

BILL ANALYSIS

Senate Research Center

H.B. 2
By: Buckley et al. (Creighton)
Education K-16
5/13/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2 amends current law relating to public education and public school finance.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1.06 (Section 21.3522, Education Code), SECTION 1.12 (Section 29.941, Education Code), SECTION 2.06 (Section 21.903, Education Code), SECTION 3.09 (Section 29.0051, Education Code), SECTION 3.12 (Section 29.008, Education Code), SECTION 3.24 (Sections 29.025 and 29.026, Education Code), SECTION 3.41 (Section 29.316, Education Code), SECTION 3.55 (Section 48.102, Education Code), and SECTION 3.56 (Section 48.1021, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Education Agency in SECTION 3.06 (Section 29.0012, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 3.08 (Section 29.005, Education Code), SECTION 3.18 (Section 29.0162, Education Code), SECTION 3.22 (Section 29.022, Education Code), SECTION 3.40 (Section 29.316, Education Code), and SECTION 3.53 (Section 48.009, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Education Agency is modified in SECTION 3.21 (Section 29.020, Education Code), SECTION 3.27 (Section 29.042, Education Code), and SECTION 3.52 (Section 38.003, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Education Agency is transferred to the commissioner of education in SECTION 3.16 (Section 29.013, Education Code) of this bill.

Rulemaking authority previously granted to the State Board of Education is transferred to the commissioner of education in SECTION 3.45 (Section 30.003, Education Code) and SECTION 3.46 (Section 30.004, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is rescinded in SECTION 3.55 (Section 48.102, Education Code) and SECTION 3.61 (Section 48.265, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Education Agency is rescinded in SECTION 3.15 (Section 29.012, Education Code) of this bill.

Rulemaking authority previously granted to the Health and Human Services Commission is rescinded in SECTION 3.15 (Section 29.012, Education Code) of this bill.

Rulemaking authority previously granted to the Department of Family and Protective Services is rescinded in SECTION 3.15 (Section 29.012, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Juvenile Justice Department is rescinded in SECTION 3.15 (Section 29.012, Education Code) of this bill.

Rulemaking authority previously granted to the executive commissioner of the Health and Human Services Commission is rescinded in SECTION 3.41 (Section 29.316, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. CHANGES RELATED TO PUBLIC EDUCATION AND PUBLIC SCHOOL FINANCE

SECTION 1.01. Amends Section 12.1058(d), Education Code, to delete existing text requiring a political subdivision to consider an open-enrollment charter school a school district for certain purposes and regulations if the charter school provides to the political subdivision the certification described by Subsection (e) (relating to requiring the governing body of an open-enrollment charter school to certify in writing to the political subdivision that no certain official derives any personal financial benefit from a real estate transaction with the charter school).

SECTION 1.02. Amends Section 12.106, Education Code, by amending Subsections (a), (a-2), (d), (e), and (f) and adding Subsections (d-1), (d-2), (d-3), (e-1), and (e-2), as follows:

(a) Provides that a charter holder is entitled to receive for the open-enrollment charter school funding under Chapter 48 (Foundation School Program) equal to the amount of funding per student in weighted average daily attendance to which the charter holder would be entitled for the school under that chapter if the school were a school district without a tier one local share for purposes of Section 48.266 (Distribution of Foundation School Fund), excluding:

(1) creates this subdivision from existing text and makes a nonsubstantive change;

(2) creates this subdivision from existing text; the funding under Sections 48.101 (Small and Mid-Sized District Allotment) and 48.111 (Fast Growth Allotment); and

(3) creates this subdivision from existing text; enrichment funding under Section 48.202(a) (relating to providing that each school district is guaranteed a specified amount per weighted student in state and local funds).

Deletes existing text providing that a charter holder is entitled to receive for the open-enrollment charter school funding under Chapter 48 equal to the amount of funding per student in weighted average daily attendance, excluding the funding under Sections 48.110 (College, Career, or Military Readiness Outcomes Bonus) and 48.112 (Teacher Incentive Allotment), and enrichment funding under Section 48.202(a), to which the charter holder would be entitled for the school under Chapter 48 if the school were a school district without a tier one local share for purposes of Section 48.266. Makes nonsubstantive changes.

(a-2) Provides that, in addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school an allotment per student in average daily attendance in an amount equal to the difference between certain amounts, including \$700, rather than \$125.

(d) Provides that, subject to Subsections (e) and (e-1), in addition to other amounts provided by Section 12.106 (State Funding), a charter holder is entitled to receive, for the open-enrollment charter school, an annual allotment per student in average daily attendance equal to the lesser of:

(1) the state average interest and sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a); or

(2) the maximum amount of the basic allotment provided under Section 48.051 (Basic Allotment) for the applicable school year multiplied by 0.07.

Deletes existing text providing that, subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the lesser of certain rates, including a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million. Makes a nonsubstantive change.

(d-1) Provides that, notwithstanding Subsection (d), the total amount that is authorized to be used to provide allotments under Subsection (d) is prohibited from exceeding for the 2025–2026 school year, \$100 million, and for the 2026–2027 school year, \$160 million.

(d-2) Requires the commissioner of education (commissioner), 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), to 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) Provides that Subsections (d-1) and (d-2) and this subsection expire September 1, 2027.

(e) Provides that a charter holder, subject to Subsection (e-1), is not entitled to receive funding under Subsection (d) for an open-enrollment charter school if the school has been assigned:

(1) an unacceptable performance rating, under Subchapter C (Accreditation), Chapter 39 (Public School System Accountability), for the two preceding school years;

(2) a financial accountability performance rating under Subchapter D (Financial Accountability), 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.

Deletes existing text providing that a charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter 39, reflects at least acceptable performance. Makes nonsubstantive changes.

(e-1) Creates this subsection from existing text. Provides that Subsection (e) does not apply to a charter holder during the first two years of the applicable open-enrollment charter school's operation or that operates a school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital. Makes nonsubstantive changes.

(e-2) Provides that a charter holder is entitled to receive funding under Subsection (d) for an open-enrollment charter school only if the governing body of the school annually certifies in writing to the Texas Education Agency (TEA) that no administrator, officer, or employee of the school and no member of the governing body of the school or its charter holder derives any personal financial benefit from a real estate transaction with the school.

(f) Provides that funds received by a charter holder under Subsection (d):

(1) notwithstanding any other law, are prohibited from being used to pay a salary, bonus, stipend, or any other form of compensation to a school superintendent or administrator serving as educational leader and chief executive officer of the school; and

(2) are authorized to only be used for certain purposes, including paying debt service on bonds issued for a purpose for which a school district is authorized to issue bonds under Section 45.001(a)(1) or to pay for a purchase for which a school district is authorized to issue bonds under that section, rather than to finance an instructional facility.

Makes nonsubstantive changes to this subsection.

SECTION 1.03. Amends Section 12.156(a), Education Code, to provide that, except as otherwise provided by Subchapter E (College or University or Junior College), Subchapter D (Open-Enrollment Charter School), including Section 12.106(d), applies to a college or university charter school or junior college charter school as though the college or university charter school or junior college charter school, as applicable, were granted a charter under that subchapter.

SECTION 1.04. Amends Section 12.263, Education Code, by adding Subsection (a-1), as follows:

(a-1) Provides that an eligible entity granted a charter under Subchapter G (Adult High School Charter School Program) 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 (Accountability; Revocation of Charter):

(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.

SECTION 1.05. Amends Section 21.3521, Education Code, by amending Subsections (a), (c), and (e) and adding Subsections (d-1), (d-2), and (d-3), as follows:

(a) Authorizes a school district or open-enrollment charter school, subject to Subsection (b) (relating to requiring the commissioner to establish certain performance and validity standards), to designate a classroom teacher as a master, exemplary, recognized, or acknowledged teacher for a five-year period based on the results from single year or multiyear appraisals that comply with certain sections of the Education Code. Makes nonsubstantive changes.

(c) Authorizes a classroom teacher that holds a National Board Certification issued by the National Board for Professional Teaching Standards, notwithstanding performance standards established under Subsection (b), to be designated as nationally board certified, rather than recognized.

(d-1) Requires the commissioner, each school year, using criteria developed by the commissioner, to designate as enhanced teacher incentive allotment public schools school districts and open-enrollment charter schools that implement comprehensive school evaluation and support systems. Requires that the criteria developed by the commissioner require a district or school to:

(1) for principals and assistant principals, implement a strategic evaluations system aligned with the district's or school's teacher designation system and a compensation system based on performance;

(2) ensure that under the school district's or open-enrollment charter school's teacher designation system substantially all classroom teachers, regardless of the grade level or subject area to which the teacher is assigned, are eligible to earn a designation under Subsection (a);

(3) implement for all classroom teachers a compensation plan based on performance that uses a salary schedule that is based on differentiation among classroom teacher appraisals as permitted under this section and does not include across-the-board salary increases for classroom teachers except for periodic changes to the district's or school's salary schedule to adjust for significant inflation; and

(4) implement a locally designed plan to place highly effective teachers at high needs campuses and in accordance with Section 28.0062(a)(3) (relating to requiring each school district and open-enrollment charter school to prioritize placement of highly effective teachers in kindergarten through second grade).

(d-2) Authorizes the commissioner to remove a school district's or open-enrollment charter school's designation under Subsection (d-1) if the commissioner determines the district or school no longer meets the criteria for the designation.

(d-3) Requires the commissioner, not later than September 1 of each year, to post on TEA's Internet website a list of the school districts and open-enrollment charter schools designated as enhanced teacher incentive allotment public schools under Subsection (d-1).

(e) Requires TEA to use contracted services to develop and provide technical assistance for school districts and open-enrollment charter schools that request assistance in earning a designation under Subsection (d-1) or implementing a local optional teacher designation system, including certain systems and standards.

SECTION 1.06. Amends Subchapter H, Chapter 21, Education Code, by adding Section 21.3522, as follows:

Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM GRANT PROGRAM. (a) Requires TEA, from money appropriated or otherwise available for the purpose, to establish and administer a grant program to provide money and technical assistance to certain initiatives and systems.

(b) Requires that a grant awarded under this section meet the needs of individual school districts or open-enrollment charter schools and enable regional leadership capacity.

(c) Authorizes the commissioner to adopt rules as necessary to implement this section.

SECTION 1.07. Amends Subchapter C, Chapter 25, Education Code, by adding Section 25.0816, as follows:

Sec. 25.0816. ADDITIONAL DAYS SCHOOL YEAR PLANNING GRANT PROGRAM. (a) Requires TEA, from money appropriated or otherwise available for the purpose, to establish and administer a grant program to provide funding and technical assistance to school districts and open-enrollment charter schools to plan the school year and adjust operations as necessary to qualify for the incentive funding under Section 48.0051 (Incentive for Additional Instructional Days).

(b) Requires TEA, in awarding grants under the program, to prioritize school districts and open-enrollment charter schools that seek to maximize incentive funding under Section 48.0051.

(c) Authorizes TEA to solicit and accept gifts, grants, and donations for purposes of this section.

SECTION 1.08. Amends Section 28.0211(a-1), Education Code, as follows:

(a-1) Requires a school district in which a student attends school, each time the student fails to perform satisfactorily on a certain assessment instrument, to provide to the student accelerated instruction in the applicable subject area during the subsequent summer or school year and, subject to certain provisions of Education Code, provide certain resources, including allowing the student to be assigned a classroom teacher who has earned a designation, rather than a classroom teacher who is certified as a master, exemplary, or recognized teacher, under Section 21.3521 (Local Optional Teacher Designation System) for the subsequent school year in the applicable subject area.

SECTION 1.09. Amends Section 29.153, Education Code, by adding Subsections (b-1) and (h), as follows:

(b-1) Provides that, notwithstanding Subsection (b), any child who is at least three years of age is eligible for enrollment in a prekindergarten class under Section 29.153 (Free Prekindergarten for Certain Children) if the class is provided through a partnership between a school district or open-enrollment charter school and a community-based child-care provider described by Subsection (g) (relating to community-based child-care providers who fulfill certain criteria) and the child receives subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission (TWC).

(h) Provides that, notwithstanding any other law, a facility or location at which prekindergarten classes are provided by a school district or open-enrollment charter school in partnership with a private entity under this section is required to comply with any municipal ordinance applicable to the operation of a private prekindergarten program and is prohibited from being required to comply with any municipal ordinance applicable to the operation of a prekindergarten program by a school district or open-enrollment charter school.

SECTION 1.10. Amends Section 29.934, Education Code, by amending Subsections (b) and (d) and adding Subsection (d-1), as follows:

(b) Requires a campus, to apply to be designated as a resource campus under Section 29.934 (Resource Campus), to have received an overall performance rating under Section 39.054 (Methods and Standards for Evaluating Performance) of D or F, or an overall performance rating under Section 39.054(a-4)(1) (relating to a district or campus located in an area that is subject to a declaration of a state of disaster) or 39.0546 (COVID-19 Recovery Accountability for 2021–2022 School Year) of "Not Rated," for three, rather than four, years over a 10-year period of time.

