By:  Jetton H.B. No. 3781

A BILL TO BE ENTITLED

AN ACT

relating to special education in public schools, including the special education allotment under the Foundation School Program, an education savings account program for certain children with disabilities, and a grant program to reimburse public schools for the cost of certain employer contributions for retirees of the Teacher Retirement System of Texas employed to teach special education.

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

SECTION 1.  Effective September 1, 2024, 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.  Chapter 22, Education Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. RETIRED SPECIAL EDUCATION TEACHER GRANT PROGRAM

Sec. 22.151.  RETIRED SPECIAL EDUCATION TEACHER GRANT PROGRAM. (a) From money appropriated or otherwise available for the purpose, the commissioner shall establish a grant program to reimburse school districts and open-enrollment charter schools for the cost of required contributions under Section 825.4092, Government Code, for the employment of a retiree hired to:

(1)  teach special education; or

(2)  provide services related to special education.

(b)  A grant received under the program may only be used for the cost of required contributions for the employment of a retiree:

(1)  who retired before September 1, 2022; or

(2)  as provided by the General Appropriations Act.

(c)  If the amount of grant requests under the program exceeds the amount appropriated or otherwise available for the purpose, the commissioner shall proportionately reduce the amount of each grant.

SECTION 3.  Section 29.001, Education Code, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 4.  Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0012 to read as follows:

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

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

SECTION 5.  Section 29.003, Education Code, is amended to read as follows:

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

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

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

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

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

[~~(A)  physical disability;~~

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

[~~(C)  emotional disturbance;~~

[~~(D)  learning disability;~~

[~~(E)  autism;~~

[~~(F)  speech disability; or~~

[~~(G)  traumatic brain injury~~].

SECTION 6.  Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0055 to read as follows:

Sec. 29.0055.  LOCAL INTELLECTUAL AND DEVELOPMENTAL DISABILITY AUTHORITY INFORMATION. At the meeting at which a child's initial individualized education program is developed, the school district shall provide to the child's parent the contact information for the local intellectual and developmental disability authority for the region in which the district is located for use in discussing services or public benefits that may provide additional support to the child.

SECTION 7.  Subchapter A, Chapter 29 Education Code, is amended by adding Section 29.0056 to read as follows:

    Sec. 29.0056.  INFORMATION REGARDING STATE SUPPORTED LIVING CENTERS. (a) At an admission, review, dismissal meeting when residential placement is discussed, the school district shall provide to the child's parent or legal guardian the information regarding state supported living centers developed under Subsection (b) for use in discussing possible residential options.

(b)  The Health and Human Services Commission, in collaboration with the agency and stakeholders representing the full continuum of educational residential placement options, shall develop materials to be provided to a parent of a child who may qualify for placement in a state supported living center.

(c)  The agency shall make the materials developed under Subsection (b) available for school districts.

SECTION 8.  Section 29.008, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

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

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

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

SECTION 9.  The heading to Section 29.009, Education Code, is amended to read as follows:

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

SECTION 10.  Section 29.010, Education Code, is amended to read as follows:

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

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

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

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

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

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

SECTION 11.  Effective September 1, 2024, 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 12.  Section 29.018, Education Code, is amended by adding Subsection (g) to read as follows:

(g)  This section expires September 1, 2026.

SECTION 13.  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 14.  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 40 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 15.  Section 29.026(i), Education Code, is amended to read as follows:

(i)  A program selected to receive a grant under this section is [~~The commissioner shall select programs and award grant funds to those programs beginning in the 2018-2019 school year. The selected programs are~~] to be funded for two years.

SECTION 16.  Section 29.027(d), Education Code, is amended to read as follows:

(d)  A grant under this section is [~~The commissioner shall select grant recipients and award grant funds beginning in the 2021-2022 school year. The grants are~~] to be awarded for two years.

