

AN ACT

relating to the establishment of an education savings account program.

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

SECTION 1. The purpose of this Act is to:

(1) provide additional educational options to assist families in this state in exercising the right to direct the educational needs of their children; and

(2) achieve a general diffusion of knowledge.

SECTION 2. Chapter 29, Education Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. EDUCATION SAVINGS ACCOUNT PROGRAM

Sec. 29.351. DEFINITIONS. In this subchapter:

(1) "Account" means an education savings account established under the program.

(2) "Certified educational assistance organization" means an organization certified under Section 29.354 to support the administration of the program.

(3) "Child with a disability" means a child who is eligible to participate in a school district's special education program under Section 29.003.

(4) "Higher education provider" means an institution of higher education or a private or independent institution of higher education, as those terms are defined by Section 61.003.

1           (5) "Parent" means a resident of this state who is a  
2 natural or adoptive parent, managing or possessory conservator,  
3 legal guardian, custodian, or other person with legal authority to  
4 act on behalf of a child.

5           (6) "Participating child" means a child enrolled in  
6 the program.

7           (7) "Participating parent" means a parent of a  
8 participating child.

9           (8) "Program" means the program established under this  
10 subchapter.

11           (9) "Program participant" means a participating child  
12 or a participating parent.

13           Sec. 29.352. ESTABLISHMENT OF PROGRAM. (a) The  
14 comptroller shall establish and administer a program to provide  
15 funding for approved education-related expenses of children  
16 participating in the program and has the authority to:

17           (1) execute contracts, agreements, and other  
18 instruments for goods and services;

19           (2) engage the services of private consultants,  
20 actuaries, trustees, records administrators, managers, and legal  
21 counsel for administrative and technical assistance; and

22           (3) perform any duty assigned to a certified  
23 educational assistance organization under this subchapter.

24           (b) The program confers a state benefit to program  
25 participants in addition to a free public education.

26           Sec. 29.3521. AMOUNT OF APPROPRIATION; LIMITATION ON  
27 EXPENDITURES. (a) In the comptroller's legislative appropriations

request for each state fiscal biennium, the comptroller shall state the amount of money necessary for the biennium to provide the amount specified under Section 29.361 for each:

(1) participating child;

(2) child on the waiting list maintained by the comptroller under Section 29.356(f) on the January 1 preceding the biennium; and

(3) child who is a sibling of a participating child and is eligible for the program under Section 29.355 for the first time during that biennium.

(b) For purposes of Subsection (a), the comptroller shall specify the amount described by that subsection for the first state fiscal year of the biennium and estimate the amount required for the second state fiscal year of the biennium.

(c) Notwithstanding the amount stated in the comptroller's legislative appropriations request under Subsection (a), the amount appropriated for purposes of the program for a state fiscal biennium must be established by the legislature by appropriation for that biennium.

(c-1) Notwithstanding any other law, for the state fiscal biennium beginning September 1, 2025, the amount spent for purposes of the program may not exceed \$1 billion. This subsection expires September 1, 2027.

(d) Notwithstanding any other provision of this subchapter, for each school year, the total amount of money spent for purposes of participation in the program by children described by Section 29.356(b)(2)(D) may not exceed 20 percent of the amount of money

1 appropriated from the program fund for that school year. In  
2 allocating money under the program in accordance with this  
3 subsection, the comptroller shall ensure children who were enrolled  
4 in a school district or open-enrollment charter school for at least  
5 90 percent of the preceding school year are prioritized.

6 Sec. 29.353. PROGRAM FUND. (a) The program fund is an  
7 account in the general revenue fund to be administered by the  
8 comptroller.

9 (b) The fund is composed of:

- 10 (1) general revenue transferred to the fund;  
11 (2) money appropriated to the fund;  
12 (3) interest and other earnings attributable to the  
13 investment of money in the fund;  
14 (4) gifts, grants, and donations received under  
15 Section 29.370; and  
16 (5) any other money available for purposes of the  
17 program.