(d) Requires the campus, to be designated as a resource campus, to:

(1) makes no changes to this subdivision;

(2) adopt an accelerated campus excellence turnaround plan as provided by Section 39A.105(b) (relating to authorizing a campus to submit an accelerated campus excellence turnaround plan), rather than adopt an accelerated campus excellence turnaround plan as provided by Section 39A.105(b) except that a classroom teacher who satisfies the requirements for demonstrated instructional effectiveness under Section 39A.105(b)(3) (relating to classroom teachers who

demonstrated instructional effectiveness during the previous school year) is required to also hold a current designation assigned under Section 21.3521;

(3) makes no changes to this subdivision;

(4) satisfy certain staff criteria by fulfilling certain requirements, including for a subject in the foundation curriculum under Section 28.002(a)(1) (relating to requiring each school district that offers kindergarten through grade 12 to offer a certain foundation curriculum), employing only teachers who have at least two, rather than three, years of teaching experience and ensuring that at least 50 percent of teachers hold a current designation assigned under Section 21.3521;

(5)-(7) makes no changes to these subdivisions;

(8) if the campus is an elementary or middle school campus, operate the campus for a school year that qualifies for funding under Section 48.0051; and

(9) makes no changes to this subdivision.

Makes nonsubstantive changes to this subsection.

(d-1) Authorizes the commissioner to grant to a campus requesting to be designated as a resource campus under this section a one-year waiver from the requirement under Subsection (d)(4)(B)(ii) (relating to ensuring that at least 50 percent of teachers hold a current designation assigned under Section 21.3521) if the campus provides substantial evidence that the campus is working toward meeting the requirement.

SECTION 1.11. Amends Section 29.934, Education Code, effective September 1, 2028, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires a campus, to apply to be designated as a resource campus under this section, to have received an overall performance rating under Section 39.054 of D or F, or an overall performance rating under Section 39.054(a-4)(1) of "Not Rated," for three, rather than four, years over a 10-year period of time.

(b-1) Authorizes a campus, notwithstanding Subsection (b), to apply to be designated as a resource campus under this section if the campus received an overall performance rating under Section 39.054 of D or F, or an overall performance rating under Section 39.054(a-4)(1) or former Section 39.0546 of "Not Rated," for three years over a 10-year period of time. Provides that this subsection expires September 1, 2033.

SECTION 1.12. Amends Subchapter Z, Chapter 29, Education Code, by adding Sections 29.940 and 29.941, as follows:

Sec. 29.940. FEDERAL GRANT ADMINISTRATION. Requires TEA, for a federal grant program under which TEA oversees and administers services to nonpublic schools, to follow federal disposition rules and procedures to dispose of equipment or supplies that are unused or no longer needed and were previously allocated to nonpublic schools participating in the grant program.

Sec. 29.941. GRANT PROGRAM TO PROMOTE PARENTAL ENGAGEMENT. (a) Requires the commissioner, from money appropriated or otherwise available for the purpose, to establish a grant program to provide grants to school districts and open-enrollment charter schools to assist with costs associated with operating certain programs or projects to encourage parental engagement in the educational success of students in the district or school.

(b) Authorizes a school district or open-enrollment charter school to use money awarded under Subsection (a) to pay staff working additional hours to operate a program or project described by Subsection (a), pay for food offered at training

meetings for a program or project described by Subsection (a), and pay for educational materials provided to parents related to a program or project described by Subsection (a).

(c) Authorizes the commissioner to adopt rules as necessary to implement this section.

SECTION 1.13. Amends Section 38.312, Education Code, to provide that the collaborative task force on public school mental health services is abolished and this subchapter expires December 1, 2031, rather than December 1, 2025.

SECTION 1.14. Amends Section 39.082(c), Education Code, as follows:

(c) Prohibits the financial accountability rating system for school districts and open-enrollment charter schools in this state from including an indicator under Subsection (b) or any other performance measure that mandates certain expenditure amounts, including an indicator that, for a school district required to reduce its local revenue level under Section 48.257 (Local Revenue Level in Excess of Entitlement), includes in determining the district's ratio of assets to liabilities any amount required to be expended by the district to comply with Chapter 49 (Options for Local Revenue Levels in Excess of Entitlement). Makes nonsubstantive changes.

SECTION 1.15. Amends Section 46.071, Education Code, by adding Subsections (d-1) and (d-2), as follows:

(d-1) Requires the commissioner, if the amount required to pay debt service on bonds issued under Subchapter A (Tax Bonds and Maintenance Taxes), Chapter 45 (School District Funds), is less than the sum of state assistance provided under Chapter 46 (Assistance with Instructional Facilities and Payment of Existing Debt), including the amount of additional state aid provided under Section 46.071 (Additional State Aid for Homestead Exemption and Limitation on Tax Increases), and the revenue from the district's interest and sinking tax for a school year, except as provided by Subsection (d-2), to reduce the amount of additional state aid provided under this section by the difference between:

(1) the sum of state assistance provided under this chapter, including the amount of additional state aid provided under this section, and the revenue from the district's interest and sinking tax for the school year; and

(2) the amount required to pay debt service on bonds described by this subsection for the school year.

(d-2) Prohibits the amount of additional state aid provided under this section from being reduced under Subsection (d-1) to an amount below zero.

SECTION 1.16. Amends Section 48.005, Education Code, by amending Subsections (a) and (e) and adding Subsection (a-1), as follows:

(a) Creates an exception under Subsection (a-1).

(a-1) Provides that average daily attendance is calculated under Subsection (a)(1) (relating to providing that the average daily attendance is a certain calculation) for students:

(1) enrolled in a half-day program or full-day program under Section 29.153(c) (relating to a half-day basis for children under four years of age and a full-day basis for children who are at least four years of age) provided by an eligible private provider under Section 29.171 (Eligible Private Providers); and

(2) assigned to a campus that is operated under a contract entered into by the district with an entity under Section 11.174 (Contract Regarding Operation of District Campus) or an eligible private provider under Section 29.171 or of an open-enrollment charter school that is operated by an entity governed by a management contract approved by TEA.

(e) Requires the commissioner, for each school year, to 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) (relating to an average daily attendance not to exceed 98 percent of the actual average daily attendance of the preceding school year) so that certain requirements are fulfilled, including that the total cost to the state does not exceed \$300 million, or a greater amount provided by appropriation, rather than the amount specifically appropriated for that year for purposes of Subsection (b)(2).

SECTION 1.17. Amends Section 48.0051, Education Code, by amending Subsections (a), (b), and (d) and adding Subsection (b-1), as follows:

(a) Requires the commissioner, rather than requires the commissioner subject to Subsection (a-1), to adjust the average daily attendance of a school district or open-enrollment charter school under Section 48.005 (Average Daily Attendance) in the manner provided by Subsection (b) if the district or school:

(1) provides the minimum number of minutes of operational and instructional time required under Section 25.081 (Operation of Schools) and commissioner rules adopted under that section over at least 175, rather than 180, days of instruction; and

(2) offers an additional 30 days of half-day instruction for students enrolled in prekindergarten through eighth grade, rather than fifth grade.

Makes a nonsubstantive change to this subsection.

(b) Requires the commissioner, subject to Subsection (b-1), for a school district or open-enrollment charter school described by Subsection (a), to increase the average daily attendance of the district or school under Section 48.005 by the amount that results from the quotient of the sum of attendance by students described by Subsection (a)(2) for each of the 30 additional instructional days of half-day instruction that are provided divided by 175, rather than 180. Makes a nonsubstantive change.

(b-1) Requires the commissioner, for a school district or open-enrollment charter school described by Subsection (a) that provides at least 200 full days of instruction to students described by Subsection (a)(2), to increase the amount computed for the district or school under Subsection (b) by 50 percent.

(d) Provides that this section does not prohibit a school district from providing the minimum number of minutes of operational and instructional time required under Section 25.081 and commissioner rules adopted under that section over fewer than 175, rather than 180, days of instruction.

SECTION 1.18. Amends Subchapter A, Chapter 48, Education Code, by adding Section 48.014, as follows:

Sec. 48.014. NOTICE FOR SCHOOL DISTRICTS REGARDING RECOURSE FOR INVALID PROPERTY VALUES. (a) Provides that this section applies only to a school district located in an appraisal district in which the Comptroller of Public Accounts of the State of Texas (comptroller) has certified the preliminary findings of the school district property value study under Section 403.302(g) (relating to requiring the comptroller to publish preliminary findings, listing values by district, before February 1 of the year following the year of the study), Government Code, and determined that a school district located in the appraisal district has an invalid local value, regardless of whether the

district meets the definition of an eligible school district under Section 403.3011 (Definitions), Government Code.

(b) Requires the commissioner, for each school district to which this section applies and as soon as practicable after the comptroller has certified the preliminary findings of the school district property value study under Section 403.302(g), Government Code, to provide notice to the board of trustees of the district that includes information regarding the impact or possible impact of a final certification of an invalid local value on the district's finances, including an estimate of the effect on the district's finances and any right of recourse available to the district.

(c) Requires each school district to annually report to TEA contact information for the members of the district's board of trustees for purposes of receiving the notice under this section.

(d) Requires the commissioner to coordinate with the comptroller to provide copies of the notice under this section to the board of directors of each applicable appraisal district.

SECTION 1.19. Amends Section 48.051, Education Code, by amending Subsections (a), (c), and (c-1) and adding Subsections (c-3), (c-4), (c-5), and (c-6), as follows:

(a) Provides that, 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 in a setting, rather than an instructional arrangement, other than a general education setting, rather than a mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a school district is entitled to an allotment equal to the lesser of the amounts that result from certain formulas. Sets forth the required formulas of the allotment.

(c) Requires a school district, during any school year for which the maximum amount of the basic allotment provided under Subsection (a) or (b) (relating to authorizing a greater amount for any school year to be provided by appropriation) is greater than the maximum amount provided for the preceding school year, to use at least 40, rather than 30, percent of a certain amount to provide compensation increases to full-time district employees other than administrators as follows:

(1) requires that 75 percent be used to increase the salary, rather than compensation, paid to certain school faculty, prioritizing higher salary increases, rather than differentiated compensation, for classroom teachers in the following order:

(A) classroom teachers with 10 or more years of experience; and

(B) classroom teachers with five or more, rather than more than five, years of experience; and

(2) makes no changes to this subdivision.

(c-1) Provides that a school district employee who received a salary increase under Subsection (c), rather than a salary increase under Subsection (c) from a school district for the 2019–2020 school year, is, as long as the employee remains employed by the same district and the district is receiving at least the same amount of funding as the amount of funding the district received for the school year in which the requirement under Subsection (c) applied, entitled to salary that is at least equal to the salary the employee received for the preceding school year.

(1) creates this subdivision from existing text and makes nonsubstantive changes;
or

(2) the school district evaluates the employee's performance and the employee's performance rating is lower than the employee's performance rating during the school year in which the requirement under Subsection (c) applied.

Makes conforming changes to this subsection.

(c-3) Requires a school district to ensure that the salary increases provided under Subsection (c)(1) provide for a difference of at least 40 percent between the average salary schedule increase provided to a classroom teacher described by Subsection (c)(1)(A) and a classroom teacher described by Subsection (c)(1)(B) or an increase based on performance in accordance with the district's compensation plan implemented under Section 21.3521(d-1)(3).

(c-4) Provides that, 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. Authorizes a district to spend excess money available as a result of this subsection for any purpose for which money provided under this section is authorized to be spent.

(c-5) Provides that a school district that increases employee compensation in the 2025–2026 school year to comply with Subsection (c), as amended by H.B. 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 (Payment of Extra Compensation or Unauthorized Claims Prohibited), Article III (Legislative Department), Texas Constitution. Authorizes a school district that does not meet the requirements of Subsection (c) in the 2025–2026 school year to 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 was required to have received during that school year if the district had complied with Subsection (c).

(c-6) Prohibits TEA, 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), from including the amounts to which the district is entitled under Section 48.115 (School Safety Allotment) or 48.284.

SECTION 1.20. Amends Section 48.101, Education Code, to redefine "ADA" and set forth the formulas required by the annual allotments that small and mid-sized districts are entitled to.

SECTION 1.21. Amends Sections 48.104(a), (d), and (e), Education Code, as follows:

(a) Provides that, for each student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student is educationally disadvantaged, 0.28, rather than 0.275.

(d) Provides that the weights assigned to the five tiers of the index established under Subsection (c) (relating to requiring the commissioner to establish an index for economically disadvantaged census block groups in the state) are, from least to most severe economic disadvantage, 0.23, 0.2425, 0.255, 0.2675, and 0.28. Deletes existing text providing that the weights assigned to the five tiers of the index established under Subsection (c) are, from least to most severe economic disadvantage, 0.225, 0.2375, 0.25, 0.2625, and 0.275.

(e) Provides that, if insufficient data is available for any school year to evaluate the level of economic disadvantage in a census block group, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.23, rather than 0.225, for each student who is educationally disadvantaged and resides in that census block group.

SECTION 1.22. Amends Subchapter C, Chapter 48, Education Code, by adding Section 48.1042, as follows:

Sec. 48.1042. DISTRIBUTION OF CERTAIN COMPENSATORY EDUCATION ALLOTMENT AND EARLY EDUCATION ALLOTMENT MONEY. (a) Provides that this section applies only to money to which a school district is entitled under Section 48.104 (Compensatory Education Allotment) or Section 48.108 (Early Education Allotment) for students in prekindergarten.

(b) Requires the commissioner, notwithstanding any other provision of this chapter, instead of providing money to which this section applies to school districts in accordance with Sections 48.104 and 48.108, to distribute that money as follows:

(1) provide to each school district that operates a full-day program under Section 29.153(c), funding under this chapter based on one-half of the average daily attendance calculated under Section 48.005 for each student in that program; and

(2) if any amount remains after distributing money under Subdivision (1), provide to each school district an amount that is proportional to the district's entitlement under Section 48.104.

