

Amend CSHB 2 (house committee printing) as follows:

(1) On page 1, line 23, strike "Subsection (e-1)" and substitute "Subsections (d-1), (d-2), (d-3), and (e-1)".

(2) On page 3, between lines 20 and 21, insert the following:

(d-1) Notwithstanding Subsection (d), the total amount that may be used to provide allotments under Subsection (d) may not exceed:

(1) for the 2025-2026 school year, \$100 million; and

(2) for the 2026-2027 school year, \$160 million.

(d-2) If the total amount of allotments to which charter holders are entitled for open-enrollment charter schools under Subsection (d) for a school year exceeds the amount permitted under Subsection (d-1), the commissioner shall proportionately reduce the amount of each charter holder's allotment until the total amount for the allotments is equal to the amount permitted under that subsection.

(d-3) Subsections (d-1) and (d-2) and this subsection expire September 1, 2027.

(3) Strike page 3, line 21, through page 4, line 15, and substitute the following:

(e) Subject to Subsection (e-1), a [A] charter holder is not entitled to receive funding under Subsection (d) for an open-enrollment charter school [only] if the school has been assigned:

(1) an unacceptable [~~most recent overall~~] performance rating [~~assigned to the open-enrollment charter school~~] under Subchapter C, Chapter 39, for the two preceding school years;

(2) a financial accountability performance rating under Subchapter D, Chapter 39, indicating a financial performance lower than satisfactory for the two preceding school years; or

(3) any combination of the ratings described by Subdivisions (1) and (2) for the two preceding school years [~~reflects at least acceptable performance~~].

(e-1) Subsection (e) [~~This subsection~~] does not apply to a charter holder:

(1) during the first two years of the applicable

open-enrollment charter school's operation; or

(2) that operates a school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital.

(4) Strike page 5, line 16, through page 6, line 1, and substitute the following:

(a-1) An eligible entity granted a charter under this subchapter is not entitled to receive an allotment under Section 12.106(d) for the adult education program if the program has been assigned under the applicable accountability framework adopted under Section 12.262:

(1) an overall performance rating that reflects unacceptable performance for the two preceding school years;

(2) a financial accountability performance rating that indicates a financial performance lower than satisfactory for the two preceding school years; or

(3) any combination of the ratings described by Subdivisions (1) and (2) for the two preceding school years.

(5) On page 16, line 5, strike ", (b), (e), and (f)" and substitute "and (e)".

(6) Strike page 17, line 10 through page 18, line 6, and substitute the following:

(e) For each school year, the commissioner shall adjust the average daily attendance of school districts that are entitled to funding on the basis of an adjusted average daily attendance under Subsection (b)(2) so that:

(1) all districts are funded on the basis of the same percentage of the preceding year's actual average daily attendance; and

(2) the total cost to the state does not exceed \$300 million, or a greater amount provided by appropriation [~~the amount specifically appropriated for that year for purposes of Subsection (b)(2)].~~

(7) On page 20, lines 13 and 14, strike "Subsection (c-3)" and substitute "Subsections (c-3), (c-4), (c-5), and (c-6)".

(8) On page 21, lines 18 through 20, strike "[~~full-time librarians, full-time school counselors certified under Subchapter~~]

~~B, Chapter 21, and full-time school nurses,]~~" and substitute "full-time librarians, full-time school counselors certified under Subchapter B, Chapter 21, and full-time school nurses,".

(9) On page 23, between lines 3 and 4, insert the following:

(c-4) Notwithstanding Subsection (c-3), a school district is not required to provide a salary increase to an employee under Subsection (c) in an amount that exceeds \$15,000 per year. A district may spend excess money available as a result of this subsection for any purpose for which money provided under this section may be spent.

(c-5) A school district that increases employee compensation in the 2025-2026 school year to comply with Subsection (c), as amended by HB 2, Acts of the 89th Legislature, Regular Session, 2025, 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 (c) in the 2025-2026 school year may satisfy the requirements of this section by providing an employee a one-time bonus payment during the 2026-2027 school year in an amount equal to the difference between the compensation earned by the employee during the 2025-2026 school year and the compensation the employee should have received during that school year if the district had complied with Subsection (c).

(c-6) In calculating the difference between a school district's funding under this chapter per student in average daily attendance for the current school year and the preceding school year for purposes of Subsection (c), the agency may not include the amounts to which the district is entitled under Section 48.115 or 48.284.

(10) On page 25, line 4, strike "Section 48.105(a), Education Code, is" and substitute "Sections 48.105(a) and (b), Education Code, are".

(11) On page 25, between lines 18 and 19, insert the following:

(b) At least 55 percent of the funds allocated under this section must be used in providing bilingual education or special

language programs under Subchapter B, Chapter 29. A district's bilingual education or special language allocation may be used only for program and student evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salaries [~~salary supplements~~] for teachers, incremental costs associated with providing smaller class sizes, and other supplies required for quality instruction.