SECTION 17.  Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.029 to read as follows:

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

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

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

SECTION 18.  The heading to Subchapter A-1, Chapter 29, Education Code, is amended to read as follows:

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

SECTION 19.  Sections 29.041(2) and (3), Education Code, are amended to read as follows:

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

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

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

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

SECTION 20.  Sections 29.042(a), (c), and (d) Education Code, are amended to read as follows:

(a)  The agency by rule shall establish and administer a parent-directed [~~supplemental special education services and instructional materials~~] program for students receiving special education services, through which a parent may direct supplemental services and supplemental instructional materials for the parent's student [~~students~~] who meets [~~meet~~] the eligibility requirements for participation in the program. Subject to Subsection (c), the agency shall provide each student approved as provided by this subchapter a grant in accordance with Section 48.305 [~~of not more than $1,500~~] to purchase supplemental [~~special education~~] services and supplemental [~~special education~~] instructional materials.

(c)  [~~The commissioner shall set aside an amount not to exceed $30 million from the total amount of funds appropriated for each state fiscal year to fund the program under this section. For each state fiscal year, the total amount provided for student grants under Subsection (a) may not exceed the amount set aside by the commissioner under this subsection~~].

[~~(d)~~]  The agency shall designate one or more regional education service centers to administer the program.

SECTION 21.  Section 29.045, Education Code, is amended to read as follows:

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

SECTION 22.  Sections 29.046(a) and (b), Education Code, are amended to read as follows:

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

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

SECTION 23.  Sections 29.047(a), (c), (d), and (e), Education Code, are amended to read as follows:

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

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

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

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

SECTION 24.  Section 29.048, Education Code, is amended to read as follows:

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

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

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

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

SECTION 25.  Subchapter A-1, Chapter 29, Education Code, is amended by adding Section 29.0485 to read as follows:

Sec. 29.0485.  DETERMINATION OF COMMISSIONER FINAL.  Notwithstanding Section 7.057, a determination of the commissioner under this subchapter or Section 48.305 is final and may not be appealed.

SECTION 26.  Section 29.049, Education Code, is amended to read as follows:

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

SECTION 27.  Section 29.315, Education Code, is amended to read as follows:

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

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

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

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

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

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

SECTION 28.  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 29.  Chapter 29, Education Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. EDUCATION SAVINGS ACCOUNT PROGRAM

Sec. 29.351.  DEFINITIONS. In this subchapter:

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

(2)  "Child with a disability" means a child who is:

(A)  eligible to participate in a school district's special education program under Section 29.003; or

(B)  covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794).

(3)  "Curriculum" means a complete course of study for a particular content area or grade level.

(4)  "Financial institution" means a bank, credit union, savings bank, or savings and loan association organized under the laws of this state, the laws of another state, or federal law that has its main office or a branch office in this state. The term does not include any institution the deposits of which are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(5)  "Institution of higher education" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

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

(7)  "Program" means the education savings account program established under this subchapter.

(8)  "Program participant" means a child and a parent of a child enrolled in the program.

Sec. 29.352.  PURPOSES.  The purposes of the education savings account program are to:

(1)  improve public schools and overall academic performance;

(2)  promote efficiency;

(3)  promote and preserve the liberties and rights of the people; and

(4)  increase parental choice in learning opportunities and supports.

Sec. 29.353.  ESTABLISHMENT OF PROGRAM. (a) The agency shall establish and administer an education savings account program to provide funding for certain education-related expenses of eligible children.

(b)  The agency shall ensure that information about the program is readily available to parents of children with disabilities and the public through various sources, including the agency's Internet website. The information made available to parents of children with disabilities must include a notice that:

(1)  states that a private school is not subject to laws regarding the provision of educational services in the same manner as a public school, and a child with a disability attending a private school may not receive the services a child with a disability attending a public school is entitled to receive under federal and state law;

(2)  provides information regarding rights to which a child with a disability is entitled under federal and state law if the child attends a public school, including:

(A)  rights provided under the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), including:

(i)  an individualized education program that provides a free and appropriate public education;

(ii)  educational services provided in the least restrictive environment;

(iii)  instruction from certified teachers;

(iv)  dispute resolution options Section to ensure proper and full implementation of an individualized education program;

(v)  transition and planning services; and

(vi)  supplementary aids and services;

(B)  rights provided under Subchapter A; and

(C)  other rights provided under federal or state law; and

(3)  provides information regarding the program, including:

(A)  the operation of an account;

(B)  expenses allowed under Section 29.357 and the consequences for using money in an account on expenses that are not allowed under that section; and

(C)  common service offerings.