SECTION 1.23. Amends Sections 48.105(a) and (b), Education Code, as follows:

(a) Provides that, for each student in average daily attendance in a bilingual education or special language program under Subchapter B (Bilingual Education and Special Language Programs), Chapter 29 (Educational Programs), a district is entitled to an annual allotment equal to the basic allotment multiplied by:

(1) for an emergent bilingual student, as defined by Section 29.052 (Definitions), 0.12, rather than 0.1, or 0.17, rather than 0.15, if the student is in a bilingual education program using a dual language immersion/one-way or two-way program model; and

(2) for a student not described by Subdivision (1), 0.07, rather than 0.05, if the student is in a bilingual education program using a dual language immersion/two-way program model.

(b) Authorizes a district's bilingual education or special language allocation to be used only for certain purposes, including salaries, rather than salary supplements, for teachers.

SECTION 1.24. Amends Section 48.108(a), Education Code, to provide that, for each student in average daily attendance in prekindergarten, rather than kindergarten, through third grade, a school district is entitled to a certain annual allotment.

SECTION 1.25. Amends Section 48.112, Education Code, by amending Subsections (c), (d), and (i) and adding Subsection (g-1), as follows:

(c) Provides that, for each classroom teacher with a teacher designation under Section 21.3521 employed by a school district, the school district is entitled to an allotment equal to the following applicable base amount increased by the high needs and rural factor as determined under Subsection (d):

(1) \$12,000, or an increased amount not to exceed \$36,000, rather than \$32,000, as determined under Subsection (d), for each master teacher;

(2) \$9,000, rather than \$6,000, or an increased amount not to exceed \$25,000, rather than \$18,000, as determined under Subsection (d), for each exemplary teacher;

(3) \$5,000, rather than \$3,000, or an increased amount not to exceed \$15,000, rather than \$9,000, as determined under Subsection (d), for each recognized teacher; and

(4) \$3,000, or an increased amount not to exceed \$9,000 as determined under Subsection (d), for each acknowledged teacher or nationally board certified teacher.

Makes nonsubstantive changes to this subsection.

(d) Provides that the high needs and rural factor is determined by multiplying the following applicable amounts by the average of the point value assigned to each student at a district campus under Subsection (e) (relating to a certain point value for each student at a district campus):

(1) \$6,000, rather than \$5,000, for each master teacher;

(2) \$4,000, rather than \$3,000, for each exemplary teacher;

(3) \$2,500, rather than \$1,500, for each recognized teacher; and

(4) \$1,500 for each acknowledged teacher or nationally board certified teacher.

Makes nonsubstantive changes to this subsection.

(g-1) Requires the commissioner, for a district that is designated as an enhanced teacher incentive allotment public school under Section 21.3521(d-1), to increase the amount to which the district is entitled under Section 48.112 (Teacher Incentive Allotment) by multiplying that amount by 1.1.

(i) Requires a district to annually certify that:

(1) funds received under this section were used for certain purposes, including for a district whose allotment was increased under Subsection (g-1), the amount by which the allotment was increased under that subsection was used to meet the criteria to maintain a designation as an enhanced teacher incentive allotment public school under Section 21.3521(d-1); and

(2) makes no changes to this subdivision.

Makes nonsubstantive changes to this subsection.

SECTION 1.26. Amends Section 48.115(a), Education Code, as follows:

(a) Provides that, except as provided by Subsection (a-1) (relating to providing that a school district campus that provides only virtual instruction or utilizes only facilities not subject to the district's control is not included for purposes of determining a school district's allotment), a school district is entitled to an annual allotment equal to the sum of certain amounts or a greater amount provided by appropriation, including \$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, rather than \$6,160, prorated as necessary.

SECTION 1.27. Amends Subchapter C, Chapter 48, Education Code, by adding Section 48.116, as follows:

Sec. 48.116. FINE ARTS ALLOTMENT. (a) Provides that, for each student in average daily attendance enrolled in a fine arts education course approved by TEA under Subsection (b) in grades 6 through 12, a school district is entitled to an annual allotment equal to:

(1) if the student is not educationally disadvantaged, 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 0.008; or

(2) if the student is educationally disadvantaged, the amount determined under Subdivision (1) multiplied by two.

(b) Requires TEA to approve fine arts education courses that qualify for the allotment provided under this section. Requires that the approved courses include fine arts education courses that:

(1) are authorized by the State Board of Education (SBOE), including music, art, theater, and dance;

(2) provide students with the knowledge and skills necessary for success in the fine arts; and

(3) require a student in full-time attendance to receive not less than 225 minutes of fine arts instruction per week.

(c) Requires TEA to annually publish a list of fine arts education courses approved under Subsection (b).

(d) Prohibits the total amount of allotments provided under this section for a school year from exceeding \$15 million.

(e) Authorizes TEA to proportionally reduce each school district's allotment under this section if the amount appropriated for purposes of this section is insufficient to pay for all allotments to which districts are entitled under this section.

SECTION 1.28. Amends Section 48.202, Education Code, by amending Subsection (a-1) and adding Subsection (e-2), as follows:

(a-1) Provides that, for purposes of Subsection (a) (relating to providing that each school district is guaranteed a certain specified amount per weighted student in state and local funds), the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort ("GL") for a school district is:

(1) the greater of \$129.52 or an amount set by appropriation, rather than the greater of a certain amount of district tax revenue or the amount that results from multiplying 6,160, or the greater amount provided under Section 48.051(b), if applicable, by 0.016, for the first eight cents by which the district's maintenance and operations tax rate exceeds the district's tier one tax rate; and

(2) subject to Subsection (f), the amount that results from multiplying the maximum amount of the basic allotment provided under Section 48.051 for the applicable school year, rather than the amount that results from multiplying \$6,160, or the greater amount provided under Section 48.051(b), if applicable, by 0.008, for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (1).

(e-2) Provides that, for purposes of this section, the total amount of maintenance and operations taxes collected by a school district not required to reduce its local revenue level under Section 48.257 includes the amount of tax revenue received from a county-wide equalization tax.

SECTION 1.29. Amends Subchapter F, Chapter 48, Education Code, by adding Section 48.2561, as follows:

Sec. 48.2561. GUARANTEED YIELD INCREMENT ADJUSTMENT. (a) Requires TEA, not later than October 1 of each even-numbered year, for the subsequent state fiscal biennium, to determine the amount of the guaranteed yield increment adjustment for each state fiscal year of the biennium. Provides that the amount of the guaranteed yield increment adjustment is the difference between:

(1) the estimated cost to the state of maintaining the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 48.202(a-1)(1) at the 96th percentile of wealth per weighted student for each year of the biennium; and

(2) the state cost of maintaining the guaranteed level of state and local funds per weighted student per cent of tax effort at the amount provided by Section 48.202(a-1)(1).

(b) Provides that, notwithstanding Subsection (a), the amount of the guaranteed yield increment adjustment for each state fiscal year of the state fiscal biennium beginning September 1, 2025, is \$55. Provides that this subsection expires September 1, 2027.

SECTION 1.30. Amends Section 48.266, Education Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires the commissioner, except as provided by this subsection and subject to Subsection (b-1), to base the determinations under Subsection (a) (relating to requiring the commissioner, for each school year, to determine certain amounts of funding) on certain estimates.

(b-1) Requires the commissioner, periodically throughout the school year, to adjust the determinations made under Subsection (a) to reflect current school year estimates of a district's enrollment and average daily attendance, based on attendance reporting for each six-week interval.

SECTION 1.31. Amends Section 48.283, Education Code, as follows:

Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS IMPACTED BY COMPRESSION. (a) Provides that, for the 2023–2024 and 2024–2025 school years, a school district that received an adjustment under Section 48.257(b) (relating to requiring TEA to adjust the amount of the reduction required in the district's tier one revenue level) for the 2022–2023 school year is entitled to additional state aid in an amount equal to the difference, if the difference is greater than zero, between:

(1) redesignates existing Subdivision (2) as Subdivision (1); the amount of state and local revenue that would have been available to the district under this chapter and Chapter 49 for the 2023–2024 or 2024–2025, rather than current, school year, as applicable, if the district's maximum compressed tax rate had not been reduced under Section 48.2555 (Maximum Compressed Tax Rate for 2023–2024 School Year), as added by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023; and

(2) the amount of state and local revenue available to the district under this chapter and Chapter 49 for the 2023–2024 or 2024–2025 school year, as applicable.

Deletes existing text providing that a school district that received an adjustment under Section 48.257(b) for the 2022–2023 school year is entitled to additional

state aid for each school year in an amount equal to the amount of that adjustment for the 2022–2023 school year less the difference, if the difference is greater than zero, between the amount to which the district is entitled under this chapter for the current school year and the amount to which the district would be entitled under this chapter for the current school year if the district's maximum compressed tax rate had not been reduced under Section 48.2555, as added by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023.

(b) Provides that this section expires January 1, 2026.

SECTION 1.32. Amends Subchapter F, Chapter 48, Education Code, by adding Sections 48.2711, 48.2831, and 48.284, as follows:

Sec. 48.2711. ADJUSTMENT FOR LOSS OF REVENUE DUE TO USE OF STATE VALUE. (a) Provides that this section applies only to a school district for which the state value for the district's taxable value of property is used under Section 403.302(c) (relating to providing that, in absence of a certain presumption, taxable value for a school district is the state value for the school district determined by the comptroller under certain provisions of the Education Code), Government Code and in which the district's board of trustees adopts a resolution during the school year recognizing the need for an adjustment under this section.

(b) Requires TEA, for each school district to which this section applies, to determine whether the district's entitlement under this chapter for a school year is greater if the district's taxable value of property is the local value or the state value as determined by the comptroller under Sections 403.302(a) (relating to requiring the comptroller to conduct a certain study to determine the total taxable value of all property in each school district) and (b) (relating to requiring the comptroller to determine the taxable value of property in each school district by fulfilling certain requirements), Government Code.

(c) Requires the commissioner, if TEA determines under Subsection (b) that the school district's entitlement is greater for the applicable school year using the local value for the district's taxable value of property, to increase state aid or adjust the limit on local revenue under Section 48.257 for the district for that school year in an amount equal to:

(1) for the first school year in which this subsection applies to the district, the difference between the amounts determined under Subsection (b);

(2) for the second consecutive school year in which this subsection applies to the district, 70 percent of the difference between the amounts determined under Subsection (b); and

(3) for the third consecutive school year in which this subsection applies to the district, 40 percent of the difference between the amounts determined under Subsection (b).

(d) Prohibits a school district from receiving an adjustment under this section for more than three consecutive school years unless the legislature specifically appropriates money for the purpose of making adjustments under this section for the fourth or a subsequent consecutive school year.

(e) Prohibits the commissioner, for purposes of determining the number of consecutive school years for which this section applies to a school district, from considering a school year before the 2025–2026 school year.

(f) Provides that a school year in which the comptroller determines a school district's local value to be valid under Section 403.302(c), Government Code, that occurs after the district receives an adjustment under this section is not included

in calculating consecutive school years under Subsection (c) or (d) and is not considered a break in consecutive school years, except as provided by Subsection (h).

(g) Prohibits a school district from receiving an adjustment under this section for a school year in which the district is determined to be an eligible school district, as defined by Section 403.3011, Government Code. Provides that a school year in which the district is not eligible for an adjustment under this subsection is included in calculating consecutive school years under Subsections (c) and (d).

(h) Provides that, except as provided by Subsection (d), a school district that receives an adjustment under this section for three consecutive school years is not eligible to receive an adjustment under this section in the subsequent school year but is authorized to be again eligible for the adjustment following two consecutive school years for which the local value is used for the district's taxable value of property under Section 403.302(c), Government Code.

(i) Prohibits the total amount of adjustments made under this section for a school year from exceeding \$60 million.

(j) Requires the commissioner, if the total amount of adjustments for which school districts are eligible under this section for a school year exceeds the limit under Subsection (i), to prioritize school districts experiencing the greatest percentage reduction in funding, as determined based on the difference between the amounts determined under Subsection (b).

(k) Provides that a determination made by the commissioner under this section is final and is prohibited from being appealed.

Sec. 48.2831. ADDITIONAL STATE AID TO ENSURE MINIMUM FUNDING LEVEL. (a) Provides that, beginning with the 2025–2026 school year, a school district is entitled to additional state aid in an amount necessary to ensure the district receives state and local revenue per student in weighted average daily attendance under this chapter and Chapter 49 in an amount at least equal to the sum of state and local revenue 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, as those chapters existed on September 1, 2024 and \$200.

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

(c) Requires TEA, for purposes of calculating the amount of additional state aid to which a district is entitled under this section, to:

(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 TEA 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) Requires TEA to notify the Legislative Budget Board (LBB) as soon as practicable after TEA determines that no school districts qualify for additional state aid under this section.

Sec. 48.284. ADDITIONAL STATE AID FOR REGIONAL INSURANCE COST DIFFERENTIALS. (a) Defines "catastrophe area" and "first tier coastal county."

(b) Provides that this section applies to a school district or open-enrollment charter school that has certain property located in a first tier coastal county or an area designated in 2024 as a catastrophe area, including the central administrative office of the district or school and a majority of campuses of the district or school.

(c) Provides that a school district or open-enrollment charter school to which this section applies is entitled to additional state aid for each student in adjusted average daily attendance in an amount equal to the difference between, for the 2023–2024 school year, or a different school year specified by appropriation:

(1) the total amount paid for property and casualty insurance by districts and schools in the county or catastrophe area described by Subsection (b) in which the district's or school's property is located divided by the total number of students in average daily attendance for all districts and schools in the county or catastrophe area; and

(2) the total amount paid for property and casualty insurance by districts and schools in the state divided by the total number of students in average daily attendance in the state.

