section 21.402(a), Education Code, is amended to read as follows:

(a)  A [~~Except as provided by Subsection (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 $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)~~].

SECTION 1.08.  (a) This section takes effect only if H.B. 11, 88th Legislature, Regular Session, 2023, or another Act of that legislature establishing a residency partnership program and authorizing the issuance of a residency educator certificate does not become law.

(b)  Section 21.402(a), Education Code, is amended to read as follows:

(a)  A [~~Except as provided by Subsection (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 holds:

(A)  no certification $35,000;

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

(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) $40,000; or

(D)  a designation under Section 21.3521 . . $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)~~].

SECTION 1.09.  Section 21.402, Education Code, is amended by adding Subsections (a-1), (i), (j), (k), and (l) and amending Subsection (g) to read as follows:

(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.

(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 must use at least 50 percent of the difference between what the district would have paid under Section 825.405, Government Code, based on the salaries paid under this section as it existed on January 1, 2023, and what the district pays under Section 825.405, Government Code, based on the salaries paid under this section as it exists after September 1, 2023, to increase the average total compensation per district employee employed as a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse. In calculating average total compensation per district employee under this subsection, a district may not include compensation paid to a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse in a position added by the school district for the current school year that increases the ratio of those employees to enrolled students over the ratio of those employees to enrolled students for the preceding year.

(j)  A school district that increases employee compensation in the 2023-2024 school year to comply with Subsection (a), as amended by H.B. 100, Acts of the 88th Legislature, Regular 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 2023-2024 school year may satisfy the requirements of this section by providing an employee a one-time bonus payment during the 2024-2025 school year in an amount equal to the difference between the compensation earned by the employee during the 2023-2024 school year and the compensation the employee should have received during that school year if the district had complied with Subsection (a).

(k)  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 2023-2024 school year by at least $8,000 more than the amount the employee was compensated during the 2022-2023 school year complies with the requirements of this section for the 2023-2024 school year.

(l)  Subsections (i), (j), and (k) and this subsection expire September 1, 2025.

SECTION 1.10.  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 1.11.  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 1.12.  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 1.13.  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 1.14.  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 1.15.  Section 26.0081(c), Education Code, is amended to read as follows:

(c)  The agency shall produce and provide to school districts a written explanation of the options and requirements for providing assistance to students who have learning difficulties or who need or may need special education.  The explanation must state that a parent is entitled at any time to request an evaluation of the parent's child for special education services under Section 29.004 or for aids, accommodations, or services under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794) and include information regarding the use of video cameras in certain classrooms as provided by Section 29.022.  Each school year, each district shall provide the written explanation to a parent of each district student by including the explanation in the student handbook or by another means.

SECTION 1.16.  Section 29.022, Education Code, is amended by amending Subsections (d), (e), and (l) and adding Subsection (l-1) to read as follows:

(d)  Before a school or campus activates a video camera in a classroom or other special education setting under this section, the school or campus shall provide written notice of the placement to all school or campus staff and to the parents of each student attending class or engaging in school activities in the classroom or setting. Written notice required under this section must be provided not later than the 10th instructional day after the first day the school or campus activates the video camera.

(e)  Except as provided by Subsection (e-1), a school district or open-enrollment charter school shall retain video recorded from a video camera placed under this section for at least six [~~three~~] months after the date the video was recorded.

(l)  A school district or open-enrollment charter school policy relating to the placement, operation, or maintenance of video cameras under this section must:

(1)  include information on how a person may appeal an action by the district or school that the person believes to be in violation of this section or a policy adopted in accordance with this section, including the appeals process under Section 7.057;

(2)  require that the district or school provide a response to a request made under this section not later than the seventh school business day after receipt of the request by the person to whom it must be submitted under Subsection (a-3) that authorizes the request or states the reason for denying the request;

(3)  except as provided by Subdivision (5), require that a school or a campus begin operation of a video camera in compliance with this section not later than the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the request is authorized unless the agency grants an extension of time;

(4)  permit the parent of a student whose admission, review, and dismissal committee has determined that the student's placement for the following school year will be in a classroom or other special education setting in which a video camera may be placed under this section to make a request for the video camera by the later of:

(A)  the date on which the current school year ends; or

(B)  the 10th school business day after the date of the placement determination by the admission, review, and dismissal committee; [~~and~~]

(5)  if a request is made by a parent in compliance with Subdivision (4), unless the agency grants an extension of time, require that a school or campus begin operation of a video camera in compliance with this section not later than the later of:

(A)  the 10th school day of the fall semester; or

(B)  the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the date the request is made;

(6)  require that, not later than the seventh school business day after a parent requests the district or school to release a video recording for viewing under Subsection (i)(2), the district or school:

(A)  release the recording for viewing; or

(B)  if the district or school determines that the district or school is not required to release the recording under that subsection, provide a written response to the parent that states the reason the district or school is not required to release the recording and includes information regarding how the parent may appeal the action as described by Subdivision (1); and

(7)  not later than the 10th day of the fall semester, require the district or school to provide written information detailing the policy regarding the placement, operation, or maintenance of any video cameras to the parent of a student who:

(A)  receives special education services in one or more special education classrooms or other special education settings in which a majority of the students in regular attendance are provided special education and related services; or

(B)  is assigned to one or more special education classrooms or other special education settings for at least 50 percent of the instructional day.

