

By: Dutton

H.B. No. 2396

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of students between public schools.

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

SECTION 1. Section 25.001, Education Code, is amended by amending Subsection (h) and adding Subsection (k) to read as follows:

(h) In addition to the penalty provided by Section 37.10, Penal Code, a person who knowingly falsifies information on a form required for enrollment of a student in a school district is liable to the district if the student is not eligible for enrollment in the district but is enrolled on the basis of the false information. The person is liable, for the period during which the ineligible student is enrolled, for ~~the greater of:~~

~~[(1) the maximum tuition fee the district may charge under Section 25.038, or~~

~~[(2)] the amount the district has budgeted for each student as maintenance and operating expenses.~~

(k) Notwithstanding any other law, a school district shall allow a student who qualifies for admission under this subchapter to enroll at the campus nearest to the student's residence offering the appropriate grade level, regardless of whether the student resides in the attendance zone of that district or campus and provided that the campus has capacity, as determined under Section 25.046.

1 SECTION 2. Section 25.036, Education Code, is amended to  
2 read as follows:

3 Sec. 25.036. TRANSFER OF STUDENT. (a) Any child, other  
4 than a high school graduate, who is younger than 21 years of age and  
5 eligible for enrollment on September 1 of any school year may apply  
6 to transfer [~~annually~~] from the child's school district [~~of~~  
7 ~~residence~~] to any public school [~~another district~~] in this state  
8 that offers the appropriate grade level and has capacity, as  
9 determined under Section 25.046 [~~if both the receiving district and~~  
10 ~~the applicant parent or guardian or person having lawful control of~~  
11 ~~the child jointly approve and timely agree in writing to the~~  
12 ~~transfer~~].

13 (b) Before the beginning of each school year, a school  
14 district shall:

15 (1) require a transfer applicant under Subsection (a)  
16 to complete and submit the district's transfer application form by  
17 a reasonable deadline established by the district; and

18 (2) admit each eligible transfer applicant until  
19 enrollment at the campus reaches capacity, as determined under  
20 Section 25.046.

21 (c) If a school district receives more eligible transfer  
22 applications for a district campus or a specific grade level at a  
23 district campus than the district has capacity for at that campus or  
24 in that grade level, as determined under Section 25.046, the  
25 district shall fill the available positions by lottery. A school  
26 district shall offer to a student who the district does not enroll  
27 due to lack of capacity an available position, if any, in the

1 appropriate grade level at another district campus.

2 (d) A school district that must fill positions by lottery  
3 under Subsection (c) shall, in developing the lottery system,  
4 ensure priority is given to an applicant who:

5 (1) resides in the district;

6 (2) is enrolled as a transfer student in the district  
7 at another campus but has completed the highest grade level offered  
8 at that campus;

9 (3) is a sibling of a student currently enrolled at a  
10 district campus;

11 (4) is applying to transfer to a campus that is the  
12 campus geographically nearest to the student's residence that  
13 offers the appropriate grade level, regardless of whether the  
14 student resides in the attendance zone of that campus;

15 (5) receives special education services under  
16 Subchapter A, Chapter 29;

17 (6) is in foster care; or

18 (7) is a dependent of a person who is employed at the  
19 campus to which the student is applying to transfer.

20 (e) A school district that receives more eligible transfer  
21 applications for a district campus or a specific grade level at a  
22 district campus than the district may enroll at the capacity  
23 determined under Section 25.046 for that campus or grade level  
24 shall establish and maintain a waiting list for transfer applicants  
25 who are not admitted.

26 (f) If a position at a school district campus with a  
27 waitlist under Subsection (e) becomes available after the start of

1 the school year, the district shall first admit transfer applicants  
2 according to that waitlist and then admit any additional transfer  
3 applicants in the order in which those additional transfer  
4 applications are received.