(d) Provides that, for purposes of Subsection (c), the average daily 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, for a school district, the district's annual allotment per student in average daily attendance under that section divided by the basic allotment or 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.

SECTION 1.33. Repealers: Sections 12.1058(e) (relating to requiring the governing body of an open-enrollment charter school, to be considered a school district by a certain political subdivision, to certify in writing to the political subdivision) and 12.106(a-4) (relating to providing that, in addition to the funding provided by certain provisions of the Education Code, a charter holder is entitled to receive for the open-enrollment charter school certain enrichment funding), Education Code.

SECTION 1.34. Requires a school district or open-enrollment charter school, immediately following the effective date of this Act, to redesignate a teacher who holds a designation made under Section 21.3521, Education Code, before the effective date of this Act, to reflect the teacher's designation under Section 21.3521, Education Code, as amended by this article. Requires that funding provided to a school district under Section 48.112, Education Code, as amended by this article, for a teacher who held a designation made under Section 21.3521, Education Code, as that section existed immediately before the effective date of this Act, be increased to reflect the teacher's redesignation under Section 21.3521, Education Code, as amended by this article.

SECTION 1.35. Requires the commissioner, not later than September 1, 2027, to post on TEA's Internet website the initial list of enhanced teacher incentive allotment public schools required by Section 21.3521(d-3), Education Code, as added by this article.

SECTION 1.36. Requires the commissioner, as soon as practicable after the effective date of this Act, to establish the grant program required under Section 29.941, Education Code, as added by this article.

ARTICLE 2. TEACHER PREPARATION AND CHANGES RELATED TO EMPLOYEES

SECTION 2.01. Amends Section 12A.004(a), Education Code, as follows:

(a) Prohibits a local innovation plan from providing for the exemption of a district designated as a district of innovation from the following provisions of Title 2 (Public Education):

(1)-(2) makes no changes to these subdivisions;

(3) the employment of uncertified classroom teachers under Section 21.0032;

(4) parental notification requirements under Section 21.057 (Parental Notification);

(5) creates this subdivision from existing text and makes no further changes;

(6) redesignates existing Subdivision (4) as Subdivision (6) and makes no further changes.

SECTION 2.02. Amends Section 21.001, Education Code, by adding Subdivision (3-b) to define "teacher of record."

SECTION 2.03. Amends Subchapter A, Chapter 21, Education Code, by adding Sections 21.0032 and 21.0033, as follows:

Sec. 21.0032. EMPLOYMENT OF UNCERTIFIED CLASSROOM TEACHERS. (a) Prohibits a school district from employing as a teacher of record for a course in the foundation curriculum under Section 28.002 (Required Curriculum) a person who does not hold an appropriate certificate or permit required by the State Board for Educator Certification (SBEC) under Subchapter B (Advancement, Placement, Credit, and Academic Achievement Record).

(a-1) Authorizes a school district, notwithstanding Subsection (a), to employ as a classroom teacher for a course in the foundation curriculum under Section 28.002 not more than certain applicable percentages of classroom teachers who do not hold an appropriate certificate or permit required by SBEC under Subchapter B.

(a-2) Provides that this subsection and Subsection (a-1) expire September 1, 2031.

(b) Provides that this section does not preclude a school district from receiving a waiver under Section 7.056 (Waivers and Exemptions) or issuing a school district teaching permit under Section 21.055 (School District Teaching Permit).

Sec. 21.0033. TEACHER CERTIFICATION INCENTIVE. (a) Requires TEA, from money appropriated or otherwise available for the purpose, to provide to each school district a one-time payment of \$1,000 for each classroom teacher employed by the district who fulfills certain criteria.

(b) Provides that this section expires September 1, 2027.

SECTION 2.04. Amends Subchapter B, Chapter 21, Education Code, by adding Section 21.0411, as follows:

Sec. 21.0411. WAIVER OR PAYMENT OF CERTAIN EXAMINATION AND CERTIFICATION FEES. (a) Requires SBEC, notwithstanding a rule adopted under Section 21.041(c) (relating to requiring SBEC to propose a rule adopting a fee for the issuance and maintenance of a certain educator certificate), for a person applying for a certification in special education, bilingual education, or another area specified by the General Appropriations Act, to waive a certification examination fee imposed by SBEC for the first administration of the examination to the person and a fee associated with the application for certification by the person.

(b) Requires SBEC to pay to a vendor that administers a certification examination described by Subsection (a) a fee assessed by that vendor for the examination of a person applying for a certification described by Subsection (a) for the first administration of the examination to the person.

SECTION 2.05. Amends Subchapter I, Chapter 21, Education Code, by adding Section 21.416, as follows:

Sec. 21.416. EMPLOYED RETIREE EDUCATOR REIMBURSEMENT GRANT PROGRAM. (a) Requires the commissioner, from money appropriated or otherwise available, to establish and administer a grant program to reimburse a certain academic institution for the increased contributions to the Teacher Retirement System of Texas associated with hiring a teacher, or an educator providing special education services, who retired before September 1, 2024.

(b) Authorizes the legislature, in appropriating money for grants awarded under this section, to provide for, modify, or limit amounts appropriated for that purpose in the General Appropriations Act, including by:

(1) providing, notwithstanding Subsection (a), a date or date range other than September 1, 2024, before which a teacher or educator is required to have retired for a certain academic institution to be eligible; or

(2) limiting eligibility to a district or school described by Subdivision (1) that hires a retired teacher or educator, as applicable that meets certain criteria.

(c) Requires the commissioner to proportionally reduce the amount of money awarded to certain academic institutions under this section if the number of grant applications by eligible districts or schools exceeds the number of grants the commissioner could award with the money appropriated or otherwise available for the purpose.

(d) Authorizes certain academic institutions to use money received under this section to make required payments under Section 825.4092 (Employer Contributions for Employed Retirees), Government Code.

SECTION 2.06. Amends Chapter 21, Education Code, by adding Subchapter R, as follows:

SUBCHAPTER R. GROW YOUR OWN PARTNERSHIP PROGRAM

Sec. 21.901. DEFINITIONS. Defines "cooperating teacher" and "program."

Sec. 21.902. GROW YOUR OWN PARTNERSHIP PROGRAM. (a) Requires the commissioner to establish the Grow Your Own Partnership Program to enable qualified institutions of higher education and educator preparation programs, as determined by the commissioner, to form partnerships with school districts or open-enrollment charter schools to establish innovative staffing pipelines to ensure the availability of high-quality classroom teachers to benefit future district or school students.

(b) Requires that the program be designed to form partnerships that support:

(1) high school students in completing career and technical education courses that help prepare the students to become classroom teachers; or

(2) district or school employees who do not hold a teaching certificate in completing an associate degree or the first 60 hours of a bachelor's degree to enable the person to become a classroom teacher while employed by the district or school.

(c) Authorizes a school district or open-enrollment charter school to participate in the program on the approval of an application submitted to the commissioner by the district or school.

(d) Requires a school district or open-enrollment charter school participating in the program to:

(1) for a partnership described by Subsection (b)(1), provide authentic opportunities, which are authorized to be paid or unpaid, for students to practice teaching under the supervision of a cooperating teacher and guidance and other transition supports as a student begins an undergraduate degree program that offers a route to teacher preparation;

(2) for a partnership described by Subsection (b)(2), provide for a district or school employee certain educator preparation supports;

(3) enter into a written agreement with an institution of higher education;

(4) require an employee participating in a partnership described by Subsection (b)(2) to, as a condition for participation, earn a bachelor's degree and enroll in an educator preparation program within three years of completion of an associate degree or the first 60 hours of a bachelor's degree; and

(5) provide any information required by TEA regarding the district's or school's implementation of the program.

(e) Authorizes a school district or open-enrollment charter school to use money received under Section 48.157 to implement the program and pay tuition and fees, including certification fees, for students or employees participating in the program.

(f) Provides that a school district or open-enrollment charter school is authorized to only pair a student or employee participating in the program with a cooperating teacher who agrees to participate in that role in the program at the district or school.

(g) Prohibits a student or employee participating in the program from serving:

(1) as a teacher of record; or

(2) except as provided by Subsection (h), in a position in which the student or employee has the primary or sole responsibility of providing instruction or supervision to students.

(h) Authorizes a student or employee participating in the program to serve in a position described by Subsection (g)(2) for the limited purpose of gaining experience in the position. Prohibits the student's or employee's amount of time serving in that position from exceeding the amount of time during which the teacher of record for the students has the primary or sole responsibility of providing instruction or supervision to those students.

Sec. 21.903. RULES. Requires the commissioner to adopt rules as necessary to implement this subchapter.

SECTION 2.07. Amends Subchapter D, Chapter 48, Education Code, by adding Section 48.157, as follows:

Sec. 48.157. GROW YOUR OWN PARTNERSHIP PROGRAM ALLOTMENT. (a) Provides that, subject to Subsection (d), for each district employee participating in a partnership described by Section 21.902(b)(2), a school district is entitled to an annual allotment equal to the sum of \$8,000 and the high needs and rural factor, as determined under Subsection (b), multiplied by \$1,000.

(b) Provides that the high needs and rural factor is the lesser of the average of the point value assigned to each student at a district campus under Sections 48.112(e) (relating to requiring that a point value for each student at a district campus be assigned determined by certain criteria) and (f) (relating to providing that a student enrolled at a rural campus is assigned the point value two tiers higher than the student's point value determined under certain provisions of the Education Code) or 4.0.

(c) Provides that the Texas School for the Deaf (TSD) and the Texas School for the Blind and Visually Impaired (TSBVI) are entitled to an allotment under this section. Authorizes the commissioner, if the commissioner determines that assigning point values under Subsection (b) to students enrolled in TSD or TSBVI is impractical, to use the average point value assigned for those students' home districts for purposes of calculating the high needs and rural factor.

(d) Prohibits a school district, unless a greater number of individuals is provided for by appropriation for that school year, from receiving an allotment under this section for a school year from more than 40 district employees.

(e) Requires TEA to provide 50 percent of the money the school district is entitled to receive under this section for a district employee only on the employee's successful completion of a bachelor's degree by the deadline established by TEA.

SECTION 2.08. Provides that Section 12A.004(a), Education Code, as amended by this article, applies to each local innovation plan adopted under Chapter 12A (Districts of Innovation), Education Code, regardless of whether the plan was adopted before, on, or after the effective date of this article. Requires that a local innovation plan adopted or renewed before the effective date of this article comply with Section 12A.004(a), Education Code, as amended by this article, not later than September 1, 2025.

ARTICLE 3. SPECIAL EDUCATION

SECTION 3.01. Amends Section 7.021(b)(10), Education Code, to require TEA to carry out duties assigned under Section 30.002 concerning children who have visual impairments, are deaf or hard of hearing, or are deaf-blind, rather than children with visual impairments.

SECTION 3.02. Amends Section 7.055(b)(25), Education Code, to require the commissioner to develop a system to distribute to school districts or regional education service centers a special supplemental allowance for students with visual impairments as required under Section 30.0021, rather than Section 30.002.

SECTION 3.03. Amends Section 8.051(d), Education Code, to provide that the core services each regional education service center is required to maintain for purchase by school districts and campuses include certain training and assistance, including training and assistance in providing each program that qualifies for a funding allotment under certain sections of the Education Code, including Sections 48.1021 and 48.103.

SECTION 3.04. Amends Sections 28.025(c-7) and (c-8), Education Code, as follows:

(c-7) Authorizes a student who is enrolled in a special education program under Subchapter A, Chapter 29, subject to Subsection (c-8), to earn the distinguished level of achievement under Subsection (b-15) (relating to authorizing a student to earn a distinguished level of achievement under the foundation high school program by successfully completing certain requirements) or an endorsement on the student's

transcript under Subsection (c-1) (relating to authorizing a student to earn an endorsement on the student's transcript by successfully completing current curriculum requirements) by:

(1) successfully completing, with or without modification of the curriculum:

(A) makes a nonsubstantive change to this paragraph;

(B) for the distinguished level of achievement, the additional curriculum requirements prescribed under Subsection (b-15); and

(C) for an endorsement, the additional curriculum requirements, rather than additional endorsement curriculum requirements, prescribed by SBOE under Subsection (c-2) (relating to requiring SBOE, in adopting certain rules, to develop certain requirements); and

(2) successfully completing all curriculum requirements for the distinguished level of achievement or that endorsement adopted by SBOE without modification of the curriculum or with modification of the curriculum, provided that the curriculum, as modified, is sufficiently rigorous as determined by the student's admission, review, and dismissal committee and documented in the student's individualized education program.

(c-8) Requires the admission, review, and dismissal committee of a student in a special education program under Subchapter A, Chapter 29, for purposes of Subsection (c-7), to determine whether the student is required to achieve satisfactory performance on an end-of-course assessment instrument to earn the distinguished level of achievement or an endorsement on the student's transcript.

SECTION 3.05. Amends Section 29.001, Education Code, as follows:

Sec. 29.001. New heading: IMPLEMENTATION OF SPECIAL EDUCATION LAW.

(a) Creates this subsection from existing text. Requires TEA, 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.), to develop, and revise as necessary, a comprehensive system to ensure statewide and local compliance with federal and state law related to special education.