(l-1)  The commissioner shall:

(1)  develop and post on the agency's Internet website a model form for school districts and open-enrollment charter schools to use to notify parents as required by Subsection (l)(7); and

(2)  review and update the form, as necessary.

SECTION 1.17.  Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.912 to read as follows:

Sec. 29.912.  RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP) PROGRAM. (a) In this section, "program" means the Rural Pathway Excellence Partnership (R-PEP) program established under this section.

(b)  The commissioner shall establish and administer the Rural Pathway Excellence Partnership (R-PEP) program to incentivize and support multidistrict, cross-sector, rural college and career pathway partnerships that expand opportunities for underserved students to succeed in school and life while promoting economic development in rural areas.

(c)  The program must enable an eligible school district that lacks an economy of scale, as determined by commissioner rule, to partner with at least one other school district to offer a broader array of robust college and career pathways. Each partnership must:

(1)  offer college and career pathways that align with regional labor market projections for high-wage, high-demand careers; and

(2)  be managed by a coordinating entity that:

(A)  has or will have at the time students are served under the partnership the capacity to effectively coordinate the partnership;

(B)  has entered into a performance agreement approved by the board of trustees of each partnering school district that confers to the coordinating entity the same authority with respect to the partnership as provided to an entity that contracts to operate a district campus under Section 11.174;

(C)  is eligible to be awarded a charter under Section 12.101(a); and

(D)  has on the entity's governing board as either voting or ex officio members representatives of each partnering school district and members of regional higher education and workforce organizations.

(d)  The performance agreement described by Subsection (c)(2)(B) must:

(1)  include ambitious and measurable performance goals and progress measures tied to current college, career, and military readiness outcomes and longitudinal postsecondary completion and employment-related outcomes;

(2)  allocate responsibilities for accessing and managing progress and outcome information and annually publishing that information on the Internet website of each partnering district and the coordinating entity;

(3)  authorize the coordinating entity to optimize the value of each college and career pathway offered through the partnership by:

(A)  determining scheduling;

(B)  adding or removing a pathway;

(C)  hiring pathway-specific personnel;

(D)  developing and exercising final approval of pathway budgets, which must include at least 80 percent of the state and local funding to which each partnering school district is entitled under Chapter 48 for students participating in the program, including an allotment under Section 48.106 or 48.118 and an outcome bonus under Section 48.110 or 48.118; and

(E)  determining other matters critical to the efficacy of the pathways; and

(4)  provide that any eligible student residing in a partnering school district may participate in a college or career pathway offered through the partnership.

(e)  An employee of a coordinating entity that manages a partnership under the program is eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits by holding the same position at a partnering school district.

(f)  A student enrolled in a college or career pathway offered through a partnership under the program is not considered for accountability purposes under Chapter 39 to have dropped out of high school or failed to complete the curriculum requirements for high school graduation until the sixth anniversary of the student's first day in high school.

(g)  A school district proposing to enter into a performance agreement under this section shall notify the commissioner of the district's intent to enter into the agreement. The commissioner shall establish procedures for a district to notify the commissioner, including the period within which notification is required before the school year in which the proposed agreement would take effect, and to provide any additional information required by the commissioner. The commissioner shall notify the district whether the proposed agreement is approved or denied not later than the 60th day after the date the commissioner receives notification of the proposed agreement and all other information required by the commissioner. If the commissioner fails to notify the district that the proposed agreement has been approved or denied within the period prescribed by this subsection, the proposed agreement is considered approved.

(h)  From money appropriated for that purpose, the commissioner shall establish a grant program to assist in the planning and implementation of a partnership under the program. The commissioner may award a grant only to a coordinating entity that has entered into a performance agreement approved under Subsection (g). The commissioner may use not more than 15 percent of the money appropriated for the grant program to cover the cost of administering the grant program and to provide technical assistance and support to partnerships under the program.

(i)  The commissioner shall adopt rules as necessary to implement this section, including rules establishing:

(1)  requirements for a coordinating entity and a performance agreement with the entity;

(2)  the period for which a partnership under the program may operate after commissioner approval before renewal of commissioner approval is required; and

(3)  standards for renewal of commissioner approval for a partnership under the program.

(j)  This section does not prohibit an agreement between a school district and another entity for the provision of services at a district campus.

(k)  The commissioner may accept gifts, grants, and donations from any source, including private and nonprofit organizations, for the program. A private or nonprofit organization that contributes to the program may receive an award under Section 7.113.

SECTION 1.18.  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 1.19.  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 1.20.  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 1.21.  Section 46.003(a), Education Code, is amended to read as follows:

(a)  For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The amount of state support is determined by the formula:

FYA = (FYL X ADA X BTR X 100) - (BTR X (DPV/100))

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is $35 or a greater amount for any year provided by appropriation;

"ADA" is the greater of the number of students in average daily attendance, as determined under Section 48.005, in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258, divided by 100; and

"DPV" is the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258.

SECTION 1.22.  Section 46.006(g), Education Code, is amended to read as follows:

(g)  In this section, "wealth per student" means a school district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258, divided by the district's average daily attendance as determined under Section 48.005.

SECTION 1.23.  Section 46.032(a), Education Code, is amended to read as follows:

(a)  Each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on eligible bonds. The amount of state support, subject only to the maximum amount under Section 46.034, is determined by the formula:

EDA = (EDGL X ADA X EDTR X 100) - (EDTR X (DPV/100))

where:

"EDA" is the amount of state funds to be allocated to the district for assistance with existing debt;

"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the lesser of:

(1)  $40 or a greater amount for any year provided by appropriation; or

(2)  the amount that would result in a total additional amount of state funds under this subchapter for the current year equal to $60 million in excess of the state funds to which school districts would have been entitled under this section if the guaranteed level amount were $35;

"ADA" is the number of students in average daily attendance, as determined under Section 48.005, in the district;

"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, under Section 48.258, divided by 100; and

"DPV" is the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, under Section 48.258.