18 (c) Money in the fund may be used only for the purposes  
19 specified by this subchapter.

20 Sec. 29.3535. PROMOTION OF PROGRAM. Notwithstanding any  
21 other law, the comptroller or the comptroller's designee may enter  
22 into contracts or agreements and engage in marketing, advertising,  
23 and other activities to promote, market, and advertise the  
24 development and use of the program. The comptroller may use money  
25 from the program fund to pay for activities authorized under this  
26 section.

27 Sec. 29.354. SELECTION OF CERTIFIED EDUCATIONAL ASSISTANCE

1 ORGANIZATIONS. (a) An organization may apply to the comptroller  
2 for certification as a certified educational assistance  
3 organization during an application period established by the  
4 comptroller.

5 (b) To be eligible for certification, an organization must:

6 (1) have the ability to perform one or more of the  
7 duties and functions required of a certified educational assistance  
8 organization under this subchapter;

9 (2) be registered to do business in this state; and

10 (3) be able to assist the comptroller in administering  
11 the program wholly or partly, including the ability to:

12 (A) accept, process, and track applications for  
13 the program;

14 (B) assist prospective applicants, applicants,  
15 and program participants with finding preapproved education  
16 service providers and vendors of educational products;

17 (C) accept and process payments for approved  
18 education-related expenses;

19 (D) verify that program funding is used only for  
20 approved education-related expenses;

21 (E) verify that a program participant is eligible  
22 to participate in the program;

23 (F) accept, track, review, and resolve inquiries  
24 and complaints received regarding the program; and

25 (G) establish and maintain a  
26 comptroller-approved Internet website for the program.

27 (c) The comptroller shall establish cybersecurity

requirements for certified educational assistance organizations, including the implementation of best practices developed under Section 2054.5181, Government Code.

(d) The comptroller may certify not more than five educational assistance organizations to support the administration of the program, including by:

(1) administering wholly or partly:

(A) the application process under Section 29.356; and

(B) the program expenditures process under Section 29.360; and

(2) assisting prospective applicants, applicants, and program participants with understanding approved education-related expenses and finding preapproved education service providers and vendors of educational products.

(e) A certified educational assistance organization designated to perform duties described by Subsection (d)(2) shall:

(1) communicate with parents interested in participating in the program and program participants through synchronous and asynchronous communication, prioritizing synchronous communication, regarding:

(A) the educational options available in this state;

(B) how and when to apply to the program and preapproved education service providers;

(C) how to manage an account, including requesting payments;

1                   (D) program requirements; and  
2                   (E) any other information necessary to fulfill  
3 the organization's responsibilities under this subchapter; and  
4                   (2) raise awareness regarding the availability of the  
5 program.

6           (f) The comptroller may designate a certified educational  
7 assistance organization to establish and maintain a  
8 comptroller-approved Internet website for the program.

9           Sec. 29.355. ELIGIBLE CHILD. (a) A child is eligible to  
10 participate in the program and may, subject to available funding,  
11 enroll in the program for the semester following the semester in  
12 which the child's application is submitted under Section 29.356 if:

13                   (1) the child's parent establishes that the child is a  
14 citizen or national of the United States or was lawfully admitted  
15 into the United States; and

16                   (2) the child is eligible to:

17                           (A) attend a school district or open-enrollment  
18 charter school under Section 25.001, including if the child is a  
19 child of a parent who is an active duty member of the United States  
20 armed forces; or

21                           (B) enroll in a school district's or  
22 open-enrollment charter school's prekindergarten program under  
23 Section 29.153.

24                   (a-1) A child's parent may establish proof of the child's  
25 residency in this state for purposes of verifying the child's  
26 eligibility to participate in the program under Subsection (a)(2)  
27 by submitting any of the following documents in the parent's name:

- (1) a utility bill;
- (2) a lease agreement or mortgage statement;
- (3) a driver's license or state ID;
- (4) a voter registration certificate;
- (5) a letter from a government agency; or
- (6) a notarized affidavit of residency.