Sec. 29.354.  ELIGIBLE CHILD. (a) A child is eligible to participate in the program if the child:

(1)  is a child with a disability;

(2)  is eligible to attend a public school under Section 25.001; and

(3)  meets at least one of the following criteria:

(A)  was enrolled in a public school in this state for a period of at least six weeks during the preceding or current school year;

(B)  was required to attend school under Section 25.085 for a period of less than six weeks during the preceding and current school year due to the child's age or nonresidence in this state; or

(C)  participated in the program during the preceding school year.

(b)  A child who establishes eligibility under this section may participate in the program until the earliest of the following dates:

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

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

(3)  the date on which the child enrolls in a public school, including an open-enrollment charter school; or

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

(c)  Notwithstanding Subsection (b), the commissioner shall establish a process for, in the least disruptive manner possible:

(1)  a child participating in the program to cease participation and enroll in a public school, including an open-enrollment charter school; and

(2)  a child who previously participated in the program and subsequently enrolled in a public school, including an open-enrollment charter school, to resume participation in the program.

Sec. 29.355.  ENROLLMENT IN PROGRAM. (a) A parent of an eligible child may enroll the child in the program for the following school year.

(b)  The commissioner shall by rule create an enrollment application for the program and make the enrollment application readily available to interested parents through various sources, including the agency's Internet website. An enrollment application for the program must be submitted to the commissioner electronically.

(c)  The commissioner shall post on the agency's Internet website and provide to each parent who submits an enrollment application a publication that describes the operation of the program, including:

(1)  expenses allowed under the program under Section 29.357;

(2)  expense reporting requirements; and

(3)  a description of the responsibilities of program participants and the duties of the commissioner under this subchapter.

(d)  The commissioner shall provide to each parent who submits an enrollment application a written copy of the notice described by Section 29.353(b). Before the parent may receive funding under the program, the parent must sign an acknowledgment of receipt and understanding of the notice and return the signed acknowledgment to the commissioner.

Sec. 29.356.  PARTICIPATION IN PROGRAM. (a) To receive funding under the program, a parent of an eligible child must agree to:

(1)  spend funds received through the program only for expenses allowed under Section 29.357;

(2)  notify the commissioner if the child enrolls in a public school, including an open-enrollment charter school, not later than the 30th day after the date of enrollment;

(3)  provide to the commissioner information necessary to determine the child's eligibility and the amount to which the child is entitled under the program;

(4)  ensure that the child's quality of learning is appropriately measured in accordance with Subsection (d) and commissioner rule and report the results to the agency; and

(5)  inform the commissioner if the child graduates from high school.

(b)  The parent of a child participating in the program is the trustee of the child's account.

(c)  The commissioner shall provide annually to each program participant the publication provided under Section 29.355(c).

(d)  The commissioner shall adopt a list of approved instruments that allow for a comparison between the quality of educational attainment for a child participating in the program and for students in other educational placements. To the extent practicable, the list must include nationally norm-referenced assessments and assessment instruments adopted under Section 39.023. A child's performance on an instrument approved under this subsection for measuring a child's quality of learning may not be considered in determining the child's eligibility to participate in the program.

Sec. 29.357.  APPROVED EDUCATION-RELATED EXPENSES. (a) Funds received under the program may be used only for the following expenses incurred by a program participant:

(1)  tuition and fees:

(A)  at a private school accredited by an entity recognized by the commissioner as an accrediting entity for private schools in this state;

(B)  at an institution of higher education or a private or independent institution of higher education;

(C)  for an online educational course or program; or

(D)  for a program that provides training for an industry-based certification;

(2)  the purchase of textbooks or other instructional materials required by a school, institution, course, or program described by Subdivision (1) in which the child is enrolled;

(3)  fees for classes or other educational services provided by a public school, including an open-enrollment charter school, if the classes or services do not qualify the child to be included in the school's average daily attendance;

(4)  fees for services provided by a private tutor or teaching service;

(5)  fees paid to a vendor for transportation to and from school, not to exceed $500 per year;

(6)  fees for educational therapies or services provided by a practitioner or provider;