SECTION 1.24.  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 1.25.  Subchapter A, Chapter 48, Education Code, is amended by adding Section 48.0055 to read as follows:

Sec. 48.0055.  ENROLLMENT-BASED FUNDING. The commissioner by rule shall establish the method for determining average enrollment for purposes of funding provided based on average enrollment under Chapter 46 and this chapter.

SECTION 1.26.  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, Regular Session, 2023 [~~2019~~].

(d)  Beginning with the 2026-2027 [~~2021-2022~~] school year, the commissioner may not make an adjustment under Subsection (a) or (a-1).

(e)  This section expires September 1, 2027 [~~2023~~].

SECTION 1.27.  Subchapter A, Chapter 48, Education Code, is amended by adding Section 48.013 to read as follows:

Sec. 48.013.  DETERMINATION OF TAXABLE VALUE OF PROPERTY. For purposes of Chapter 46 and this chapter, the agency shall determine the taxable value of property of each school district using locally determined property values adjusted in accordance with Section 403.302(d), Government Code.

SECTION 1.28.  Section 48.051, Education Code, is amended by amending Subsections (a) and (c) and adding Subsections (c-3), (c-4), and (c-5) 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)  $6,250;

(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 for the current school year and the preceding school year to increase the average total compensation per full-time district employee [~~provide compensation increases to full-time district employees~~] other than 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 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 added by the district for the current school year 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 H.B. 100, Acts of the 88th Legislature, Regular 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 an employee 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).

SECTION 1.29.  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 enrolled in a full-time virtual program under Section 48.0071(c) as that section existed on January 1, 2023; 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 .00056 [~~.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 .00004 [~~.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 .00066 [~~.00047~~]) X BA

SECTION 1.30.  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 1.31.  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 1.32.  Section 48.115(b), Education Code, is amended to read as follows:

(b)  Funds allocated under this section must be used to improve school safety and security, including costs associated with:

(1)  securing school facilities, including:

(A)  improvements to school infrastructure;

(B)  the use or installation of physical barriers; and

(C)  the purchase and maintenance of:

(i)  security cameras or other security equipment, including video surveillance as provided by Section 29.022; and

(ii)  technology, including communications systems or devices, that facilitates communication and information sharing between students, school personnel, and first responders in an emergency;

(2)  providing security for the district, including:

(A)  employing school district peace officers, private security officers, and school marshals; and

(B)  collaborating with local law enforcement agencies, such as entering into a memorandum of understanding for the assignment of school resource officers to schools in the district;

(3)  school safety and security training and planning, including:

(A)  active shooter and emergency response training;

(B)  prevention and treatment programs relating to addressing adverse childhood experiences; and

(C)  the prevention, identification, and management of emergencies and threats, using evidence-based, effective prevention practices and including:

(i)  providing licensed counselors, social workers, and individuals trained in restorative discipline and restorative justice practices;

(ii)  providing mental health personnel and support;

(iii)  providing behavioral health services;

(iv)  establishing threat reporting systems; and

(v)  developing and implementing programs focused on restorative justice practices, culturally relevant instruction, and providing mental health support; and

(4)  providing programs related to suicide prevention, intervention, and postvention.

SECTION 1.33.  Subchapter C, Chapter 48, Education Code, is amended by adding Sections 48.116 and 48.118 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 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.

(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. 48.118.  RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP) ALLOTMENT AND OUTCOME BONUS. (a) For each full-time equivalent student in average daily attendance in grades 9 through 12 in a college or career pathway offered through a partnership under the Rural Pathway Excellence Partnership (R-PEP) program under Section 29.912, a school district is entitled to an 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:

(1)  1.15, if the student is educationally disadvantaged; or

(2)  1.11, if the student is not educationally disadvantaged.

(b)  Each year, the commissioner shall determine for each school district the minimum number of annual graduates of a college or career pathway described by Subsection (a) in each cohort described by Section 48.110(b) who would have to obtain not later than five years after high school graduation a postsecondary credential of value, including a degree, certificate, or other credential that prepares students for continued learning and greater earnings in the state economy, in order for the district to qualify for an outcomes bonus under Subsection (c).

(c)  In addition to the allotment under Subsection (a), for each annual graduate in a cohort described by Subsection (b) who earns a postsecondary credential of value described by that subsection during the preceding school year in excess of the minimum number of students determined for the applicable district cohort under Subsection (b), a school district is entitled to an annual outcomes bonus of:

(1)  if the annual graduate is educationally disadvantaged, $2,000;

(2)  if the annual graduate is not educationally disadvantaged, $1,000; and

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

(d)  A school district is entitled to an outcomes bonus under each subdivision of Subsection (c) for which an annual graduate qualifies.

(e)  A school district may receive funding for a student under this section and any other section for which the student qualifies.

SECTION 1.34.  Sections 48.151(c) and (g), Education Code, are amended to read as follows:

(c)  Each district or county operating a regular transportation system is entitled to an allotment based on a rate of $1.54 per mile per regular eligible student or a greater rate set by the legislature in the General Appropriations Act.