Deletes existing text Requiring TEA to develop, and modify as necessary, a statewide design, consistent with federal law, 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) Creates this subsection from existing text. Requires that the comprehensive system, rather than the statewide design, include the provision of services primarily through school districts and shared services arrangements, supplemented by regional education service centers.

(c) Creates this subsection from existing text. Requires that the comprehensive system focus on providing a free appropriate public education and maximizing student outcomes and include:

(1) rulemaking, technical assistance, guidance documents, monitoring protocols, data elements necessary for statewide reporting, and other resources as necessary to implement and ensure compliance with federal and state law related to special education;

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

(3) the pursuit of strategies to meet statewide special education and related services personnel needs;

(4) ensuring that regional education service centers throughout the state maintain a regional support function, which may include procedures for service centers to assist school districts in identifying existing public or private educational or related services in each region, cooperatively developing programs for students with disabilities, providing to or obtaining for school districts special equipment, delivering services, and facilitating the placement of students with disabilities who cannot be appropriately served in their resident districts;

(5) effectively monitoring, rather than allow TEA to effectively monitor, and periodically conducting site visits of all school districts to ensure that rules adopted under this subchapter are applied in a consistent and uniform manner, to ensure that districts are complying with those rules, and to ensure that certain annual statistical reports 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 multidisciplinary evaluation teams and admissions, review, and dismissal committees;

(B) redesignates existing Subdivision (7) as Paragraph (B) and makes a nonsubstantive change;

(C) appropriately trained personnel are available to students with disabilities who have significant behavioral support needs, including by providing behavioral support training for a paraprofessional or teacher placed in a classroom or other setting that is intended to provide specialized behavioral supports to a student with a disability, as needed or at regular intervals as provided in the student's individualized education program;

(D) when appropriate, each student with a disability is provided an opportunity to participate in career and technology and physical education classes;

(E) redesignates existing Subdivision (9) as Paragraph (E) and makes a nonsubstantive change;

(F) school districts have an opportunity to request technical assistance from TEA or a regional education service center in establishing classroom environments conducive to learning for students with disabilities, including environments for students whose data indicate behavior that significantly impedes the student's own learning and the learning of other students;

(G) 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 take certain actions; and

(H) each district develops a process to be used by a teacher who instructs a student with a disability in a general education, rather than regular, classroom setting to take certain actions.

Deletes existing text requiring TEA to also develop and implement a statewide plan with programmatic content that includes procedures designed to 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; periodically assess statewide personnel needs in all areas of specialization related to special education and pursue strategies to meet 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; and ensure that regional education service centers throughout the state maintain a regional support function, which is authorized to 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. Makes conforming and nonsubstantive changes.

SECTION 3.06. Amends Subchapter A, Chapter 29, Education Code, by adding Section 29.0012, as follows:

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

(b) Requires TEA by rule to 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. Requires that the indicators include performance on the college, career, or military readiness outcomes described by Section 48.110.

SECTION 3.07. Amends Section 29.003, Education Code, as follows:

Sec. 29.003. ELIGIBILITY CRITERIA. (a) Requires TEA to develop specific eligibility criteria based on the general classifications established by this section and in accordance with federal law, rather than with reference to contemporary diagnostic or evaluative terminologies and techniques. Makes a conforming change.

(b) Provides that a student is eligible to participate in a school district's special education program:

(1) from birth through 21 years of age, if the student has a visual impairment, is deaf or hard of hearing, or is deaf-blind and that disability prevents the student from being adequately or safely educated in public school without the provision of special education services;

(2) from three years of age through nine 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 three years of age through 21 years of age if the student has one or more of the 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.

Deletes existing text providing that a student is eligible to participate in a school district's special education program if the student is at least three but not more

than 21 years of age and has one or more of certain impairments or disabilities that prevents the student from being adequately or safely educated in public school without the provision of special services. Makes nonsubstantive changes.

SECTION 3.08. Amends Sections 29.005(a), (d), and (e), Education Code, as follows:

(a) Makes conforming changes to this subsection.

(d) Requires the district, if the primary language of the child's parent is a language other than English, rather than if the child's parent is unable to speak English, to provide the parent with a written or audiotaped copy of the child's individualized education program translated into Spanish if Spanish is the parent's primary, rather than native language or if the parent's primary language is a language other than Spanish, make a good faith effort to provide the parent with a written or audiotaped copy of the child's individualized education program translated into the parent's primary language. Makes conforming changes.

(e) Authorizes the commissioner by rule to require a school district to include in the individualized education program of a student with autism, rather than with autism or another pervasive developmental disorder, any information or requirement determined necessary to ensure the student receives a free appropriate public education as required under the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.).

SECTION 3.09. Amends Section 29.0051, Education Code, by adding Subsection (d), as follows:

(d) Authorizes the commissioner, from federal money available for the purpose, to develop or procure the model form developed under Subsection (a) (relating to requiring TEA to develop a model form for use in developing a certain individualized education program) in a digital format. Requires the commissioner, if the commissioner develops or procures the model form in a digital format, to adopt rules regarding school district use of the form in that format.

SECTION 3.10. Amends Subchapter A, Chapter 29, Education Code, by adding Section 29.0056, as follows:

Sec. 29.0056. INFORMATION ON COMMUNITY-BASED SUPPORTS AND RESIDENTIAL OPTIONS. (a) Defines "state supported living center."

(b) Requires the Health and Human Services Commission (HHSC), in collaboration with TEA and stakeholders, to develop and provide to TEA materials regarding residential options and supports for children who are authorized to qualify for home and community-based supports or a residential placement. Requires TEA to make the materials developed under this subsection available to school districts.

(c) Requires that the materials include information regarding:

(1) the local intellectual and developmental disability authority; and

(2) community-based supports and residential options, including:

(A) certain waiver programs established under Section 1915(c), Social Security Act (42 U.S.C. Section 1396n(c));

(B) the Medicaid program serving individuals with an intellectual or developmental disability who receive care in intermediate care facilities other than a state supported living center; and

(C) state supported living centers.

- (d) Requires a school district to include the materials developed under Subsection (b) in the notice of procedural safeguards under 20 U.S.C. Section 1415(b).

SECTION 3.11. Amends Sections 29.006(a) and (c), Education Code, as follows:

- (a) Requires the governor to appoint a continuing advisory committee consistent with 20 U.S.C. Section 1412(a)(21), rather than composed of 17 members under 20 U.S.C. Section 1412(a)(21). Requires at least one member appointed under this subsection to be a director of special education programs for a school district.
- (c) Provides that members of the committee are appointed for staggered terms of four years with the terms of half of the members, or, for an odd number of members, half of the members rounded down or half of the members rounded up, rather than eight or nine, expiring on February 1 of each odd-numbered year.

SECTION 3.12. Amends Section 29.008, Education Code, as follows:

Sec. 29.008. New heading: **CONTRACTS FOR SERVICES; RESIDENTIAL AND DAY PLACEMENT PROGRAMS.** (a) Requires the commissioner to set minimum standards for and develop and update as necessary a list of approved public or private facilities, institutions, agencies, or businesses inside or outside of this state that a school district, shared services arrangement unit, or regional education service center is authorized to contract with for the provision of services to students with disabilities in a residential or day placement program. Makes nonsubstantive changes.

(a-1) Creates this subsection from existing text. Authorizes the commissioner to approve a facility, institution, agency, or business under Subsection (a), rather than a residential placement contract, only after at least a programmatic evaluation of personnel qualifications, costs, adequacy of physical plant and equipment, and curriculum content. Deletes existing text requiring that each contract for residential placement be approved by the commissioner. Deletes existing text authorizing the commissioner to approve either the whole or a part of a facility or program.

(a-2) Requires that each contract described by this section be approved by the commissioner. Requires a school district, shared services arrangement unit, or regional education service center seeking to place a student in a residential or day placement program that is not on the list developed under Subsection (a) to submit to the commissioner an application for approval in accordance with Subsections (a) and (a-1).

(b) Provides that this subsection expires September 1, 2027.

(c) Provides that when a student, including one for whom the state is managing conservator, is placed primarily for care or treatment reasons in a private facility, rather than a private residential facility, that operates its own private education program, the costs are prohibited from being paid from public funds. Makes conforming changes.

(d) Requires that the reevaluation of appropriateness of the arrangement include standards and expectations that the student would need to meet to be reintegrated to a regular school setting. Requires an approved facility, institution, agency, or business with whom the district contracts to periodically report to the district and TEA on the services the student has received or will receive in accordance with the contract as well as diagnostic or other evaluative information that the district or TEA requires in order to fulfill its obligations under Subchapter A (Special Education Program). Makes a nonsubstantive change.

- (e) Requires the commissioner to adopt rules for residential and day placement of students receiving special education services.

SECTION 3.13. Amends the heading to Section 29.009, Education Code, to read as follows:

Sec. 29.009. PUBLIC NOTICE CONCERNING EARLY CHILDHOOD SPECIAL EDUCATION PROGRAMS.

SECTION 3.14. Amends Section 29.010, Education Code, as follows:

Sec. 29.010. New heading: GENERAL SUPERVISION AND COMPLIANCE. (a) Requires TEA to develop, rather than adopt, and implement a comprehensive system for monitoring school district compliance with federal and state laws relating to special education. Requires that the monitoring system include a comprehensive cyclical process and a targeted risk-based process. Requires TEA to establish criteria and instruments for use in determining district compliance under this section. Deletes existing text requiring that the monitoring system provide for ongoing analysis of district special education data and of complaints filed with TEA concerning special education services and for inspections of school districts at district facilities. Deletes existing text requiring TEA to 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.

(a-1) Authorizes TEA, as part of the monitoring system, to require a school district to obtain specialized technical assistance for a documented noncompliance issue or if data indicates that technical assistance is needed, such as an incident involving injury to staff or students by a student receiving special education services or data indicating an excessive number of restraints are used on students receiving special education services.

(b) Requires TEA, as part of the monitoring process, rather than to complete the inspection, to obtain information from parents and teachers of students in special education programs in the district.

(c) Requires TEA to develop and implement a system of interventions and sanctions for school districts TEA identifies as being in noncompliance with, rather than a system of sanctions for school districts whose most recent monitoring visit shows a failure to comply with major requirements of, certain laws relating to special education.

(d) Requires TEA to establish a system of progressive sanctions and enforcement provisions to apply to districts that remain in noncompliance for more than one year. Provides that the sanctions are required to range in severity and are authorized to include the withholding of funds. Authorizes TEA, if funds are withheld, to use the funds, or direct the funds to be used, to provide, through alternative arrangements, services to students and staff members in the district from which the funds are withheld. Deletes existing text requiring that the first stage of sanctions, for districts that remain in noncompliance for more than one year, to begin with annual or more frequent monitoring visits. Deletes existing text authorizing subsequent sanctions to range in severity up to the withholding of funds. Makes nonsubstantive changes.

(e) Makes no changes to this subsection.

Deletes text of existing Subsection (f) providing that 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 3.15. Amends Section 29.012(d), Education Code, to require certain government agencies by a cooperative effort to develop and adopt, rather than develop and by rule adopt, a memorandum of understanding.

SECTION 3.16. Amends Section 29.013, Education Code, as follows:

Sec. 29.013. New heading: NONEDUCATIONAL COMMUNITY-BASED SUPPORT SERVICES GRANTS FOR CERTAIN STUDENTS WITH DISABILITIES. (a) Requires the commissioner to adopt rules establishing procedures and criteria for the allocation of grants under this section, using money appropriated or otherwise available for the purpose, to students who are eligible under Subsection (b) and the students' families for the provision of noneducational community-based support services.

Deletes existing text requiring TEA to establish procedures and criteria for the allocation of funds appropriated under this section to school districts for the provision of noneducational community-based support services to certain students with disabilities and their families so that those students may receive an appropriate free public education in the least restrictive environment.

(b) Provides that a grant is authorized to be awarded under this section only to a student with a disability who is placed by the student's admission, review, and dismissal committee in a residential program approved under Section 29.008 or a day placement program and is at risk of being placed in a residential program approved under Section 29.008. Deletes existing text providing that the funds are authorized to be used only for eligible students with disabilities who would remain or would have to be placed in residential facilities primarily for educational reasons without the provision of noneducational community-based support services. Makes nonsubstantive changes.

(c) Provides that the support services are prohibited from being related to the provision of a free appropriate public education to the student and are authorized to include in-home family support, behavioral and other disability-related supports for the student's family, respite care, and case management for the student's family, rather than for families with a student who otherwise would have been placed by a district in a private residential facility.

(d) Requires a school district to notify the parent of a student described by Subsection (b) of the availability of grants under this section and designate a campus or district staff member to assist families of students described by Subsection (b) in accessing grants under this section.

(e) Requires the commissioner, on request by the parent of a student described by Subsection (b), to create an account for the student to access a grant under this section through which the parent is authorized to request payment for approved support services.

(f) Requires the commissioner, in adopting rules under this section, to adopt rules and guidelines detailing the process to access grant money and the amount of each grant, including a process for a parent to apply for an increase in the grant amount.

(g) Creates this subsection from existing text. Provides that the provision of services under this section does not supersede or limit the responsibility of a school district or other agencies to provide or pay for costs, rather than costs of noneducational community-based support services, to enable any student with disabilities to receive a free appropriate public education in the least restrictive environment. Deletes existing text prohibiting services provided under this section, specifically, from being used for a student with disabilities who is currently placed or who needs to be placed in a residential facility primarily for noneducational reasons.

(h) Authorizes the commissioner to designate a regional education service center to administer grants under this section.