(7)  costs of computer hardware and software and other technological devices prescribed to facilitate a child's education by a physician, therapist, or other licensed service provider;

(8)  fees for a nationally norm-referenced achievement test or examination, an assessment instrument adopted under Section 39.023, an advanced placement test or similar examination, an examination related to college or university admission, or any other instrument included on the agency's list under Section 29.356(d);

(9)  fees for the management of the participant's account charged by a financial institution;

(10)  costs of breakfast or lunch provided to a child during the school day by a private school;

(11)  the purchase of school uniforms required by a private school;

(12)  costs of a school-age program, as defined by Section 42.002, Human Resources Code; and

(13)  costs of a youth camp licensed under Chapter 141, Health and Safety Code, that provides educational services.

(b)  Expenses allowed under Subsection (a) do not include expenses for:

(1)  consumable supplies, including paper, pens, pencils, folders, and notebooks; or

(2)  food, other than breakfast or lunch as authorized under Subsection (a)(10).

(c)  Any money remaining in a program participant's account on the child's graduation from high school may be used by the child for tuition, fees, textbooks, and other instructional materials to attend or take courses from an institution of higher education or a private or independent institution of higher education.

(d)  An education service provider or vendor of educational products must provide a program participant with a receipt for each expense allowed under Subsection (a) charged by the provider or vendor to the participant.

(e)  The content, subject to Section 29.364(c), or religious nature of a product or service may not be considered in determining whether a payment for the product or service is an expense allowed under Subsection (a).

(f)  A finding that a program participant used funds distributed under the program to pay for an expense not allowed under Subsection (a) does not affect the validity of any payment made by the participant for an expense that is allowed under that subsection.

Sec. 29.358.  AMOUNT OF PAYMENT; FINANCING. (a) A parent of an eligible child shall receive each year that the child participates in the program a payment from the state to the child's account in an amount in accordance with Section 48.306.

(b)  Money in an account may not be considered to be the property of a program participant and may be spent only in accordance with this subchapter.

(c)  Any funds remaining in a child's account at the end of a fiscal year are carried forward to the next fiscal year unless another provision of this subchapter mandates the closure of the account.

(d)  The parent of a child participating in the program may make payments for the expenses of educational programs, services, and products not covered by funds in the child's account.

Sec. 29.359.  ADMINISTRATION OF ACCOUNTS. (a) The commissioner may contract with one or more financial institutions or other entities that accept fiduciary responsibility to establish and manage an account for each child participating in the program. A program participant must be able to access the participant's account by using an online or electronic transfer payment service.

(b)  The commissioner shall make quarterly payments to each program participant's account in equal amounts, with the first payment for each school year made on September 1 and the remaining payments made on or before the 15th days of November, February, and May.

(c)  After the end of each fiscal year, the commissioner shall reconcile payments made to and from all accounts under the program.

(d)  On the earlier of the child's 26th birthday or the sixth anniversary of the child's graduation from high school, the child's account is closed and any remaining funds are returned to the state.

(e)  The commissioner may contract with an entity to administer all or any part of the program.

(f)  An entity responsible for managing accounts:

(1)  shall ensure that each expenditure from an account is for an expense allowed under Section 29.357; and

(2)  may require a program participant to submit any information necessary to make the determination described by Subdivision (1).

Sec. 29.360.  RANDOM AUDITING OF ACCOUNTS. (a) The commissioner may randomly audit accounts as necessary to ensure compliance with applicable law and the requirements of the program. The commissioner may contract with another entity to audit accounts under this section.

(b)  In auditing an account, the commissioner or an entity contracted to audit accounts under this section may require that a program participant provide further information and documentation regarding any payment from the participant's account.

(c)  An entity contracted to audit accounts under this section shall report to the commissioner any violation of this subchapter or other relevant law found by the entity during an audit conducted under this section.

Sec. 29.361.  SUSPENSION OF ACCOUNT. (a) The commissioner shall suspend the account of a program participant who fails to comply with applicable law or a requirement of the program, including a requirement under Section 29.356(a), or who substantially misuses funds received under the program.

(b)  On suspension of an account under Subsection (a), the commissioner shall notify the program participant in writing that the account has been suspended and that no further payments may be made from the account. The notification must specify the grounds for the suspension and state that the participant has 10 business days to respond and take any corrective action required by the commissioner.