(b) A child who establishes eligibility under this section may, subject to available funding and the requirements of this subchapter, participate in the program until the earliest of the date on which:

- (1) the child graduates from high school;
- (2) the child is no longer eligible to either attend a school district or open-enrollment charter school under Section 25.001 or enroll in a school district's or open-enrollment charter school's prekindergarten program under Section 29.153, as applicable;
- (3) the child enrolls in a school district or open-enrollment charter school in a manner in which the child will be counted toward the district's or school's average daily attendance for purposes of the allocation of funding under the Foundation School Program; or
- (4) the child is declared ineligible for the program by the comptroller under this subchapter.

Sec. 29.356. APPLICATION TO PROGRAM. (a) A parent of an eligible child may apply to a certified educational assistance organization designated by the comptroller to enroll the child in the program for the following semester, term, or school year, as



determined by the comptroller. The comptroller shall establish deadlines by which an applicant must complete and submit an application form to participate in the program.

(b) On receipt of more acceptable applications during an application period for admission under this section than available positions in the program due to insufficient funding, a certified educational assistance organization shall, at the direction of the comptroller, fill the available positions by lottery of applicants, approving applicants:

(1) in the following order:

(A) siblings of participating children;

(B) children to whom Paragraph (C) does not apply; and

(C) children who previously ceased participation in the program due to enrollment in a school district or open-enrollment charter school; and

(2) within each of the groups described by Subdivision (1), in the following order, as applicable:

(A) children with a disability who are members of a household with a total annual income that is at or below 500 percent of the federal poverty guidelines;

(B) children who are members of a household with a total annual income that is at or below 200 percent of the federal poverty guidelines;

(C) children who are members of a household with a total annual income that is above 200 percent of the federal poverty guidelines and below 500 percent of the federal poverty

1 guidelines; and

2 (D) children who are members of a household with  
3 a total annual income that is at or above 500 percent of the federal  
4 poverty guidelines.

5 (c) For purposes of Subsection (b), a certified educational  
6 assistance organization that receives an application from an  
7 eligible child and the child's eligible sibling during the same  
8 application cycle and approves the child's application shall  
9 approve the sibling's application at the same time.

10 (d) The comptroller shall adopt rules necessary to  
11 administer Subsection (b). The comptroller shall provide for  
12 posting on the Internet website established and maintained for the  
13 program any rule adopted under this subsection.

14 (e) The comptroller shall create an application form for the  
15 program and make the application form readily available through  
16 various sources, including the Internet website established and  
17 maintained for the program. The application form must state the  
18 application deadlines established by the comptroller under  
19 Subsection (a). Each certified educational assistance  
20 organization shall ensure that the organization is capable of  
21 receiving the application form, including any required supporting  
22 document, electronically.

23 (f) The comptroller shall create and maintain a waiting list  
24 based on the priority categories described by Subsection (b) for  
25 applicants if, during an application period, there are more  
26 acceptable applications for admission than there are available  
27 positions.

1       (g) Each certified educational assistance organization  
2 designated under Subsection (a) shall provide for posting on the  
3 Internet website established and maintained for the program a  
4 comptroller-approved applicant and participant handbook with a  
5 description of the program, including:

6               (1) expenses allowed under the program under Section  
7 29.359;

8               (2) a list of preapproved education service providers  
9 and vendors of educational products under Section 29.358;

10              (3) a description of the application process under  
11 this section and the program expenditures process under Section  
12 29.360; and

13              (4) a description of the responsibilities of program  
14 participants.

15       (h) Each certified educational assistance organization  
16 designated under Subsection (a) shall annually provide to each  
17 participating parent served by the organization the information  
18 described by Subsection (g). The organization may provide the  
19 information electronically.

20       (i) The comptroller or a certified educational assistance  
21 organization designated under Subsection (a):

22              (1) may require the participating parent to submit  
23 annual notice regarding the parent's intent for the child to  
24 continue participating in the program for the next school year; and

25              (2) may not require a program participant in good  
26 standing to annually resubmit an application for continued  
27 participation in the program.