SECTION 3.17. Amends Sections 29.014(c) and (d), Education Code, as follows:

(c) Authorizes a student whose appropriate education program is a general, rather than regular, education program, notwithstanding any other provision of this code, to receive services and be counted for attendance purposes for the number of hours per week appropriate for the student's condition if the student fulfills certain criteria.

(d) Provides that 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 Section 48.102 (Special Education) and designated by commissioner rule for use under this section, rather than by the weight for a homebound student under Section 48.102(a) (relating to a certain weight determined according to instructional arrangement).

SECTION 3.18. Amends Section 29.0162(b), Education Code, to require that the rules adopted by the commissioner include certain requirements for a representative in a special education due process hearing, including that the representative have knowledge of certain information, including all special education dispute resolution options available to parents, including due process and due process rules, hearings, and procedure.

SECTION 3.19. Amends Section 29.018(b), Education Code, as follows:

(b) Provides that a school district is eligible to apply for a grant under Section 29.018 (Special Education Grant) if:

(1) the district does not receive sufficient funds, including state funds provided under Sections 48.102 and 48.1021 and federal funds, for a student with disabilities to pay for the special education services provided to the student; or

(2) the district does not receive sufficient funds, including state funds provided under Sections 48.102 and 48.1021 and federal funds, for all students with disabilities in the district to pay for the special education services provided to the students.

SECTION 3.20. Amends the heading to Section 29.020, Education Code, to read as follows:

Sec. 29.020. STATE-ADMINISTERED INDIVIDUALIZED EDUCATION PROGRAM FACILITATION.

SECTION 3.21. Amends Sections 29.020(a) and (c), Education Code, as follows:

(a) Requires TEA to develop rules in accordance with this section applicable to state-administered individualized education program facilitation, rather than the administration of a state individualized education program facilitation project. Requires that the state-administered individualized education program include the provision of an independent individualized education program facilitator as a dispute resolution method that is authorized to be used to avoid a potential dispute between a school district and a parent of a student with a disability or to facilitate an admission, review, and dismissal committee meeting with parties who are in a dispute about decisions relating to the provision of a free appropriate public education to a student with a disability. Requires that facilitation, rather than facilitation implemented under the project, comply with rules developed under this subsection.

(c) Makes conforming and nonsubstantive changes to this subsection.

SECTION 3.22. Amends Sections 29.022(a), (a-1), (b), (c), (c-1), (d), (f), (h), (k), (l), (q), (s), and (t), Education Code, as follows:

(a) Requires a school or campus that receives equipment as provided by this subsection to place, operate, and maintain one or more video cameras in special education classrooms and other special education settings, provided that the school or campus fulfills certain requirements. Deletes existing text requiring a school or campus that receives equipment as provided by this subsection to place, operate, and maintain one or more video cameras in 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.

(a-1)-(l) Makes conforming and nonsubstantive changes to these subsections.

(q) Requires TEA to collect through the Public Education Information Management System (PEIMS) data relating to requests made under this section and certain actions taken by a school district or open-enrollment charter school.

(s)-(t) Makes conforming changes to these subsections.

SECTION 3.23. Amends Sections 29.022(u)(3) and (4), Education Code, to define "special education classroom or other special education setting," redefine "staff member," and delete existing text providing that "self-contained classroom" does not include a classroom that is a resource room instructional arrangement under Section 48.102.

SECTION 3.24. Amends Subchapter A, Chapter 29, Education Code, by adding Sections 29.023, 29.024, 29.025, and 29.026, as follows:

Sec. 29.023. GRANT PROGRAM PROVIDING SERVICES TO STUDENTS WITH AUTISM. (a) Requires the commissioner, from money appropriated or otherwise available for the purpose, to establish a program to award grants to school districts and open-enrollment charter schools that provide innovative services to students with autism.

(b) Authorizes a school district, including a school district acting through a district charter issued under Subchapter C (Campus or Campus Program Charter), Chapter 12 (Charters), and an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014 (Authorization for Grant of Charters for Schools Primarily Serving Students with Disabilities), to apply for a grant under this section.

(c) Provides that a program is eligible for a grant under this section if the program incorporates certain techniques and gives priority for enrollment to students with autism.

(d) Prohibits a school district or open-enrollment charter school from taking certain actions.

(e) Authorizes a program under this section to include certain provisions.

(f) Requires the commissioner to create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.

(g) Requires the commissioner, in selecting programs to receive a grant under this section, to prioritize programs that are collaborations between multiple school districts, multiple charter schools, or school districts and charter schools. Requires that the selected programs reflect the diversity of this state.

(h) Provides that a program selected to receive a grant under this section is to be funded for two years.

(i) Provides that a grant awarded to a school district or open-enrollment charter school under this section is in addition to the Foundation School Program money that the district or charter school is otherwise entitled to receive. Prohibits a grant awarded under this section from coming out of Foundation School Program money.

(j) Authorizes the commissioner and any program selected under this section to accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program. Prohibits the commissioner and any program selected under this section from requiring any financial contribution from parents to implement and administer the program.

(k) Authorizes a regional education service center to administer grants awarded under this section.

Sec. 29.024. GRANT PROGRAM PROVIDING TRAINING IN DYSLEXIA FOR TEACHERS, STAFF, AND OTHER PERSONNEL. (a) Requires the commissioner, from money appropriated or otherwise available for the purpose, to establish a program to award grants each school year to certain academic institutions to increase local capacity to appropriately serve students with dyslexia.

(b) Provides that certain academic institutions are eligible to apply for a grant under this section if the institution submits to the commissioner a proposal on the use of grant funds that:

(1) incorporates evidence-based and research-based design; and

(2) increases local capacity to appropriately serve students with dyslexia by providing high-quality training to classroom teachers, administrators, and other relevant personnel in meeting the needs of students with dyslexia or training to intervention staff resulting in appropriate credentialing related to dyslexia, with priority for training staff to earn the credentials necessary to become a licensed dyslexia therapist or certified academic language therapist.

(c) Requires the commissioner to create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants under this section.

(d) Provides that a grant awarded under this section is in addition to the Foundation School Program money that the grant recipient is otherwise entitled to receive. Prohibits a grant awarded under this section from coming out of Foundation School Program money.

(e) Authorizes the commissioner and any grant recipient selected under this section to accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the grant. Prohibits the commissioner and any grant recipient selected under this section from requiring any financial contribution from parents to implement and administer the grant.

(f) Authorizes a regional education service center to administer grants awarded under this section.

Sec. 29.025. SUPPORTS FOR RECRUITING AND RETAINING SPECIAL EDUCATION STAFF. (a) Requires TEA, from money appropriated or otherwise available for the purpose, to provide grants each school year to school districts and open-enrollment charter schools to increase the number of certain qualified and appropriately credentialed special education staff.

(b) Requires a school district or open-enrollment charter school that receives a grant under this section to 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) Authorizes a regional education service center to administer grants awarded under this section.

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

Sec. 29.026. RULES. Authorizes the commissioner to adopt rules as necessary to implement this subchapter.

SECTION 3.25. Amends the heading to Subchapter A-1, Chapter 29, Education Code, to read as follows:

SUBCHAPTER A-1. PARENT-DIRECTED SERVICES FOR STUDENTS RECEIVING
SPECIAL EDUCATION SERVICES

SECTION 3.26. Amends Sections 29.041(2) and (3), Education Code, to define "supplemental instructional materials" and "supplemental services" and delete existing definitions of "supplemental special education instructional materials" and "supplemental special education services."

SECTION 3.27. Amends Section 29.042, Education Code, by amending Subsections (a) and (c) and adding Subsection (e), as follows:

(a) Requires TEA by rule to establish and administer a parent-directed program, rather than supplemental special education services and instructional materials program, for students receiving special education services through which a parent is authorized to direct supplemental services and supplemental instructional materials for the parent's student who meets the eligibility requirements for participation in the program. Requires TEA, subject to Subsection (c), to provide each student approved as provided by this subchapter a grant in the amount provided under Section 48.306, rather than a grant of not more than \$1,500, to purchase supplemental services and supplemental instructional materials, rather than supplemental special education services and supplemental special education instructional materials. Makes nonsubstantive changes.

(c) Authorizes a student to receive one grant under this subchapter unless the legislature appropriates money for an additional grant in the General Appropriations Act. Deletes existing text requiring the commissioner to set aside an amount set by appropriation for each state fiscal year to fund the program under Section 29.042 (Establishment and Administration of Program). Deletes existing text prohibiting the total amount provided for student grants under Subsection (a), for each state fiscal year, from exceeding the amount set aside by the commissioner under this subsection.

(e) Requires TEA to maintain an online user-friendly application system for parents to apply for a grant described by Subsection (a).

SECTION 3.28. Amends Section 29.045, Education Code, to make conforming and nonsubstantive changes.

SECTION 3.29. Amends Sections 29.046(a) and (b), Education Code, to make conforming changes.

SECTION 3.30. Amends Section 20.047(a), (c), (d), and (e), Education Code, to make conforming changes.

SECTION 3.31. Amends Section 29.048, Education Code, as follows:

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

(b) Requires the admission, review, and dismissal committee of a student approved for participation in the program, unless the district first verifies that an account has been assigned to the student under Section 29.045 (Approval of Application; Assignment of Account), to provide to the student's parent at an admission, review, and dismissal committee meeting for the student certain information. Makes conforming changes.

SECTION 3.32. Amends Subchapter A-1, Chapter 29, Education Code, by adding Section 29.0485, as follows:

Sec. 29.0485. DETERMINATION OF COMMISSIONER FINAL. Provides that, notwithstanding Section 7.057 (Appeals), a determination of the commissioner under this subchapter is final and is prohibited from being appealed.

SECTION 3.33. Amends Section 29.049, Education Code, to make conforming changes.

SECTION 3.34. Amends Section 29.153, Education Code, by amending Subsection (b) and adding Subsection (b-2), as follows:

(b) Provides that a child is eligible for enrollment in a prekindergarten class under this section if the child is at least three years of age and fulfills certain criteria, including being a child eligible for special education services under Subchapter A and the child's admission, review, and dismissal committee determines the prekindergarten class to be the most appropriate placement for the child under the child's individualized education program. Makes nonsubstantive changes.

(b-2) Authorizes a child described by Subsection (b)(8) (relating to a child eligible for certain special education services) who is at least three years of age but younger than four years of age to be enrolled in a prekindergarten class offered to children who are at least four years of age if the school district does not offer a prekindergarten program for children who are at least three years of age and the child's admission, review, and dismissal committee determines the prekindergarten class to be the most appropriate placement for the child under the child's individualized education program.

SECTION 3.35. Amends Section 29.301(1), Education Code, to redefine "admission, review, and dismissal committee."

SECTION 3.36. Amends Sections 29.304(a) and (c), Education Code, as follows:

(a) Requires a student who is deaf or hard of hearing to have an education in which certain educational professionals, including speech language pathologists, rather than speech therapists, understand the unique nature of deafness and the hard-of-hearing condition.

(c) Makes conforming changes to this subsection.

SECTION 3.37. Amends Section 29.310, Education Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Requires that all other procedures and materials used with any student who is deaf or hard of hearing and who is an emergent bilingual student as defined by Section 29.052, rather than has limited English proficiency, be in the student's preferred mode of communication.

(d) Requires each student who is deaf or hard of hearing, in recognizing the need for development of language and communication abilities in students who are deaf or hard of hearing but also calling for the use of methods of communication that will meet the needs of each individual student, to be thoroughly assessed to ascertain the student's potential for communicating through a variety of means.

SECTION 3.38. Amends Section 29.313, Education Code, as follows:

Sec. 29.313. New heading: EVALUATION OF DEAF AND HARD OF HEARING SERVICES. (a) Creates this subsection from existing text. Requires each school district to provide continuous evaluation of the effectiveness of the district's services, rather than programs of the district, for students who are deaf or hard of hearing. Requires that evaluations follow, rather than requires that, if practicable, evaluations follow, program excellence indicators established by TEA.

(b) Requires each school district to submit the evaluations under this section to TEA on a schedule set by TEA.

SECTION 3.39. Amends Section 29.314, Education Code, as follows:

Sec. 29.314. New heading: TRANSITION INTO GENERAL EDUCATION CLASS. Makes conforming changes to this section.

SECTION 3.40. Amends Section 29.315, Education Code, as follows:

Sec. 29.315. TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF UNDERSTANDING. Deletes existing text requiring TEA and TSD to agree to, and by commissioner rule adopt no later than September 1, 1998, a memorandum of understanding to establish the process for TEA to assign an accreditation status to the Texas School for the Deaf, to reevaluate the status on an annual basis, and, if necessary, to conduct monitoring reviews. Makes nonsubstantive changes.

SECTION 3.41. Amends Section 29.316, Education Code, as follows:

Sec. 29.316. LANGUAGE ACQUISITION. (a) Deletes existing definitions of "center" and "division."

(b) Requires each school district, rather than the commissioner and the executive commissioner of HHSC (executive commissioner) jointly, to ensure that the language acquisition of each child eight years of age or younger who is deaf or hard of hearing is regularly assessed using a tool or assessment approved by the commissioner, rather than determined to be valid and reliable as provided by Subsection (d).

(c) Requires each school district, on a schedule determined by the commissioner, to report to the commissioner through the PEIMS or another method set by commissioner rule the assessment data collected under Subsection (b).

Deletes existing text requiring TEA, the Division for Early Childhood Intervention Services of HHSC (division), and the Educational Resource Center on Deafness at TSD (center), to jointly prepare and post on TEA'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. Deletes existing text requiring that the report include certain information and fulfill certain requirements.