(c)  On the expiration of the 10-day period under Subsection (b), the commissioner shall:

(1)  order permanent closure of the suspended account and declare the program participant ineligible for the program;

(2)  order temporary reinstatement of the account, conditioned on the performance of a specified action by the participant; or

(3)  order full reinstatement of the account.

(d)  The commissioner may recover funds distributed under the program that were used for expenses not allowed under Section 29.357(a) from the program participant or the entity that received the funds if the participant's account is suspended or closed under this section.

Sec. 29.362.  LIMITATION ON AMOUNTS CHARGED; REFUND PROHIBITED. (a) An education service provider may not:

(1)  charge a child participating in the program an amount greater than the standard amount charged for that service by the provider; or

(2)  increase the amount charged to a child participating in the program for a service:

(A)  if the total amount charged to the child for that service by the provider during the preceding year was less than two-thirds of the amount deposited in the child's account for that year, to an amount that exceeds two-thirds of the amount deposited in the child's account for the current year; or

(B)  if the total amount charged to the child for that service by the provider during the preceding year was two-thirds or more of the amount deposited in the child's account for that year, by more than five percent of the amount charged to the child for that service by the provider during the preceding year.

(b)  An education service provider or a vendor of educational products receiving funds distributed under the program may not in any manner rebate, refund, or credit to or share with a program participant, or any person on behalf of a participant, any program funds paid or owed by the participant to the provider or vendor.

Sec. 29.363.  REFERRAL TO ATTORNEY GENERAL. (a) If the commissioner obtains evidence of fraudulent use of an account, the commissioner may refer the case to the attorney general for investigation.

(b)  With the consent of the appropriate local county or district attorney, the attorney general has concurrent jurisdiction with the consenting local prosecutor to prosecute an offense referred to the attorney general under Subsection (a).

Sec. 29.364.  PROVIDER ACCOUNTABILITY. (a) To receive funds distributed under the program, a private school must be accredited by an entity recognized by the commissioner as an accrediting entity for private schools in this state.

(b)  To receive funds distributed under the program, an education service provider that provides a full course load to a child participating in the program must administer to the child an instrument included on the list adopted by the commissioner under Section 29.356(d) and report the results to the agency.

(c)  A practitioner or provider who provides educational therapies or services must be licensed or accredited by a regional or national accrediting organization to receive funds distributed under the program.

(d)  A private tutor, teaching service, online educational course or program provider, or industry-based certification training provider must apply to and be approved by the agency to receive funds distributed under the program.

(e)  To be eligible for approval under Subsection (d), a private tutor or each employee of a teaching service who intends to provide educational services to a program participant must:

(1)  complete a national criminal history record information review; or

(2)  provide to the agency documentation indicating that the tutor or employee, as applicable, has completed a national criminal history record information review within a period established by commissioner rule.

(f)  The agency shall review the national criminal history record information or documentation for each private tutor or employee of a teaching service who submits an application under Subsection (d). The tutor or employee must provide the agency with any information requested by the agency to enable the agency to complete the review.

(g)  The agency shall maintain and post on the agency's Internet website a list of private tutors, teaching services, online educational course or program providers, and industry-based certification training providers approved to receive funds distributed under the program.

(h)  A private tutor, teaching service, online educational course or program provider, or industry-based certification training provider may appeal the agency's rejection of an application submitted under Subsection (d). The agency shall review the application and make a recommendation to the commissioner regarding whether to approve or reject the application. A decision of the commissioner under this section is final and may not be appealed.

Sec. 29.365.  PROGRAM PARTICIPANT, PROVIDER, AND VENDOR AUTONOMY. (a) An education service provider or vendor of educational products that receives funds distributed under the program is not an agent of the state.

(b)  Except as provided by this subchapter, the commissioner, the agency, the State Board of Education, any other state agency, or any school district may not:

(1)  regulate the educational program of an education service provider or vendor of educational products that receives funds distributed under the program; or

(2)  exercise control or supervision over a program participant or an education service provider or vendor of educational products that receives funds distributed under the program.