(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 per mile equal to the sum of the rate per mile set under Subsection (c) and $0.13, 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 1.35.  Subchapter D, Chapter 48, Education Code, is amended by adding Section 48.160 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 enrolled 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 enrolled 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 enrolled 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 enrolled 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 enrolled 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 enrolled 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.

SECTION 1.36.  Sections 48.202(a) and (a-1), Education Code, are amended to read as follows:

(a)  Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 48.203, is determined by the formula:

GYA = (GL X WADA X DTR X 100) - LR

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is an amount described by Subsection (a-1) or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the school district, which is determined by subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, under Section 48.258 or by the quotient of the value of "DPV" as determined under Section 48.256(d) if that subsection applies to the district, divided by 100; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, under Section 48.258 or by the quotient of the value of "DPV" as determined under Section 48.256(d) if that subsection applies to the district, divided by 100.

(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).

SECTION 1.37.  Section 48.2542, Education Code, is amended to read as follows:

Sec. 48.2542.  ADDITIONAL STATE AID FOR ADJUSTMENT OF LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED. Notwithstanding any other provision of this chapter, if a school district is not fully compensated through state aid or the calculation of excess local revenue under this chapter based on the determination of the district's taxable value of property under Section 48.013 [~~Subchapter M, Chapter 403, Government Code~~], the district is entitled to additional state aid in the amount necessary to fully compensate the district for the amount of ad valorem tax revenue lost due to a reduction of the amount of the limitation on tax increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code, as applicable.

SECTION 1.38.  Section 48.255(c), Education Code, is amended to read as follows:

(c)  For purposes of Subsection (b)(2):

(1)  "SCP" is the state compression percentage;

(2)  "PYCP" is the state compression percentage for the preceding school year; and

(3)  "ECPV" is the estimated percentage change in total taxable property value for the applicable tax year using the taxable values of property [~~as~~] determined [~~based on the estimate submitted to the legislature~~] under Section 48.013 [~~48.269~~].

SECTION 1.39.  Section 48.2551(a), Education Code, is amended to read as follows:

(a)  In this section:

(1)  "DPV" is the taxable value of property in the school district, as determined under Section 48.013 [~~by the agency by rule, using locally determined property values adjusted in accordance with Section 403.302(d), Government Code~~];

(2)  "E" is the expiration of the exclusion of appraised property value for the preceding tax year that is recognized as taxable property value for the current tax year, which is the sum of the following:

(A)  property value that is no longer subject to a limitation on appraised value under Chapter 313, Tax Code; and

(B)  property value under Section 311.013(n), Tax Code, that is no longer excluded from the calculation of "DPV" from the preceding year because of refinancing or renewal after September 1, 2019;

(3)  "MCR" is the district's maximum compressed rate, which is the tax rate for the current tax year per $100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment to which the district is entitled under this chapter;

(4)  "PYDPV" is the district's value of "DPV" for the preceding tax year; and

(5)  "PYMCR" is the district's value of "MCR" for the preceding tax year.

SECTION 1.40.  Sections 48.256(a) and (b), Education Code, are amended to read as follows:

(a)  Each school district's share of the Foundation School Program is determined by the following formula:

LFA = TR X DPV

where:

"LFA" is the school district's local share;

"TR" is the school district's adopted tier one maintenance and operations tax rate, as described by Section 45.0032(a) for each hundred dollars of valuation; and

"DPV" is the taxable value of property in the school district for the current tax year determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code~~].

(b)  The commissioner shall adjust the values determined under Section 48.013 [~~reported by the comptroller~~] to reflect reductions in taxable value of property resulting from natural or economic disaster in the year in which the valuations are determined. The decision of the commissioner is final. An adjustment does not affect the local fund assignment of any other school district.

SECTION 1.41.  Section 48.257(c), Education Code, is amended to read as follows:

(c)  For purposes of Subsection (a), state aid to which a district is entitled under Section 13.054 or this chapter that is not described by Section 48.266(a)(3) may offset the amount by which a district must reduce the district's revenue level under this section. Any amount of state aid used as an offset under this subsection shall reduce the amount of state aid to which the district is entitled.

SECTION 1.42.  Section 48.271(a), Education Code, is amended to read as follows:

(a)  If the final determination of an appeal under Chapter 42, Tax Code, results in a reduction in the taxable value of property that exceeds five percent of the total taxable value of property in the school district for the same tax year determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code~~], the commissioner shall request the comptroller to adjust its taxable property value findings for that year consistent with the final determination of the appraisal appeal.

SECTION 1.43.  Section 48.273(a)(4), Education Code, is amended to read as follows:

(4)  "Wealth per student" means the taxable property values determined under Section 48.013 [~~reported by the comptroller to the commissioner under Section 48.256~~] divided by the number of students in average daily attendance.

SECTION 1.44.  Sections 48.277(d) and (e), Education Code, are amended to read as follows:

(d)  A school district or open-enrollment charter school is not entitled to an allotment under Subsection (a) beginning with the 2029-2030 [~~2024-2025~~] school year.

(e)  This section expires September 1, 2030 [~~2025~~].