(d) Requires the commissioner to adopt rules establishing the assessment data required to be reported under Subsection (c). Deletes existing text requiring the commissioner, the executive commissioner and the center to enter into a memorandum of understanding regarding the identification of experts in deaf education and the determination, in consultation with those experts, of the tools and assessments that are valid and reliable, in both content and administration, for use in assessing the language acquisition of children eight years of age or younger who are deaf or hard of hearing.

(e) Requires the commissioner to annually post on TEA's Internet website a report on the language acquisition of children eight years of age or younger who are deaf or hard of hearing using the assessment data reported under Subsection (c). Deletes existing text requiring TEA to use existing collected data and data collected and transferred from the Department of State Health Services (DSHS) and HHSC, as agreed upon in the memorandum of understanding, for the report under this section.

(f) Requires the commissioner to use the assessment data reported under Subsection (c) in determining whether to award a grant under Section 29.018 or in seeking federal money available for projects aimed at improving outcomes for students with disabilities.

Deletes existing text requiring the commissioner and the executive commissioner jointly to adopt rules as necessary to implement this section, including rules for assigning each child eight years of age or younger who is deaf or hard of hearing a unique identification number for certain purposes and implementing this section in a manner that complies with certain federal and state laws.

SECTION 3.42. Amends the heading to Section 30.002, Education Code, to read as follows:

Sec. 30.002. STATE PLAN FOR CHILDREN WITH VISUAL IMPAIRMENTS, WHO ARE DEAF OR HARD OF HEARING, OR WHO ARE DEAF-BLIND.

SECTION 3.43. Amends Sections 30.002(a), (b), (c), and (e), Education Code, as follows:

(a) Requires TEA to develop and administer a comprehensive statewide plan for the education of children who are under 22 years of age and who have visual impairments, are deaf or hard of hearing, or are deaf-blind, rather than children with visual impairments who are under 21 years of age, that will ensure that the children have an opportunity for achievement equal to the opportunities afforded their peers who do not have visual impairments, are not deaf or hard of hearing, or are not deaf-blind, rather than their peers with normal vision.

(b) Requires TEA to:

(1) develop standards and guidelines for all special education and related services for children who have visual impairments, are deaf or hard of hearing, or are deaf-blind, rather than children with visual impairments, it is authorized to provide or support under this code and federal law;

(2) makes conforming and nonsubstantive changes to this subdivision; and

(3) maintain an effective liaison between special education programs provided for children who have visual impairments, are deaf or hard of hearing, or are deaf-blind by school districts and related initiatives of HHSC, TWC, and other related programs, agencies, or facilities as appropriate.

Deletes existing text requiring TEA to develop and administer special education services for students with both serious visual and auditory impairments, evaluate special education

services provided for children with visual impairments by school districts and approve or disapprove state funding of those services, and maintain an effective liaison between special education programs provided for children with visual impairments by school districts and related initiatives of DSHS Mental Health and Substance Abuse Division. Makes conforming and nonsubstantive changes.

(c) Requires that the comprehensive statewide plan for the education of children who have visual impairments, are deaf or hard of hearing, or are deaf-blind:

(1) adequately provide for comprehensive diagnosis and evaluation of each school-age child who has a visual impairment, is deaf or hard of hearing, or is deaf-blind and adequately outline the expectations of a school district for such a child under three years of age, rather than each school-age child with a serious visual impairment;

(2)-(3) makes conforming changes to these subdivisions;

(4) include information regarding the establishment of regional day school programs for the deaf under Subchapter D and the parameters of those programs;

(5) provide for flexibility on the part of school districts to meet the unique, rather than special, needs of children who have visual impairments, are deaf or hard of hearing, or are deaf-blind through certain measures, including short-term or long-term services through TSBVI, TSD, regional day school programs for the deaf, or related facilities or programs;

(6) redesignates existing Subdivision (7) as Subdivision (6) and makes conforming and nonsubstantive changes;

(7) describe recommended and required professional development activities based on the special education and related services provided by school district staff to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind;

(8) redesignates existing Subdivision (9) as Subdivision (8) and makes conforming and nonsubstantive changes;

(9) require that school districts providing special education services to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind develop procedures for assuring that staff assigned to work with the children have prompt and effective access directly to resources available through certain sources, including TSD and the statewide outreach center at TSD; and

(10) assist in the coordination of educational programs with certain other public and private agencies.

Deletes existing text requiring that the comprehensive statewide plan for the education of children with visual impairments include certain methods to ensure that children with visual impairments receiving special education services in school districts receive, before being placed in a classroom setting or within a reasonable time after placement, include a statewide admission, review, and dismissal process, and require the continuing education and professional development of school district staff providing special education services to children with visual impairments. Makes conforming and nonsubstantive changes.

(e) Provides that each eligible student who has a visual impairment, is deaf or hard of hearing, or is deaf-blind is entitled to receive educational programs according to an individualized education program that fulfills certain criteria, including that provides a detailed description of the arrangements made to provide the student with the evaluation and instruction required under this subchapter and Subchapter A, Chapter 29, rather than Subsection (c)(4), and setting forth the plans and arrangements made for contacts with

and continuing services to the student beyond regular school hours to ensure the student learns the skills and receives the instruction required under this subchapter and Subchapter A, Chapter 29, rather than Subsection (c)(4)(B) (relating to instruction in an expanded core curriculum including instruction in certain subjects).

SECTION 3.44. Amends Subchapter A, Chapter 30, Education Code, by adding Section 30.0021, as follows:

Sec. 30.0021. REQUIREMENTS FOR CHILDREN WITH VISUAL IMPAIRMENTS.

(a) Requires each child with a visual impairment to receive instruction in an expanded core curriculum required for children with visual impairments to succeed in classroom settings and to derive lasting, practical benefits from education in a school district, including instruction in certain skills.

(b) Requires that the full individual and initial evaluation of the child under Section 29.004 (Full Individual and Initial Evaluation) and any reevaluation of the child, to determine a child's eligibility for a school district's special education program under Subchapter A, Chapter 29, on the basis of a visual impairment, in accordance with commissioner rule:

(1) include an orientation and mobility evaluation conducted by a person who is appropriately certified as an orientation and mobility specialist, as determined by commissioner rule and in a variety of lighting conditions and settings, including in the child's home, school, and community and in settings unfamiliar to the child; and

(2) provide for a person who is appropriately certified as an orientation and mobility specialist, as determined by commissioner rule, to participate, as part of a multidisciplinary team, in evaluating the data on which the determination of the child's eligibility is based.

(c) Requires that, in developing an individualized education program under Section 29.005 (Individualized Education Program) for a child with a visual impairment, proficiency in reading and writing be a significant indicator of the child's satisfactory educational progress. Requires that the individualized education program include instruction in braille and the use of braille unless the child's admission, review, and dismissal committee documents a determination, based on an evaluation of the child's appropriate literacy media and literacy skills and the child's current and future instructional needs, that braille is not an appropriate literacy medium for the child.

(d) Provides that braille instruction is authorized to be used in combination with other special education services appropriate to the educational needs of a child with a visual impairment and required to be provided by a teacher certified to teach children with visual impairments under Subchapter B (Certification of Educators), Chapter 21 (Educators).

(e) Requires a school district to provide to each person assisting in the development of an individualized education program for a child with a visual impairment information describing the benefits of braille instruction.

(f) Requires the commissioner, to facilitate implementation of this section, to 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. Provides that the supplemental allowance is authorized to be spent only for special education services uniquely required by the nature of the child's disabilities and prohibits it from being used in lieu of educational funds otherwise available under the Education Code or through state or local appropriations.

SECTION 3.45. Amends Section 30.003, Education Code, by amending Subsections (b), (d), (f-1), and (g) and adding Subsection (b-1), as follows:

(b) Provides that, if the student is admitted to the school for a full-time program for the equivalent of two long semesters, the district's share of the cost is an amount equal to the dollar amount of maintenance and debt service taxes imposed by the district for that year, subject to Subsection (b-1), divided by the district's average daily attendance for the preceding year.

(b-1) Requires the commissioner to reduce the amount of maintenance taxes imposed by the district that are obligated to be paid under Subsection (b) for a year by the amount, if any, by which the district is required to reduce the district's local revenue level under Section 48.257 for that year.

(d) Requires that the information be reported to the commissioner on or before a date set by commissioner rule, rather than by rule of SBOE.

(f-1) Requires the commissioner to determine the total amount that TSBVI and TSD would have received from school districts in accordance with Section 30.003 (Support of Students Enrolled in Texas School for the Blind and Visually Impaired or Texas School for the Deaf) if certain provisions had not reduced the districts' share of the cost of providing education services, including Subsection (b-1) of this section. Makes nonsubstantive changes.

(g) Authorizes the commissioner, rather than SBOE, to adopt rules as necessary to implement this section.

SECTION 3.46. Amends Section 30.004(b), Education Code, to require the commissioner, rather than SBOE, to adopt rules prescribing the form and content of information required by Subsection (a) (relating to requiring each school district to provide each parent or other person having lawful control of a student with certain written information).

SECTION 3.47. Amends Section 30.005, Education Code, to delete existing text requiring TEA and TSBI to agree to and by commissioner rule adopt a memorandum of understanding to establish the process for TEA to assign an accreditation status to TSBVI, reevaluate the status on an annual basis, and if necessary, conduct monitoring reviews and to make nonsubstantive changes.

SECTION 3.48. Amends Section 30.021(e), Education Code, to make a conforming change.

SECTION 3.49. Amends Section 30.081, Education Code, to provide that the legislature, by Subchapter D (Regional Day Schools for the Deaf), intends to continue a process of providing on a statewide basis a suitable education to deaf or hard of hearing students who are under 22, rather than 21, years of age and assuring that those students have the opportunity to become independent citizens.

SECTION 3.50. Amends Section 30.083, Education Code, as follows:

Sec. 30.083. STATEWIDE PLAN. Requires the director of services to develop and administer a comprehensive statewide plan for educational services for students who are deaf or hard of hearing and receive special education and related services through a regional day school program for the deaf. Requires that the plan be included as part of the comprehensive state plan under Section 30.002 (Education for Children with Visual Impairments).

Deletes existing text requiring the director of services to develop and administer a comprehensive statewide plan for educational services for students who are deaf or hard of hearing, including continuing diagnosis and evaluation, counseling, and teaching. Deletes existing text requiring that the plan be designed to accomplish certain objectives.

Deletes text of existing Subsection (b) authorizing the director of services to establish separate programs to accommodate diverse communication methodologies. Makes nonsubstantive changes.

SECTION 3.51. Amends Section 37.146(a), Education Code, to require that a complaint alleging the commission of a school offense, in addition to the requirements imposed by Article 45A.101 (Complaint), Code of Criminal Procedure, fulfill certain criteria, including being accompanied by a statement from a school employee stating certain information, including whether the child is eligible for or receives special education services under Subchapter A, Chapter 29.

SECTION 3.52. Amends Section 38.003(c-1), Education Code, as follows:

(c-1) Requires TEA by rule to develop procedures designed to allow TEA to:

(1)-(2) makes no changes to these subdivisions;

(3) develop reasonable and appropriate remedial strategies to address school district noncompliance and ensure the purposes of this section are accomplished, which may include the publication of a recommended evidence-based dyslexia program list;

(4) makes a nonsubstantive change to this subdivision; and

(5) engage in general supervision activities, including activities under the comprehensive system for monitoring described by Section 29.010, to ensure school district compliance with the program approved by SBOE under this section and Part B, Individuals with Disabilities Education Act (20 U.S.C. Section 1411 et seq.)

Makes a nonsubstantive change to this subsection.

SECTION 3.53. Amends Section 48.009(b), Education Code, to require the commissioner by rule to require each school district and open-enrollment charter school to report through the PEIMS certain information, including information regarding students enrolled in a special education program under Subchapter A, Chapter 29, as necessary for TEA to adequately perform general supervision activities and determine funding under Sections 48.102 and 48.1021 and to make nonsubstantive changes.

SECTION 3.54. Amends Subchapter A, Chapter 48, Education Code, by adding Section 48.011, as follows:

Sec. 48.011. COMMISSIONER AUTHORITY TO RESOLVE UNINTENDED CONSEQUENCES. (a) Authorizes the commissioner, subject to Subsection (b), as necessary to implement changes made by the legislature to public school finance and school district maintenance and operations tax rates during the preceding four state fiscal years, to:

(1) adjust a school district's entitlement under this chapter if the funding formulas used to determine the district's entitlement result in an unanticipated loss, gain, or other result for a school district; and

(2) modify dates relating to the adoption of a school district's maintenance and operations tax rate and, if applicable, an election required for the district to adopt that tax rate.

(b) Requires the commissioner, before making an adjustment under Subsection (a), to notify and receive approval from the LBB and the Office of the Governor.

(c) Require the commissioner, if the commissioner makes an adjustment under Subsection (a), to provide to the legislature an explanation regarding the changes necessary to resolve the unintended consequences.

SECTION 3.55. Amends Section 48.102, Education Code, as follows:

Sec. 48.102. SPECIAL EDUCATION. (a) Provides that, for each student in average daily attendance in a special education program under Subchapter A, Chapter 29, rather than each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, a school district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight in an amount set by the legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualifies, rather than 1.15.

(a-1) Requires that the amount of an allotment under this section, notwithstanding Subsection (a), for the 2025–2026 and 2026–2027 school years, be determined in accordance with Section 48.1022. Provides that this subsection expires September 1, 2027. Deletes existing text providing that, 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 a certain annual allotment.