(c)  The program does not expand the regulatory authority of the state or any school district to impose any additional regulation on an education service provider or vendor of educational products except those reasonably necessary to enforce the program as provided by this subchapter.

(d)  A private school may not be required to modify the school's creed, practices, admissions policies, curriculum, performance standards, or assessments to receive funds distributed under the program.

(e)  A private school voluntarily selected by a parent for the parent's child to attend, with or without governmental assistance, may not be required to comply with any state law or rule governing the applicable educational program that was not in effect on January 1, 2023.

(f)  In any proceeding challenging a rule adopted by a state agency or officer under this subchapter, the agency or officer has the burden of proof to establish that the rule:

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

(2)  does not impose an undue burden on a program participant or an education service provider or vendor of educational products that receives or seeks to receive funds distributed under the program.

Sec. 29.366.  STUDENT RECORDS AND INFORMATION. On request by the parent of a child participating in the program, the school district or open-enrollment charter school that the child would otherwise attend shall provide a copy of the child's school records possessed by the district or school, if any, to the child's parent or, if applicable, the private school the child attends.

Sec. 29.367.  ANNUAL SURVEY. The commissioner may conduct an annual parental satisfaction survey that asks each parent of a child participating in the program to express:

(1)  the parent's overall level of satisfaction with the program; and

(2)  the parent's opinion on specified topics and issues relevant to the effectiveness of the program.

Sec. 29.368.  DETERMINATION OF COMMISSIONER FINAL. Notwithstanding Section 7.057, a determination of the commissioner regarding eligibility or the approval of expenses under this subchapter or funding under Section 48.306 is final and may not be appealed.

Sec. 29.369.  RULES. The commissioner shall:

(1)  adopt rules as necessary to implement this subchapter, including:

(A)  rules regarding eligibility determination, expense reporting requirements for program participants, and approval of expenses, including appeals of agency determinations on those issues;

(B)  rules for measuring the quality of learning for a child participating in the program; and

(C)  rules for implementing this subchapter in a manner that ensures compliance with federal law regarding confidentiality of student educational information, including the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g); and

(2)  coordinate as necessary to:

(A)  calculate annually the savings to the state from the implementation of the program; and

(B)  prevent fraud in financial transactions under the program, including by adopting measures to permit anonymous fraud reporting by telephone hotline or online communication.

Sec. 29.370.  GIFTS, GRANTS, AND DONATIONS. The commissioner may solicit and accept gifts, grants, and donations from any public or private source for any expenses related to the administration of the program, including the initial implementation of the program and making payments to a program participant's account.

SECTION 30.  Section 30.001(b), Education Code, is amended to read as follows:

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

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

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

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

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

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

SECTION 31.  Section 30.002(g), Education Code, is amended to read as follows:

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

SECTION 32.  Section 30.005, Education Code, is amended to read as follows:

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

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

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

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

(4)  the process for the agency to:

(A)  assign an accreditation status to the school;

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

(C)  if necessary, conduct monitoring reviews; and

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

SECTION 33.  Section 37.146(a), Education Code, is amended to read as follows:

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

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

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

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

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

SECTION 34.  Effective September 1, 2024, Section 48.005, Education Code, is amended by adding subsection (o) to read as follows:

(o)  The commissioner shall define enrollment for funding purposes under this title. For purposes of calculating eligibility and funding amounts of allotments under this chapter and Chapter 46, a reference to a student means a student in enrollment at the school district unless otherwise indicated.

SECTION 35.  Effective September 1, 2024, 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 career and technology education programs or in special education programs receiving special education services 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 = $6,160 X TR/MCR

where:

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

"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 36.  Effective September 1, 2024, Section 48.102, Education Code, is amended to read as follows:

Sec. 48.102.  SPECIAL EDUCATION. (a) For each student 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 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 37.  Effective September 1, 2024, Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.1021 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.

SECTION 38.  Subchapter C, Chapter 48, Education Code, is amended by adding Sections 48.1022 and 48.1023 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.