5 (g) A school district may not deny a student's transfer  
6 application unless:

7 (1) the requested district or campus is determined to  
8 be at capacity under Section 25.046; or

9 (2) the student requesting the transfer is, at the  
10 time of the application:

11 (A) expelled or suspended from the student's  
12 school;

13 (B) placed in a disciplinary alternative  
14 education program or juvenile justice alternative education  
15 program; or

16 (C) subject to an ongoing disciplinary  
17 proceeding under a district's student code of conduct adopted under  
18 Section 37.001 that may lead to the student's:

19 (i) out-of-school suspension;

20 (ii) placement in a disciplinary  
21 alternative education program or juvenile justice alternative  
22 education program; or

23 (iii) expulsion.

24 (h) Notwithstanding any other law, a transfer applicant  
25 under this section may only appeal a denial of the applicant's  
26 transfer application as provided by this subsection. The parent of  
27 or person standing in parental relation to a student may appeal a

1 denial of the student's transfer application by submitting the  
2 appeal not later than the 10th day after the date of notification of  
3 the application denial to the board of trustees of the receiving  
4 school district. The receiving school district must consider the  
5 appeal at the board's next regularly scheduled meeting and notify  
6 the parent of the board's decision not later than the 10th day after  
7 the date of that meeting. If the receiving school district board of  
8 trustees denies the appeal, the parent of or person standing in  
9 parental relation to the student may appeal that denial by  
10 submitting the appeal to the commissioner not later than the 10th  
11 day after the date of notification of the board's denial of the  
12 appeal. The commissioner must provide a decision regarding an  
13 appeal received under this subsection not later than the 90th day  
14 after the date the commissioner receives notice of the appeal. The  
15 commissioner must allow the appealing person and a representative  
16 from the receiving school district to provide comment to the  
17 commissioner regarding the appeal. An appeal under this subsection  
18 must be submitted on a form approved by the commissioner.

19 (i) A student who transfers to another school district or  
20 district campus as provided by this section may remain at the  
21 receiving campus until that student completes the highest grade  
22 level offered at the campus.

23 (j) Once a student who transfers to another school district  
24 or district campus as provided by this section completes the  
25 highest grade level offered at the receiving campus, the student  
26 must reapply to continue attending school in the receiving  
27 district. The district must prioritize admitting the student as

1 provided by Subsection (d).

2 (k) A school district may not deny admission to a student  
3 who resides in the attendance zone of the district, including a  
4 student who attends an open-enrollment charter school in the  
5 district, for the purpose of accepting a transfer applicant under  
6 this section.

7 (l) A school district campus that uses a selective  
8 admissions process in accordance with a specific instructional  
9 model or performing arts focus may retain that selective admissions  
10 process if the admissions process prohibits discrimination on the  
11 basis of a student's:

12 (1) sex, national origin, ethnicity, religion,  
13 disability, socioeconomic status, or athletic ability;

14 (2) disciplinary record, except as permitted under  
15 Subsection (g); or

16 (3) assigned school district or district campus based  
17 on the attendance zone of the student's residence.

18 (m) The commissioner shall adopt rules necessary to  
19 implement this section, including rules establishing:

20 (1) an admissions lottery, as described by Subsection  
21 (c), and a waitlist as described by Subsection (e);

22 (2) procedures to ensure that selective admissions  
23 processes at applicable open-enrollment district campuses comply  
24 with Subsection (l); and

25 (3) procedures to ensure this section complies with  
26 state and federal law regarding confidentiality of student medical  
27 or educational information, including the Health Insurance

1 Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d  
2 et seq.) and the Family Educational Rights and Privacy Act of 1974  
3 (20 U.S.C. Section 1232g).

4 (n) [A transfer agreement under this section shall be filed  
5 and preserved as a receiving district record for audit purposes of  
6 the agency.]

7 [(e)] In the case of a transfer under this section, a  
8 child's school district of residence shall provide the receiving  
9 district with the child's disciplinary record and any threat  
10 assessment involving the child's behavior conducted under Section  
11 [37.115](#).