(b) Requires the commissioner by rule to define eight tiers of intensity of service for use in determining funding under this section. Requires the commissioner to include one tier specifically addressing students receiving special education services in residential placement and one tier for students receiving only speech therapy.

Deletes existing text requiring that 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 be established by commissioner rule. Deletes existing text requiring that the funding weight for this arrangement be 4.0 for those students who receive their education service on a local school district campus. Deletes existing text requiring that a special instructional arrangement for students with disabilities residing in state schools be established by commissioner rule with a funding weight of 2.8.

(c) Requires the commissioner, in defining the tiers of intensity of service under Subsection (b), to consider certain criteria. Deletes existing text prohibiting the number of contact hours credited per day for each student in the off home campus instructional arrangement, for funding purposes, from exceeding the contact hours credited per day for the multidistrict class instructional arrangement in the 1992–1993 school year.

(d) Redesignates existing Subsection (h) as Subsection (d).

(e) Redesignates existing Subsection (i) as Subsection (e). Requires TEA to ensure, rather than encourage, the placement of students in special education programs, including students in residential placement, rather than instructional arrangements, in the least restrictive environment appropriate for their educational needs.

(f) Redesignates existing Subsection (j) as Subsection (f). Provides that 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 the basic allotment, rather than 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 student, rather than 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, rather than the 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.

(g) Redesignates existing Subsection (k) as Subsection (g) and makes no further changes.

(h) Requires the commissioner, not later than December 1 of each even-numbered year, to submit to the LBB, for purposes of the allotment under this section, proposed weights for the tiers of intensity of service for the next state fiscal biennium.

Deletes text of existing Subsection (d)-(g).

SECTION 3.56. Amends Subchapter C, Chapter 48, Education Code, by adding Sections 48.1021 and 48.1022, as follows:

Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT. (a) Provides that, for each student in a special education program under Subchapter A, Chapter 29, 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 receives services.

(a-1) Requires that the amount of an allotment under this section, notwithstanding Subsection (a), for the 2025–2026 and 2026–2027 school years, be determined in accordance with Section 48.1022. Provides that this subsection expires September 1, 2027.

(b) Requires the commissioner by rule to establish at least four service groups for use in determining funding under this section. Requires the commissioner, in establishing the groups, to consider certain factors.

(c) Requires that at least 55 percent of the funds allocated under this section be used for a special education program under Subchapter A, Chapter 29.

(d) Requires the commissioner, not later than December 1 of each even-numbered year, to submit to the LBB, for purposes of the allotment under this section, proposed amounts of funding for the service groups for the next state fiscal biennium.

Sec. 48.1022. SPECIAL EDUCATION TRANSITION FUNDING. (a) Authorizes the commissioner, for the 2025–2026 and 2026–2027 school years, to 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) Requires the commissioner, for the 2025–2026 and 2026–2027 school years, to determine the formulas through which school districts receive funding under Sections 48.102 and 48.1021. Requires the commissioner, in determining the formulas, to ensure the estimated statewide increase from the allotment under Section 48.102 for the 2024–2025 school year to the sum of the allotments under Sections 48.102 and 48.1021 for the 2025–2026 school year is approximately \$800 million.

(c) Requires each school district and open-enrollment charter school to report to TEA information necessary to implement this section.

(d) Requires TEA to provide technical assistance to school districts and open-enrollment charter schools to ensure a successful transition in funding formulas for special education.

(e) Provides that this section expires September 1, 2028.

SECTION 3.57. Amends Sections 48.103(b), (c), and (d), Education Code, as follows:

(b) Provides that a school district is entitled to an allotment under Subsection (a) (relating to entitling a school district to a certain allotment for each student that a school district serves who has been identified as having dyslexia or a related disorder) only for a student who:

(1) is receiving instruction, services, or accommodations for dyslexia or a related disorder in accordance with an individualized education program developed for the student under Section 29.005 or accommodations for dyslexia or a related disorder in accordance with a plan developed for the student under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794); or

(2) is permitted, on the basis of having dyslexia or a related disorder, to use modifications in the classroom or accommodations in the administration of assessment instruments under Section 39.023 without a program or plan described by Subdivision (1).

Deletes existing text providing that a school district is entitled to an allotment under Subsection (a) only for a student who is receiving instruction that meets applicable dyslexia program criteria established by SBOE and is provided by a person with specific training in providing that instruction. Makes nonsubstantive changes.

(c) Authorizes a school district to receive funding for a student under each provision of this section, Section 48.102, and Section 48.1021 for which the student qualifies, rather than under this section and Section 48.102 if the student satisfies the requirements of both sections.

(d) Authorizes a school district to use the allotment, rather than an amount not to exceed 20 percent of the allotment, provided for a qualifying student under this section to contract with a private provider to provide supplemental academic services to the student that are recommended under the student's program or plan described by Subsection (b).

SECTION 3.58. Amends Section 48.110(d), Education Code, to provide that for a certain annual graduates, a school district is entitled to a certain annual outcomes bonus, including a bonus of, if the annual graduate is enrolled in a special education program under Subchapter A, Chapter 29, \$4,000, rather than \$2,000, regardless of whether the annual graduate is educationally disadvantaged.

SECTION 3.59. Amends Section 48.151(g), Education Code, as follows:

(g) Provides that a school district or county that provides special transportation services for eligible special education students is entitled to a state allocation at a rate per mile equal to the sum of the rate per mile set under Subsection (c) (relating to providing that each district or county operating a regular transportation system is entitled to a certain allotment) and \$0.13, or a greater amount provided by appropriation. Deletes existing text providing that a school district or county that provides special transportation services for eligible special education students is entitled to a state allocation paid on a previous year's cost-per-mile basis. Deletes existing requiring that the rate per mile allowable be set by appropriation based on data gathered from the first year of each preceding biennium.

SECTION 3.60. Amends Subchapter D, Chapter 48, Education Code, by adding Section 48.158, as follows:

Sec. 48.158. SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL EVALUATION. Provides that, for each child 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 \$1,000 or a greater amount provided by appropriation.

SECTION 3.61. Amends Section 48.265(a), Education Code, as follows:

(a) Authorizes the commissioner, 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 Chapter 48, to provide grants using the excess money for certain costs. Deletes existing text requiring the commissioner by rule, 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, notwithstanding any other provision of law, to establish a grant program through which excess funds are awarded as grants for certain costs.

SECTION 3.62. Amends Section 48.279(e), Education Code, to require the commissioner, after the commissioner has replaced any withheld federal funds as provided by Subsection (d) (relating to federal funds withheld for a school year due to noncompliance with requirements regarding maintenance of state financial support), to distribute the remaining amount, if any, of funds described by Subsection (a) (relating to state funds for purposes of compliance with the requirements regarding maintenance of state financial support for special education) 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 3.63. Amends Subchapter G, Chapter 48, Education Code, by adding Sections 48.304, 48.306, and 48.315, as follows:

Sec. 48.304. DAY PLACEMENT PROGRAM OR COOPERATIVE FUNDING. (a) Provides that, for each qualifying day placement program or cooperative that a regional education service center, school district, or open-enrollment charter school establishes, the program or cooperative is entitled to an allotment of:

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

(2) the sum of:

(A) \$100,000 for each year of the program's or cooperative's operation after the first year; and

(B) \$150,000 if at least three students are enrolled in the program or cooperative for a year described by Paragraph (A).

(b) Provides that a day placement program or cooperative qualifies for purposes of Subsection (a) if:

(1) the program or cooperative complies with commissioner rules adopted for purposes of this section under Section 48.004 (Administration of the Program);

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

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

(c) Prohibits TEA from designating more than one day placement program or cooperative for service per county each year.

(d) Authorizes TEA to designate a regional education service center to implement and administer this section.

(e) Prohibits TEA, notwithstanding any other provision of this section, from providing an allotment under this section to more than 20 day placement programs or cooperatives for a year.

Sec. 48.306. PARENT-DIRECTED SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES GRANT. (a) Provides that a student to whom TEA awards a grant under Subchapter A-1, Chapter 29, is entitled to receive an amount of \$1,500 or a greater amount provided by appropriation.

(b) Requires the legislature to include in the appropriations for the Foundation School Program state aid sufficient for TEA to award grants under Subchapter A-1, Chapter 29, in the amount provided by this section.

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

(d) Provides that a regional education service center designated to administer the program under Subchapter A-1, Chapter 29, for a school year is entitled to an amount equal to four percent of each grant awarded under that subchapter for that school year.

(e) Provides that, notwithstanding Section 7.057, a determination of the commissioner under this section is final and is prohibited from being appealed.

Sec. 48.315. FUNDING FOR REGIONAL DAY SCHOOL PROGRAMS FOR THE DEAF. (a) Provides that the program administrator or fiscal agent of a regional day school program for the deaf is entitled to receive for each school year an allotment of \$6,925, or a greater amount provided by appropriation, for each student receiving services from the program.

(b) Requires TEA, notwithstanding Subsection (a), to adjust the amount of an allotment under that subsection for a school year to ensure the total amount of allotments provided under that subsection is at least \$35 million for that school year.

SECTION 3.64. Repealers: Sections 7.055(b)(24) (relating to requiring the commissioner, with the approval of SBOE, to develop and implement a certain plan for the coordination of services to children with disabilities) and 7.102(c)(18) (relating to authorizing SBOE to approve the long-range plan for public education to be developed and implemented by the commissioner for the coordination of services to children with disabilities), Education Code

Repealers: Sections 7.102(c)(19) (relating to requiring SBOE to establish a date by which each school district and state institution is required to provide to the commissioner the necessary information to determine the district's share of the cost of the education of certain students) and (20) (relating to requiring SBOE to adopt rules prescribing the form and content of certain information school districts are required to provide), Education Code.

Repealers: Sections 7.102(c)(21) (relating to requiring SBOE to adopt rules concerning admission of students to TSD) and (22) (relating to requiring SBOE to carry out powers and duties related to regional day school programs for the deaf), Education Code.

Repealer: Section 29.002 (Definition), Education Code.

Repealers: Sections 29.0041(c) (relating to prohibiting the time required for the district to provide certain information and seek certain consent from being counted toward the 60 calendar days for completion of a certain evaluation) and 29.005(f) (relating to authorizing the written statement of a student's individualized education program to be required to include only certain information), Education Code.

Repealer: Section 29.0161 (Contract with State Office of Administrative Hearings for Special Education Due Process Hearings), Education Code.

Repealer: Section 29.018(c) (relating to requiring a school district that applies for a grant under Section 29.018 to provide the commissioner with a certain report), Education Code

Repealers: Sections 29.308 (Regional Programs) and 29.309 (Composition of Local Special Education Advisory Committee), Education Code.

Repealers: Sections 29.311 (Educational Programs) and 30.001 (Coordination of Services to Children with Disabilities), Education Code.

Repealer: Section 30.0015 (Transfer of Assistive Technology Devices), Education Code.

Repealers: Sections 30.002(c-1) (relating to requiring the full individual and initial evaluation of a certain student, in accordance with commissioner rule, to fulfill certain requirements) and (c-2) (relating to requiring that the scope of any reevaluation by a school district of a certain student be determined by a certain multidisciplinary team), Education Code.

Repealers: Sections 30.002(f) (relating to requiring that the individualized education program for a student with a visual impairment include instruction in braille and the use of braille unless certain conditions apply) and (f-1) (relating to requiring each person assisting in the development of the individualized education program for a student with a visual impairment to receive information describing the benefits of braille instruction), Education Code.

Repealer: Section 30.002(g) (relating to requiring the commissioner to develop a system to distribute from the foundation school fund to school districts or regional education service centers a special supplemental allowance for certain students), Education Code.

Repealer: Section 30.084 (Establishment of Programs), Education Code.

Repealers: Sections 30.087(b) (relating to requiring the commissioner, from the amount appropriated for regional day school programs, to allocate funds to each program based on the number of weighted full-time equivalent students served) and 38.003(d) (relating to the definitions of "dyslexia" and "related disorders"), Education Code.

SECTION 3.65. Requires the commissioner to award a grant under Subchapter A-1, Chapter 29, Education Code, as amended by this Act, for the 2025–2026 school year to each eligible applicant who applied but was not accepted for the 2024–2025 school year.

ARTICLE 4. TRANSITION AND EFFECTIVE DATE

SECTION 4.01. (a) Provides that, except as otherwise provided by this Act and by Subsection (b) of this section, the changes made by this Act to Chapters 7 (State Organization), 8 (Regional Education Service Centers), 12A, 21, 25 (Admission, Transfer, and Attendance), 28 (Courses of Study; Advancement), 29, 30 (State and Regional Programs and Services), 37 (Discipline; Law

and Order), and 38 (Health and Safety), Education Code, apply beginning with the 2025–2026 school year.

(b) Provides that Section 21.0032, Education Code, as added by this Act, and Sections 21.3521 and 29.008, Education Code, as amended by this Act, apply beginning with the 2026–2027 school year.

SECTION 4.02. (a) Effective date, except as otherwise provided by this Act and as provided by Subsections (b) and (c) of this section: September 1, 2025.

(b) Effective date, Chapters 7, 8, 12A, 21, 25, 28, 29, 30, 37, and 38, Education Code, and Section 48.283, Education Code: upon passage or September 1, 2025.

(c) Effective date, Sections 48.104, 48.105 (Bilingual Education Allotment), and 48.112, Education Code: September 1, 2026.