(12) Strike page 29, line 23, through page 31, line 13.

(13) On page 36, line 15, strike "For" and substitute "Beginning with".

(14) On page 36, lines 17 and 18, strike "under Chapter 46, this chapter, and Chapter 49" and substitute "per student in weighted average daily attendance under this chapter and Chapter 49".

(15) On page 36, lines 20 through 22, strike "that would have been available to the district for the 2025-2026 school year under Chapter 46, this chapter, and Chapter 49" and substitute "per student in weighted average daily attendance that would have been available to the district for the 2025-2026 school year under this chapter and Chapter 49".

(16) Strike page 36, lines 24 through 27, and substitute the following:

(2) \$200.

(17) Strike page 37, line 1, through page 38, line 12, and substitute the following:

(b) The amount of additional state aid to which a district is entitled under this section shall be calculated only after all other funding to which the district is entitled under this chapter and Chapter 49 has been calculated.

(c) For purposes of calculating the amount of additional state aid to which a district is entitled under this section, the agency shall:

(1) for the 2025-2026 school year, use the same values for formula funding adjustments under this chapter and Chapter 49, as those chapters existed on September 1, 2024, that the agency used during that school year; and

(2) for a school year after the 2025-2026 school year,

exclude any formula funding adjustments under this chapter and Chapter 49, as those chapters existed on September 1, 2024, that are expired or do not apply to the district for a school year following the 2025-2026 school year as provided by this chapter and Chapter 49, as those chapters existed on September 1, 2024.

(d) The agency shall notify the Legislative Budget Board as soon as practicable after the agency determines that no school districts qualify for additional state aid under this section.

(18) Strike page 39, lines 12 through 15, and substitute the following:

attendance of a school district that qualifies for, or an open-enrollment charter school that if the school were a school district would qualify for, an allotment under Section 48.101 is the district's or school's average daily attendance multiplied by the sum of one and:

(1) for a school district, the district's annual allotment per student in average daily attendance under that section divided by the basic allotment; or

(2) for an open-enrollment charter school, the school's allotment determined per student in average daily attendance under Section 12.106(a-2) divided by the basic allotment.

(19) On page 39, strike lines 16 and 17 and substitute the following appropriately numbered section:

SECTION 1.____. Sections 12.1058(e) and 12.106(a-4), Education Code, are repealed.

(20) On page 40, line 3, strike "2026" and substitute "2027".

(21) Add the following appropriately numbered SECTION to ARTICLE 1 of the bill:

SECTION 1.____. Section 48.115(a), Education Code, is amended to read as follows:

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

(1) \$10 for each student in average daily attendance, plus \$1 for each student in average daily attendance per every \$50

by which the district's maximum basic allotment under Section 48.051 exceeds \$6,555 [~~\$6,160~~], prorated as necessary; and

(2) \$15,000 per campus.

(22) On page 80, line 26, strike "AND STAFF" and substitute ", STAFF, AND OTHER PERSONNEL".

(23) On page 81, lines 1 and 2, strike "and open-enrollment charter schools" and substitute ", open-enrollment charter schools, the Texas Juvenile Justice Department, juvenile boards, and juvenile probation departments".

(24) On page 81, line 6, strike "or".

(25) On page 81, line 8, between "12.1014," and "is eligible", insert "the Texas Juvenile Justice Department, a juvenile board, or a juvenile probation department".

(26) On page 81, line 9, strike "or school" and substitute ", school, department, or board".

(27) On page 81, line 16, strike "and administrators", and substitute ", administrators, and other relevant personnel".

(28) On page 81, line 27 and page 82, line 1, strike "to a school district or open-enrollment charter school".

(29) On page 82, line 2, strike "district or charter school" and substitute "grant recipient".

(30) Renumber SECTIONS of ARTICLE 1 accordingly.

(31) On page 41, lines 14 and 15, strike "classroom teacher" and substitute "teacher of record".

(32) On page 41, lines 17 and 23, strike "issued" and substitute "required".

(33) On page 53, line 2, between "on" and "maximizing", insert "providing a free appropriate public education and".

(34) On page 127, line 22, strike "Sections 29.018(c), (d), and (e)" and substitute "Section 29.018(c)".

(35) On page 128, line 13, strike "Section 29.008" and substitute "Sections 21.3521 and 29.008".

(36) On page 128, line 16, strike "Subsection (b)" and substitute "Subsections (b) and (c)".

(37) On page 128, immediately following line 24, add the following:

(c) The changes made by this Act to Sections 48.104, 48.105,

and 48.112, Education Code, take effect September 1, 2026.