

By: Goodwin

H.B. No. 1770

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 48.051, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (a-3) to read as follows:

(a) Subject to adjustment under Subsection (a-1) , for ~~[For]~~ each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to the lesser of \$7,500 ~~[\$6,160]~~ or the amount that results from the following formula:

$$A = \underline{\$7,500} \text{ } \underline{[\$6,160]} \times \text{TR/MCR}$$

where:

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

"TR" is the district's tier one maintenance and operations tax rate, as provided by Section 45.0032; and

"MCR" is the district's maximum compressed tax rate, as determined under Section 48.2551.

(a-1) Subject to Subsection (a-3), beginning with the 2026-2027 school year, the basic allotment provided to a district

1 under Subsection (a) or (b) is adjusted annually to increase the
2 allotment by the lesser of:

3 (1) three percent of the amount of the allotment for
4 the preceding school year; or

5 (2) the amount that results from applying the
6 inflation rate, as determined by the comptroller on the basis of
7 changes in the Consumer Price Index for All Urban Consumers
8 published by the Bureau of Labor Statistics of the United States
9 Department of Labor, to the allotment for the preceding school
10 year.

11 (a-2) If the inflation rate for a school year is less than
12 zero, the inflation rate to be used for purposes of Subsection (a-1)
13 is zero.

14 (a-3) The legislature in the General Appropriations Act may
15 provide for a lesser amount than the amount determined under
16 Subsection (a-1), provided that the amount is equal to or greater
17 than the amount provided under Subsection (a).

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

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

23 (1) the greater of the amount of district tax revenue
24 per weighted student per cent of tax effort available to a school
25 district at the 96th percentile of wealth per weighted student or
26 the amount that results from multiplying \$7,500 [~~6,160~~], or the
27 greater amount provided under Section 48.051(a-1) or (b)

1 ~~[48.051(b)]~~, if applicable, by 0.016, for the first eight cents by
2 which the district's maintenance and operations tax rate exceeds
3 the district's tier one tax rate; and

4 (2) subject to Subsection (f), the amount that results
5 from multiplying \$7,500 [~~\$6,160~~], or the greater amount provided
6 under Section 48.051(a-1) or (b) [~~48.051(b)~~], if applicable, by
7 0.008, for the district's maintenance and operations tax effort
8 that exceeds the amount of tax effort described by Subdivision (1).

9 SECTION 3. This Act takes effect September 1, 2025.