1        (j) The agency shall provide to the comptroller the  
2 information necessary to make the determinations required under  
3 Subsection (b).

4        Sec. 29.357. PARTICIPATION IN PROGRAM. (a) To receive  
5 funding under the program, a participating parent must agree to:

6            (1) request that program money be spent only for  
7 expenses allowed under Section 29.359;

8            (2) share or authorize the administrator of an  
9 assessment instrument to share with the program participant's  
10 certified educational assistance organization the results of any  
11 assessment instrument required to be administered to the child  
12 under Section 29.358(b)(2)(B) or other law;

13           (3) refrain from selling an item purchased with  
14 program money; and

15           (4) notify the program participant's certified  
16 educational assistance organization not later than 30 business days  
17 after the date on which the child:

18                    (A) enrolls in a school district or  
19 open-enrollment charter school;

20                    (B) graduates from high school; or

21                    (C) is no longer eligible to either:

22                            (i) enroll in a school district or  
23 open-enrollment charter school under Section 25.001; or

24                            (ii) enroll in a school district's or  
25 open-enrollment charter school's prekindergarten program under  
26 Section 29.153.

27        (b) The administrator of an assessment instrument required

1 to be administered under Section 29.358(b)(2)(B) or other law shall  
2 share with a parent the participating child's results on the  
3 assessment instrument, including, if available, the participating  
4 child's percentile rank. A child's results and rank on an  
5 assessment instrument administered under this section are  
6 confidential, are not subject to disclosure under Chapter 552,  
7 Government Code, and may only be shared as necessary to fulfill the  
8 requirements of this subchapter. In providing the results and rank  
9 for an assessment instrument, the administrator shall ensure  
10 compliance with state and federal law regarding the confidentiality  
11 of student educational information, including the Family  
12 Educational Rights and Privacy Act of 1974 (20 U.S.C. Section  
13 1232g).

14 Sec. 29.358. PREAPPROVED PROVIDERS AND VENDORS. (a) The  
15 comptroller shall by rule establish a process for the preapproval  
16 of education service providers and vendors of educational products  
17 for participation in the program. The comptroller shall allow for  
18 the submission of applications on a rolling basis.

19 (b) The comptroller shall approve an education service  
20 provider or vendor of educational products for participation in the  
21 program if the provider or vendor:

22 (1) has previously been approved by the agency to  
23 provide supplemental special education services under Subchapter  
24 A-1 and remains in good standing with the agency;

25 (2) for a private school, demonstrates:

26 (A) accreditation by an organization recognized  
27 by:

1                   (i) the Texas Private School Accreditation  
2 Commission; or

3                   (ii) the agency;

4                   (B) annual administration for students in grades  
5 3 through 12 of a nationally norm-referenced assessment instrument  
6 or the appropriate assessment instrument required under Subchapter  
7 B, Chapter 39; and

8                   (C) the school has continuously operated a campus  
9 for at least two school years preceding the date the school seeks  
10 approval under this section;

11                   (3) for a school district or open-enrollment charter  
12 school, demonstrates:

13                   (A) accreditation by the agency; and

14                   (B) the ability to provide services or products  
15 to participating children in a manner in which the children are not  
16 counted toward the district's or school's average daily attendance;

17                   (4) for a private tutor, therapist, or teaching  
18 service, demonstrates that:

19                   (A) the tutor or therapist or each employee of  
20 the teaching service who intends to provide educational services to  
21 a participating child:

22                   (i) is an educator employed by or a retired  
23 educator formerly employed by a school accredited by the agency, an  
24 organization recognized by the agency, or an organization  
25 recognized by the Texas Private School Accreditation Commission;

26                   (ii) holds a relevant license or  
27 accreditation issued by a state, regional, or national

certification or accreditation organization; or

(iii) is employed in or retired from a teaching or tutoring capacity at a higher education provider;