SECTION 1.45.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.280 to read as follows:

Sec. 48.280.  SALARY TRANSITION ALLOTMENT. (a) In the 2023-2024, 2024-2025, and 2025-2026 school years, a school district is entitled to receive an annual salary transition allotment equal to 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 in the amount the district must pay in compensation to employees on the minimum salary schedule under Section 21.402, as amended by H.B. 100, Acts of the 88th Legislature, Regular Session, 2023, from the amount paid in compensation to employees on the minimum salary schedule under that section as effective in the 2022-2023 school year, less the difference between:

(1)  the amount of employer contributions under Section 825.4035, Government Code, and Section 1575.203, Insurance Code, the district paid in the 2022-2023 school year for employees on the minimum salary schedule under Section 21.402; and

(2)  the amount the district would have paid in employer contributions under Section 825.4035, Government Code, and Section 1575.203, Insurance Code, in the 2022-2023 school year for employees on the minimum salary schedule if the changes made to Section 21.402 by H.B. 100, Acts of the 88th Legislature, Regular Session, 2023, had been in effect.

(c)  The agency shall calculate a school district's value for Subsection (a)(2) by determining the total maintenance and operations revenue for the current school year less the total maintenance and operations revenue that would have been available to the district 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.

(d)  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).

(e)  A school district is entitled to an allotment in an amount equal to:

(1)  for the 2026-2027 school year, two-thirds of the value determined under Subsection (a); and

(2)  for the 2027-2028 school year, one-third of the value determined under Subsection (a).

(f)  A school district is not entitled to an allotment under this section in the 2028-2029 school year or a later school year.

(g)  This section expires September 1, 2029.

SECTION 1.46.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.284 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 $175 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.

SECTION 1.47.  Section 49.302(a), Education Code, is amended to read as follows:

(a)  For purposes of this subchapter, the taxable value of an individual parcel or other item of property and the total taxable value of property in a school district resulting from the detachment of property from or annexation of property to that district is determined by applying the appraisal ratio for the appropriate category of property determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] for the preceding tax year to the taxable value of the detached or annexed property determined under Title 1, Tax Code, for the preceding tax year.

SECTION 1.48.  Section 403.3011(2), Government Code, is amended to read as follows:

(2)  "Eligible school district" means a school district for which the comptroller has determined the following:

(A)  in the most recent study, the local value is invalid under Section 403.302(c) and does not exceed the state value for the school district determined in the study;

(B)  in the two studies preceding the most recent study, the school district's local value was valid under Section 403.302(c); and

(C)  in the most recent study, the aggregate local value of all of the categories of property sampled by the comptroller is not less than 90 percent of the lower limit of the margin of error as determined by the comptroller of the aggregate value as determined by the comptroller of all of the categories of property sampled by the comptroller[~~; and~~

[~~(D)  the appraisal district that appraises property for the school district was in compliance with the scoring requirement of the comptroller's most recent review of the appraisal district conducted under Section 5.102, Tax Code~~].

SECTION 1.49.  Section 403.303(a), Government Code, is amended to read as follows:

(a)  A school district or a property owner whose property is included in the study under Section 403.302 and whose tax liability on the property is $100,000 or more may protest the comptroller's findings under Section 403.302(g) or (h) by filing a petition with the comptroller. The petition must be filed not later than the 50th [~~40th~~] day after the date on which the comptroller's findings are certified to the commissioner of education and must specify the grounds for objection and the value claimed to be correct by the school district or property owner.

SECTION 1.50.  Section 5.102, Tax Code, is amended by adding Subsection (f) to read as follows:

(f)  Following the conclusion of all reviews conducted by the comptroller under this section each year, the comptroller shall prepare a report summarizing the findings of the reviews conducted by the comptroller in that year. The report must include the number of appraisal districts for which the comptroller conducted a limited-scope review under Subsection (a-1), the number of recommendations made under Subsection (c), the percentage increase or decrease in the number of recommendations made under Subsection (c) as compared to the number of recommendations made under that subsection as listed in the report prepared for the preceding year, the number of appraisal districts subject to Subsection (e), and any other information the comptroller determines is necessary. The comptroller shall include the report required by this subsection in the report required under Section 5.10.

SECTION 1.51.  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 1.52.  The following provisions of the Education Code are repealed:

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

(2)  Sections 21.403(a) and (d); and

(3)  Sections 48.111(c), (c-1), and (c-2).

SECTION 1.53.  Section 403.3011, Government Code, as amended by this Act, applies only to a study conducted under Section 403.302, Government Code, for a tax year that begins on or after January 1, 2024. A study conducted before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 1.54.  Section 403.303, Government Code, as amended by this Act, applies only to a protest of a finding under a study conducted under Section 403.302, Government Code, for which a petition is filed on or after January 1, 2024. A petition filed before that date is governed by the law in effect on the date the petition was filed, and the former law is continued in effect for that purpose.

SECTION 1.55.  Section 5.102(f), Tax Code, as added by this Act, applies only to a report required under Section 5.10, Tax Code, for a tax year that begins on or after January 1, 2024.

SECTION 1.56.  If both this Act and H.B. 11, 88th Legislature, Regular Session, 2023, are enacted, this Act prevails over H.B. 11, to the extent of any conflict, without regard to the date of enactment of this Act or H.B. 11.

SECTION 1.57.  (a) Except as provided by Subsection (b) of this section or 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 September 1, 2023.

