

By: Howard

H.B. No. 882

A BILL TO BE ENTITLED

AN ACT

relating to an annual adjustment to the basic allotment under the Foundation School Program to reflect inflation.

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

SECTION 1. Section 48.051, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Subject to adjustment under Subsection (a-1), for ~~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 \$7,075 [~~\$6,160~~] or the amount that results from the following formula:

$$A = \underline{\$7,075} [\underline{\$6,160}] \times \text{TR/MCR}$$

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.

(a-1) Beginning with the 2024-2025 school year, the basic allotment provided to a district under Subsection (a) or (b) is

1 adjusted annually to increase the allotment by the amount that  
2 results from applying the inflation rate, as determined by the  
3 comptroller on the basis of changes in the Consumer Price Index for  
4 All Urban Consumers published by the Bureau of Labor Statistics of  
5 the United States Department of Labor, to the allotment for the  
6 preceding school year.

7 SECTION 2. Section 48.202(a-1), Education Code, is amended  
8 to read as follows:

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

12 (1) the greater of the amount of district tax revenue  
13 per weighted student per cent of tax effort available to a school  
14 district at the 96th percentile of wealth per weighted student or  
15 the amount that results from multiplying 7,075 [~~6,160~~], or the  
16 greater amount provided under Section 48.051(a-1) or (b)  
17 [~~48.051(b)~~], if applicable, by 0.016, for the first eight cents by  
18 which the district's maintenance and operations tax rate exceeds  
19 the district's tier one tax rate; and

20 (2) subject to Subsection (f), the amount that results  
21 from multiplying \$7,075 [~~\$6,160~~], or the greater amount provided  
22 under Section 48.051(a-1) or (b) [~~48.051(b)~~], if applicable, by  
23 0.008, for the district's maintenance and operations tax effort  
24 that exceeds the amount of tax effort described by Subdivision (1).

25 SECTION 3. This Act takes effect September 1, 2023.