(B) the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child provides to the comptroller a national criminal history record information review completed for the tutor, therapist, or employee, as applicable, within a period established by comptroller rule or authorizes the comptroller or the comptroller's designee to conduct a national criminal history record information review of the tutor, therapist, or employee as prescribed by comptroller rule; and

(C) the tutor or therapist or each employee of the teaching service who intends to provide educational services to a participating child is not:

(i) required to be discharged or refused to be hired by a school district under Section 22.085; or

(ii) included in the registry under Section 22.092;

(5) for a higher education provider, demonstrates nationally recognized postsecondary accreditation; or

(6) notwithstanding Subdivision (2), for a private provider serving children in prekindergarten or kindergarten, demonstrates that the provider meets the requirements to be an eligible private provider under Section 29.171.

(b-1) The comptroller may approve a vendor of educational products that provides products or services described by Section

1 29.359(a)(1)(C), (2), (4), (6), (8), or (9) for participation in  
2 the program in accordance with comptroller rule.

3 (c) The comptroller may approve only an education service  
4 provider located in this state or vendor of educational products  
5 registered to do business in this state.

6 (d) An education service provider or vendor of educational  
7 products shall provide information requested by the comptroller to  
8 verify the provider's or vendor's eligibility for preapproval under  
9 this section. The comptroller may not approve a provider or vendor  
10 if the comptroller cannot verify the provider's or vendor's  
11 eligibility for preapproval.

12 (e) Each applicant for approval under this section shall  
13 submit to the comptroller documentation demonstrating that each  
14 person employed by the applicant or provider who will interact with  
15 a participating child is not identified as having engaged in  
16 misconduct described by Section 22.093(c)(1)(A) or (B) using the  
17 interagency reportable conduct search engine established under  
18 Chapter 810, Health and Safety Code.

19 (f) The comptroller or the comptroller's designee shall  
20 review the documentation for each person described by Subsection  
21 (e). Each applicant for approval under this section must provide  
22 the comptroller or the comptroller's designee with any information  
23 requested by the comptroller or designee to enable the comptroller  
24 or designee to complete the review.

25 (g) An education service provider or vendor of educational  
26 products must agree to:

27 (1) abide by the disbursement schedule under Section



1 29.360(c) and all other requirements of this subchapter;

2 (2) accept money from the program only for  
3 education-related expenses approved under Section 29.359;

4 (3) notify the comptroller not later than the 30th day  
5 after the date that the provider or vendor no longer meets the  
6 requirements of this section; and

7 (4) return any money received, including any interest  
8 or other additions received related to the money, in violation of  
9 this subchapter or other relevant law to the comptroller for  
10 deposit into the program fund.

11 (h) An education service provider or vendor of educational  
12 products that receives approval under this section may participate  
13 in the program until the earliest of the date on which the provider  
14 or vendor:

15 (1) no longer meets the requirements under this  
16 section; or

17 (2) violates this subchapter or other relevant law.

18 Sec. 29.3585. PROVIDER AND VENDOR SUSPENSION AND REMOVAL.

19 (a) The comptroller shall immediately suspend a preapproved  
20 education service provider or vendor of educational products on  
21 finding that the provider or vendor:

22 (1) is ineligible under this subchapter for  
23 participation in the program; or

24 (2) has failed to remain in good standing by complying  
25 with a program requirement under this subchapter or other  
26 applicable law.

27 (b) A payment may not be made from a program participant's

1 account to a suspended provider or vendor.

2 (c) On suspension under this section, the comptroller shall  
3 immediately send notice of the suspension to the suspended provider  
4 or vendor and each certified educational assistance organization by  
5 first class mail and e-mail. The notice must include a statement  
6 that:

7 (1) specifies the grounds for suspending the provider  
8 or vendor;

9 (2) no additional payments may be made to the provider  
10 or vendor from a program participant's account during the  
11 provider's or vendor's suspension; and

12 (3) the provider or vendor has 30 days to respond and  
13 take any corrective action required to comply with program  
14 requirements and applicable law.