(b)  Sections 7.062(a), 12.106(a-2), 13.051(c), 13.054, 30.003, 46.003(a), 46.006(g), 46.032(a), 48.0051(a), (b), and (d), 48.011(a-1), (d), and (e), 48.051, 48.101, 48.111, 48.151(c) and (g), 48.202(a) and (a-1), 48.2542, 48.255(c), 48.2551(a), 48.256(a) and (b), 48.257(c), 48.271(a), 48.273(a)(4), 48.277(d) and (e), and 49.302(a), Education Code, and Section 26.08(n), Tax Code, as amended by this article, and Sections 48.0055, 48.013, 48.1022, 48.116, 48.118, 48.160, 48.280, and 48.284, Education Code, as added by this article, take effect September 1, 2023.

ARTICLE 2. CHANGES EFFECTIVE FOR 2024-2025 SCHOOL YEAR

SECTION 2.01.  Section 8.051(d), Education Code, is amended to read as follows:

(d)  Each regional education service center shall maintain core services for purchase by school districts and campuses. The core services are:

(1)  training and assistance in:

(A)  teaching each subject area assessed under Section 39.023; and

(B)  providing instruction in personal financial literacy as required under Section 28.0021;

(2)  training and assistance in providing each program that qualifies for a funding allotment under Section 48.102, 48.1021, 48.104, 48.105, or 48.109;

(3)  assistance specifically designed for a school district or campus assigned an unacceptable performance rating under Section 39.054;

(4)  training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees;

(5)  assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency's most recent compliance review of the district's special education programs; and

(6)  assistance in complying with state laws and rules.

SECTION 2.02.  Section 29.002, Education Code, is amended to read as follows:

Sec. 29.002.  DEFINITION. In this subchapter, "special services" means:

(1)  special education, as defined by 20 U.S.C. Section 1401(29) [~~instruction, which may be provided by professional and supported by paraprofessional personnel in the regular classroom or in an instructional arrangement described by Section 48.102~~]; and

(2)  related services, as defined by 20 U.S.C. Section 1401(26) [~~which are developmental, corrective, supportive, or evaluative services, not instructional in nature, that may be required for the student to benefit from special education instruction and for implementation of a student's individualized education program~~].

SECTION 2.03.  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 2.04.  Section 29.018, Education Code, is amended by adding Subsection (g) to read as follows:

(g)  This section expires September 1, 2026.

SECTION 2.05.  Sections 29.022(a), (a-1), (b), (c), (c-1), (d), (f), (h), (k), (l), (s), and (t), Education Code, are amended to read as follows:

(a)  In order to promote student safety, on receipt of a written request authorized under Subsection (a-1), a school district or open-enrollment charter school shall provide equipment, including a video camera, to the school or schools in the district or the charter school campus or campuses specified in the request. A school or campus that receives equipment as provided by this subsection shall place, operate, and maintain one or more video cameras in special education [~~self-contained~~] classrooms and other special education settings [~~in which a majority of the students in regular attendance are provided special education and related services and are assigned to one or more self-contained classrooms or other special education settings for at least 50 percent of the instructional day~~], provided that:

(1)  a school or campus that receives equipment as a result of the request by a parent or staff member is required to place equipment only in classrooms or settings in which the parent's child is in regular attendance or to which the staff member is assigned, as applicable; and

(2)  a school or campus that receives equipment as a result of the request by a board of trustees, governing body, principal, or assistant principal is required to place equipment only in classrooms or settings identified by the requestor, if the requestor limits the request to specific classrooms or settings subject to this subsection.

(a-1)  For purposes of Subsection (a):

(1)  a parent of a child who receives special education services in one or more special education [~~self-contained~~] classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the child receives those services;

(2)  a board of trustees or governing body may request in writing that equipment be provided to one or more specified schools or campuses at which one or more children receive special education services in special education [~~self-contained~~] classrooms or other special education settings;

(3)  the principal or assistant principal of a school or campus at which one or more children receive special education services in special education [~~self-contained~~] classrooms or other special education settings may request in writing that equipment be provided to the principal's or assistant principal's school or campus; and

(4)  a staff member assigned to work with one or more children receiving special education services in special education [~~self-contained~~] classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the staff member works.

(b)  A school or campus that places a video camera in a special education classroom or other special education setting in accordance with Subsection (a) shall operate and maintain the video camera in the classroom or setting, as long as the classroom or setting continues to satisfy the requirements under Subsection (a), for the remainder of the school year in which the school or campus received the request, unless the requestor withdraws the request in writing. If for any reason a school or campus will discontinue operation of a video camera during a school year, not later than the fifth school day before the date the operation of the video camera will be discontinued, the school or campus must notify the parents of each student in regular attendance in the classroom or setting that operation of the video camera will not continue unless requested by a person eligible to make a request under Subsection (a-1). Not later than the 10th school day before the end of each school year, the school or campus must notify the parents of each student in regular attendance in the classroom or setting that operation of the video camera will not continue during the following school year unless a person eligible to make a request for the next school year under Subsection (a-1) submits a new request.

(c)  Except as provided by Subsection (c-1), video cameras placed under this section must be capable of:

(1)  covering all areas of the special education classroom or other special education setting, including a room attached to the classroom or setting used for time-out; and

(2)  recording audio from all areas of the special education classroom or other special education setting, including a room attached to the classroom or setting used for time-out.

(c-1)  The inside of a bathroom or any area in the special education classroom or other special education setting in which a student's clothes are changed may not be visually monitored, except for incidental coverage of a minor portion of a bathroom or changing area because of the layout of the classroom or setting.

(d)  Before a school or campus activates a video camera in a special education classroom or other special education setting under this section, the school or campus shall provide written notice of the placement to all school or campus staff and to the parents of each student attending class or engaging in school activities in the classroom or setting.