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

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

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

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

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

SECTION 41.  Section 48.151(g), Education Code, is amended to read as follows:

(g)  A school district or county that provides special transportation services for eligible students who receive special education services is entitled to a state allocation at a [~~paid on a previous year's cost-per-mile basis. The~~] rate of $1.13 per mile or a greater amount provided [~~allowable shall be set~~] by appropriation [~~based on data gathered from the first year of each preceding biennium~~]. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner may grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting eligible students who receive special education services. 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 42.  Subchapter D, Chapter 48, Education Code, is amended by adding Section 48.159 to read as follows:

Sec. 48.159.  SPECIAL EDUCATION CERTIFICATION ALLOTMENT. (a) For each classroom teacher or educational diagnostician employed by a school district who, during the preceding year, became certified under Subchapter B, Chapter 21, to teach special education or as an educational diagnostician, as applicable, the district is entitled to an allotment in the amount of the teacher's or diagnostician's certification fee.

(b)  A school district shall use an allotment received under this section to provide a stipend in the amount of the allotment to the classroom teacher or educational diagnostician for whom the district received the allotment. A stipend received by a classroom teacher under this subsection is not considered in determining whether the district is paying the teacher the minimum monthly salary under Section 21.402.

SECTION 43.  Section 48.265(a), Education Code, is amended to read as follows:

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

SECTION 44.  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 45.  Subchapter G, Chapter 48, Education Code, is amended by adding Sections 48.304, 48.305, and 48.306 to read as follows:

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

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

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

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

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

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

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

Sec. 48.305.  PARENT-DIRECTED SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES STUDENTS GRANT. (a) A student to whom the agency awards a grant under Subchapter A-1, Chapter 29, is entitled to receive an amount equal to $1,500 or a greater amount by appropriation.

(b)  The agency shall use money appropriated to the agency for purposes of this section to award grants under Subchapter A-1, Chapter 29.

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

Sec. 48.306.  EDUCATION SAVINGS ACCOUNT FUNDING. (a) A person enrolled in the education savings account program established under Subchapter J, Chapter 29, is entitled to a deposit to the person's education savings account in an amount equal to the sum of $7,250 and:

(1)  $1,500, if the child is educationally disadvantaged;

(2)  $1,400, if the child has not previously participated in a school district's special education program under Section 29.003; and

(3)  if the child has previously participated in a school district's special education program under Section 29.003, the amount of funding for special education services the district was entitled to receive for the child under Subchapters B and C, Chapter 48, for the most recent school year in which the child participated in the district's special education program.

(b)  A greater amount may be provided by appropriation or by the agency from money available for the purpose.

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(c)  The agency shall use money appropriated to the agency for purposes of this section to make deposits to education savings accounts under Subchapter J, Chapter 29.

(d)  A payment under Subsection (a) may not be financed using federal funds or money appropriated from the permanent school fund or the available school fund.

SECTION 46.  Section 411.0901, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1)  The Texas Education Agency is entitled to obtain criminal history record information maintained by the department about a person who is a private tutor or an employee of a teaching service who intends to provide educational services to a child participating in the program established under Subchapter J, Chapter 29, Education Code, and is seeking approval to receive funds distributed under that program.

SECTION 47.  Section 825.4092(f), Government Code, as added by Chapter 546 (S.B. 202), Acts of the 87th Legislature, Regular Session, 2021, is amended to read as follows:

(f)  A reporting employer is ultimately responsible for payment of the amounts required to be contributed under Subsections (b) and (c). The employer may not directly or indirectly pass that cost on to the retiree through payroll deduction, by imposition of a fee, or by any other means designed to recover the cost. This subsection does not apply to contributions required for a retiree employed by a school district or open-enrollment charter school to teach special education.

SECTION 48.  The following provisions of the Education Code are repealed:

(1)  Section 29.002;

(2)  Sections 29.026(n) and (o);

(3)  Section 29.027(i); and

(4)  Section 29.050.

SECTION 49.  Subchapter E, Chapter 22, Education Code, as added by this Act, Chapter 29, Education Code, as amended by this Act, and Section 825.4092(f), Government Code, as amended by this Act, apply beginning with the 2023-2024 school year.

SECTION 50.  (a) Except as provided by Subsection (b) of this section and as otherwise provided by this Act, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

(b)  The amendments by this Act to Chapter 48, Education Code, except as otherwise provided by this Act, take effect September 1, 2023.