12 SECTION 3. Subchapter B, Chapter 25, Education Code, is  
13 amended by adding Sections 25.046 and 25.047 to read as follows:

14 Sec. 25.046. TRANSFER CAPACITY; DISTRICT POLICY. (a)  
15 Except as provided by Subsection (c), each year on the first day of  
16 January, April, July, and October, the board of trustees of a school  
17 district shall determine the capacity of each district campus and  
18 the capacity of each grade level offered at each campus. For  
19 purposes of this section, the capacity of a district campus or a  
20 grade level at that campus is the total number of students that may  
21 be admitted at the campus or at that grade level, as applicable,  
22 less the students who are currently enrolled at that campus or at  
23 that grade level, as applicable. Based on the board's  
24 determination of campus or grade level capacity and current student  
25 enrollment, the district shall identify the number of available  
26 positions at each campus and for each grade level. In determining  
27 campus and grade level capacity, the district shall consult the

1 most recent district facility plan, including a facility plan  
2 created as part of a district bond proposal.

3 (b) The district shall post for each campus in the district  
4 on the district's Internet website, if the district maintains a  
5 website, the most recent determination of campus and grade level  
6 capacity. If the district does not maintain a website, the district  
7 shall make the information required under this subsection available  
8 to the public at a district administrative office.

9 (c) A school district is not required to determine the  
10 capacity of a new instructional facility, as defined by Section  
11 48.152, in the first school year in which students attend the new  
12 instructional facility.

13 (d) The board of trustees of a school district shall adopt a  
14 written policy that meets the requirements adopted by the  
15 commissioner under Subsection (f) for the admission of a transfer  
16 applicant under this subchapter. The board shall make the policy  
17 available to the public in the same manner the district makes  
18 available the district's determination of campus and grade level  
19 capacity under Subsection (b). The policy must include:

20 (1) adoption of a transfer application form;  
21 (2) the provision of the address of the district  
22 administrative office where a person may access the district's  
23 determination of campus and grade level capacity, if the district  
24 does not maintain an Internet website; and

25 (3) the provision of information regarding available  
26 options for transportation provided by the district or in the  
27 community.



1       (e) The agency shall establish and maintain on the agency's  
2 Internet website a publication that includes each school district's  
3 policy adopted under this section and campus or grade level  
4 capacity determinations under Subsection (a).

5       (f) The commissioner shall adopt rules and prescribe  
6 procedures necessary to implement this section, including by  
7 developing any necessary model policies, forms, or templates for  
8 use by a school district in complying with Subsection (d). In  
9 adopting rules to implement this section, the commissioner shall  
10 consider feedback from districts and shall prioritize:

11           (1) flexibility of access for students;

12           (2) encouraging districts to accommodate student  
13 transfers; and

14           (3) preventing districts from discouraging student  
15 transfers.

16       Sec. 25.047. REPORTING AND AUDIT REQUIREMENTS. (a)  
17 Subject to Subsection (b), each school district shall annually  
18 submit not later than the last Friday in October of each school year  
19 a report to the agency regarding the transfer of students to and  
20 from the district during the preceding school year. The report must  
21 include:

22           (1) for each district campus, the quarterly campus and  
23 grade level capacity determinations under Section 25.046;

24           (2) for each campus, the number of transfer  
25 applications for transfers to that campus the district received,  
26 the number of applications that were granted, and the number of  
27 applications that were denied, including the reason for the denial;

1           (3) the information described by Subdivisions (1) and  
2 (2) aggregated for all campuses in the district; and

3           (4) for the purposes of demographic analysis, any  
4 information required by the commissioner as necessary to identify  
5 each student admitted to or denied admission to a campus in the  
6 district who is or was previously enrolled in a public school in  
7 this state.

8           (b) A school district with only one campus serving each  
9 grade level is exempt from Subsection (a)(3).

10           (c) Not later than March 15 of each year, the agency shall  
11 post on the agency's Internet website a report on the transfer and  
12 assignment of students. The report must include:

13           (1) a summary of school district admission practices  
14 relating to student transfer admissions;

15           (2) for the state, the aggregated data reported under  
16 Subsection (a);

17           (3) for each district, the aggregated data reported  
18 under Subsection (a);

19           (4) a demographic analysis of the students  
20 transferring districts;

21           (5) a demographic analysis of the students  
22 transferring between campuses in the same district;

23           (6) for each district, the number of transfer  
24 applicants seeking admission or withdrawal, showing the potential  
25 net change in enrollment; and

26           (7) for each district, the actual number of students  
27 who transferred into or out of the district, showing the actual net

1 change in enrollment.