(f)  A school district or open-enrollment charter school may solicit and accept gifts, grants, and donations from any person for use in placing video cameras in special education classrooms or other special education settings under this section.

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

(1)  allow regular or continual monitoring of video recorded under this section; or

(2)  use video recorded under this section for teacher evaluation or for any other purpose other than the promotion of safety of students receiving special education services in a special education [~~self-contained~~] classroom or other special education setting.

(k)  The commissioner may adopt rules to implement and administer this section, including rules regarding the special education classrooms and other special education settings to which this section applies.

(l)  A school district or open-enrollment charter school policy relating to the placement, operation, or maintenance of video cameras under this section must:

(1)  include information on how a person may appeal an action by the district or school that the person believes to be in violation of this section or a policy adopted in accordance with this section, including the appeals process under Section 7.057;

(2)  require that the district or school provide a response to a request made under this section not later than the seventh school business day after receipt of the request by the person to whom it must be submitted under Subsection (a-3) that authorizes the request or states the reason for denying the request;

(3)  except as provided by Subdivision (5), require that a school or a campus begin operation of a video camera in compliance with this section not later than the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the request is authorized unless the agency grants an extension of time;

(4)  permit the parent of a student whose admission, review, and dismissal committee has determined that the student's placement for the following school year will be in a special education classroom or other special education setting in which a video camera may be placed under this section to make a request for the video camera by the later of:

(A)  the date on which the current school year ends; or

(B)  the 10th school business day after the date of the placement determination by the admission, review, and dismissal committee; and

(5)  if a request is made by a parent in compliance with Subdivision (4), unless the agency grants an extension of time, require that a school or campus begin operation of a video camera in compliance with this section not later than the later of:

(A)  the 10th school day of the fall semester; or

(B)  the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the date the request is made.

(s)  This section applies to the placement, operation, and maintenance of a video camera in a special education [~~self-contained~~] classroom or other special education setting during the regular school year and extended school year services.

(t)  A video camera placed under this section is not required to be in operation for the time during which students are not present in the special education classroom or other special education setting.

SECTION 2.06.  Sections 29.022(u)(3) and (4), Education Code, are amended to read as follows:

(3)  "Special education classroom or other special education setting" means a classroom or setting primarily used for delivering special education services to students who spend on average less than 50 percent of an instructional day in a general education classroom or setting [~~"Self-contained classroom" does not include a classroom that is a resource room instructional arrangement under Section 48.102~~].

(4)  "Staff member" means a teacher, related service provider, paraprofessional, counselor, or educational aide assigned to work in a special education [~~self-contained~~] classroom or other special education setting.

SECTION 2.07.  Section 29.316(c), Education Code, is amended to read as follows:

(c)  Not later than August 31 of each year, the agency, the division, and the center jointly shall prepare and post on the agency's, the division's, and the center's respective Internet websites a report on the language acquisition of children eight years of age or younger who are deaf or hard of hearing. The report must:

(1)  include:

(A)  existing data reported in compliance with federal law regarding children with disabilities; and

(B)  information relating to the language acquisition of children who are deaf or hard of hearing and also have other disabilities;

(2)  state for each child:

(A)  the percentage of the instructional day [~~arrangement used with the child, as described by Section 48.102, including the time~~] the child spends on average in a general education setting [~~mainstream instructional arrangement~~];

(B)  the specific language acquisition services provided to the child, including:

(i)  the time spent providing those services; and

(ii)  a description of any hearing amplification used in the delivery of those services, including:

(a)  the type of hearing amplification used;

(b)  the period of time in which the child has had access to the hearing amplification; and

(c)  the average amount of time the child uses the hearing amplification each day;

(C)  the tools or assessments used to assess the child's language acquisition and the results obtained;

(D)  the preferred unique communication mode used by the child at home; and

(E)  the child's age, race, and gender, the age at which the child was identified as being deaf or hard of hearing, and any other relevant demographic information the commissioner determines to likely be correlated with or have an impact on the child's language acquisition;

(3)  compare progress in English literacy made by children who are deaf or hard of hearing to progress in that subject made by children of the same age who are not deaf or hard of hearing, by appropriate age range; and

(4)  be redacted as necessary to comply with state and federal law regarding the confidentiality of student medical or educational information.

SECTION 2.08.  Section 46.003(a), Education Code, is amended to read as follows:

(a)  For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The amount of state support is determined by the formula:

FYA = (FYL X AE [~~ADA~~] X BTR X 100) - (BTR X (DPV/100))

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is $35 or a greater amount for any year provided by appropriation;

"AE" [~~"ADA"~~] is the greater of the number of students in average enrollment [~~daily attendance~~], as determined under Section 48.0055 [~~48.005~~], in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258, divided by 100; and

"DPV" is the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258.

SECTION 2.09.  Section 46.005, Education Code, is amended to read as follows:

Sec. 46.005.  LIMITATION ON GUARANTEED AMOUNT. The guaranteed amount of state and local funds for a new project that a district may be awarded in any state fiscal biennium under Section 46.003 for a school district may not exceed the lesser of:

(1)  the amount the actual debt service payments the district makes in the biennium in which the bonds are issued; or

(2)  the greater of:

(A)  $100,000; or

(B)  the product of the number of students in average enrollment [~~daily attendance~~] in the district multiplied by $250.