2 (d) Every sixth year, the agency shall publish a study of  
3 statewide transfer trends that includes:

4 (1) the total number of students transferring  
5 districts and of students transferring between campuses in the same  
6 district;

7 (2) using data from the preceding six school years, an  
8 analysis at the state and district levels of changes in:

9 (A) the number of districts and campuses  
10 admitting transfer students;

11 (B) the number of students transferring  
12 districts; and

13 (C) the number of students transferring between  
14 campuses in the same district;

15 (3) a demographic analysis of the students  
16 transferring districts and of the students transferring between  
17 campuses in the same district;

18 (4) using data from the preceding six school years, an  
19 analysis of the patterns of student movement between districts and  
20 campuses, including a description of any characteristics that are  
21 correlated with students transferring to or away from districts or  
22 campuses;

23 (5) a summary of district practices regarding  
24 transportation of transfer students;

25 (6) an explanation of the reasons students choose to  
26 transfer districts or campuses and the barriers faced by students  
27 in transferring districts or campuses;

1           (7) an explanation of the challenges restricting  
2 districts from admitting more transfer students;

3           (8) performance outcomes for inter- and  
4 intra-district transfer students, including changes in student  
5 proficiency after the date of transfer; and

6           (9) the effects of inter-district transfers on test  
7 scores and program offerings for sending and receiving districts.

8           (e) Each school year, the agency shall randomly select 10  
9 percent of the school districts in this state and conduct an audit  
10 of each district's capacity determination under Section 25.046 and  
11 of each district's approved and denied transfer applications. If  
12 the agency finds inaccurate reporting of capacity levels by a  
13 school district, the agency shall set the capacity for the  
14 district. Districts audited during the preceding two school years  
15 may not be selected for audit.

16           (f) The commissioner shall adopt rules necessary to  
17 implement this section.

18           SECTION 4. Section 34.007(a), Education Code, is amended to  
19 read as follows:

20           (a) A board of county school trustees or a school district  
21 board of trustees may establish and operate an economical public  
22 school transportation system:

23                   (1) in the county or district, as applicable;

24                   (2) outside the county or district, as applicable, if  
25 the county or school district enters into an interlocal contract as  
26 provided by Chapter 791, Government Code; or

27                   (3) outside the district if students enrolled in the

1 district reside outside the district and the district:

2 (A) has an active policy adopted by the board  
3 that prohibits screening transfer students who reside outside the  
4 district based on the student's academic performance, disciplinary  
5 history, except as provided by Section 25.036(g)(2), or attendance  
6 record, regardless of any relevant district or innovation plan  
7 adopted by the board or authorization to screen transfer students  
8 under any other authority; ~~and~~

9 (B) certifies that the district has:

10 (i) an overall performance rating of C or  
11 higher under Section 39.054 for the preceding school year or the  
12 most recent school year in which a performance rating was assigned;  
13 and

14 (ii) an overall accountability score of 70  
15 or higher for the preceding school year or the most recent school  
16 year in which a performance rating was assigned as calculated by the  
17 agency for purposes of determining the district's overall  
18 performance rating under Section 39.054; and

19 (C) certifies that the district or receiving  
20 campus has ~~(iii)~~ the same or better overall performance rating  
21 under Section 39.054 for the preceding school year or the most  
22 recent school year in which a performance rating was assigned as the  
23 school district or campus from which the district will transport  
24 students under this subdivision.

25 SECTION 5. The following provisions of the Education Code  
26 are repealed:

27 (1) Section 25.038;

1           (2) Sections 25.039(b) and (c); and

2           (3) Section 48.154.

3           SECTION 6. The changes in law made by this Act may not be  
4 interpreted to affect the authority or existing rules of the  
5 University Interscholastic League regarding the participation of a  
6 student in an interscholastic competition.

7           SECTION 7. Not later than September 1, 2031, the Texas  
8 Education Agency shall publish the first study of statewide  
9 transfer trends required under Section 25.047, Education Code, as  
10 added by this Act.

11          SECTION 8. This act applies beginning with the 2025-2026  
12 school year.

13          SECTION 9. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2025.