SECTION 2.10.  Section 46.006(g), Education Code, is amended to read as follows:

(g)  In this section, "wealth per student" means a school district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, Section 48.258, divided by the district's average enrollment [~~daily attendance~~] as determined under Section 48.0055 [~~48.005~~].

SECTION 2.11.  Section 46.032(a), Education Code, is amended to read as follows:

(a)  Each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on eligible bonds. The amount of state support, subject only to the maximum amount under Section 46.034, is determined by the formula:

EDA = (EDGL X AE [~~ADA~~] X EDTR X 100) - (EDTR X (DPV/100))

where:

"EDA" is the amount of state funds to be allocated to the district for assistance with existing debt;

"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the lesser of:

(1)  $40 or a greater amount for any year provided by appropriation; or

(2)  the amount that would result in a total additional amount of state funds under this subchapter for the current year equal to $60 million in excess of the state funds to which school districts would have been entitled under this section if the guaranteed level amount were $35;

"AE" [~~"ADA"~~] is the number of students in average enrollment [~~daily attendance~~], as determined under Section 48.0055 [~~48.005~~], in the district;

"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, under Section 48.258, divided by 100; and

"DPV" is the district's taxable value of property as determined under Section 48.013 [~~Subchapter M, Chapter 403, Government Code,~~] or, if applicable, under Section 48.258.

SECTION 2.12.  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)  $6,300;

(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 2.13.  Section 48.102, Education Code, is amended to read as follows:

Sec. 48.102.  SPECIAL EDUCATION. (a) For each student in average enrollment [~~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 2.14.  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 January 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 January 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 2.15.  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 2.16.  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, 0.2755 [~~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, 0.2255 [~~0.225~~], 0.238 [~~0.2375~~], 0.2505 [~~0.25~~], 0.263 [~~0.2625~~], and 0.2755 [~~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 0.2255 [~~0.225~~] for each student who is educationally disadvantaged and resides in that census block group.

SECTION 2.17.  Section 48.105(a), Education Code, is amended to read as follows:

(a)  For each student in average enrollment [~~daily attendance~~] in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the basic allotment multiplied by:

(1)  for an emergent bilingual student, as defined by Section 29.052:

(A)  0.1; or

(B)  0.15 if the student is in a bilingual education program using a dual language immersion/one-way or two-way program model; and

(2)  for a student not described by Subdivision (1), 0.05 if the student is in a bilingual education program using a dual language immersion/two-way program model.

SECTION 2.18.  Sections 48.106(a) and (a-1), Education Code, are amended to read as follows:

(a)  For each full-time equivalent student in average enrollment [~~daily attendance~~] in an approved career and technology education program in grades 7 through 12, 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:

(1)  0.1 [~~1.1~~] for a full-time equivalent student in career and technology education courses not in an approved program of study;

(2)  0.28 [~~1.28~~] for a full-time equivalent student in levels one and two career and technology education courses in an approved program of study, as identified by the agency; and

(3)  0.47 [~~1.47~~] for a full-time equivalent student in levels three and four career and technology education courses in an approved program of study, as identified by the agency.

(a-1)  In addition to the amounts under Subsection (a), for each student in average enrollment [~~daily attendance~~], a district is entitled to $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 2.19.  Section 48.107(a), Education Code, is amended to read as follows:

(a)  Except as provided by Subsection (b), for each student in average enrollment [~~daily attendance~~] who is using a public education grant under Subchapter G, Chapter 29, to attend school in a district other than the district in which the student resides, the district in which the student attends school is entitled to an annual allotment equal to the basic allotment multiplied by a weight of 0.1.

SECTION 2.20.  Section 48.108(a), Education Code, is amended to read as follows:

(a)  For each student in average enrollment [~~daily attendance~~] in 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 2.21.  Section 48.109(c), Education Code, is amended to read as follows:

(c)  Not more than five percent of a district's students in average enrollment [~~daily attendance~~] are eligible for funding under this section.

SECTION 2.22.  Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.119 to read as follows:

Sec. 48.119.  BOOK SAFETY ALLOTMENT. (a) For each student in average enrollment, 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 2.23.  Section 48.153, Education Code, is amended to read as follows:

Sec. 48.153.  DROPOUT RECOVERY SCHOOL AND RESIDENTIAL PLACEMENT FACILITY ALLOTMENT. A school district or open-enrollment charter school is entitled to $275 for each student in average enrollment [~~daily attendance~~] who:

(1)  resides in a residential placement facility; or

(2)  is at a district or school or a campus of the district or school that is designated as a dropout recovery school under Section 39.0548.

SECTION 2.24.  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 five 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 2.25.   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.

SECTION 2.26.  This article takes effect September 1, 2024.

ARTICLE 3. CHANGES EFFECTIVE FOR 2025-2026 SCHOOL YEAR

SECTION 3.01.  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 3.02.  Subchapter D, Chapter 49, Education Code, is amended by adding Section 49.1541 to read as follows:

Sec. 49.1541.  CREDIT FOR PREPAYMENT. (a) The total amount required under Section 49.153 for a school district to purchase attendance credit under this subchapter for any school year is reduced by four percent if the district:

(1)  elects to pay for credit purchased in the manner provided by Section 49.154(a)(2); and

(2)  pays the total amount required to be paid by the district not later than February 15 of the school year for which the agreement is in effect.

(b)  A reduction under Subsection (a) shall be made after making any reduction to which the district is entitled under Section 49.157 or another provision of this chapter.

SECTION 3.03.  This article takes effect September 1, 2025.