15 (d) Not later than the 30th day after the date the  
16 comptroller provides notice of suspension under Subsection (c), the  
17 comptroller shall:

18 (1) remove the provider or vendor from the program;

19 (2) conditionally reinstate the provider or vendor and  
20 require the provider or vendor to perform a specified action; or

21 (3) unconditionally reinstate the provider or vendor.

22 (e) On removing a provider or vendor from the program, the  
23 comptroller shall notify the provider or vendor and each certified  
24 educational assistance organization of the removal.

25 Sec. 29.359. APPROVED EDUCATION-RELATED EXPENSES. (a)  
26 Subject to Subsection (b), a participating parent may request that  
27 program money be spent only for the following education-related

expenses incurred by a participating child at a preapproved education service provider or vendor of educational products:

(1) tuition and fees for:

(A) a private school;

(B) a higher education provider;

(C) an online educational course or program; or

(D) a program that provides training for an industry-based credential approved by the agency;

(2) the purchase of textbooks or other instructional materials or uniforms required by a private school, higher education provider, or course in which the child is enrolled, including purchases made through a third-party vendor of educational products;

(3) fees for classes or other educational services provided by a school district or open-enrollment charter school if the classes or services do not qualify the child to be included in the school's average daily attendance;

(4) costs related to academic assessments;

(5) fees for services provided by a private tutor or teaching service;

(6) fees for transportation provided by a fee-for-service transportation provider for the child to travel to and from a preapproved education service provider or vendor of educational products;

(7) fees for educational therapies or services provided by a practitioner or provider, only for fees that are not covered by any federal, state, or local government benefits such as

1 Medicaid or the Children's Health Insurance Program (CHIP) or by  
2 any private insurance that the child is enrolled in at the time of  
3 receiving the therapies or services;

4 (8) costs of computer hardware or software and other  
5 technological devices required by an education service provider or  
6 vendor of educational products or prescribed by a physician to  
7 facilitate a child's education, not to exceed in any year 10 percent  
8 of the total amount transferred to the participating child's  
9 account that year; and

10 (9) costs of breakfast or lunch provided to a child  
11 during the school day by a private school.

12 (b) Money transferred under the program to a participating  
13 child's account may not be used to pay any person who is related to  
14 the program participant within the third degree by consanguinity or  
15 affinity, as determined under Chapter 573, Government Code.

16 (c) A finding that a program participant requested that  
17 program money be spent to pay for an expense not allowed under  
18 Subsection (a) does not affect the validity of any payment  
19 requested by the participant for an approved education-related  
20 expense that is allowed under that subsection.

21 Sec. 29.360. PROGRAM EXPENDITURES. (a) The comptroller  
22 shall disburse from the program fund to each certified educational  
23 assistance organization the amount specified under Section  
24 29.361(a) for each participating child served by the organization.

25 (b) To initiate payment to an education service provider or  
26 vendor of educational products for an education-related expense  
27 approved under Section 29.359, the participating parent must submit

1 a request in a form prescribed by comptroller rule to the certified  
2 educational assistance organization that serves the child.

3 (c) Subject to Subsection (d) and Sections 29.362(f) and  
4 29.364, on receiving a request under Subsection (b), a certified  
5 educational assistance organization shall verify that the request  
6 is for an expense approved under Section 29.359 and, not later than  
7 the 10th business day after the date the organization verifies the  
8 request, send payment to the education service provider or vendor  
9 of educational products.

10 (d) A disbursement under this section may not exceed the  
11 applicable participating child's account balance.

12 (e) A certified educational assistance organization shall  
13 provide participating parents with electronic access to:

14 (1) view the participating child's current account  
15 balance;

16 (2) initiate the payment request process under  
17 Subsection (b); and

18 (3) view a summary of past account activity, including  
19 payments from the account to education service providers and  
20 vendors of educational products.

21 (f) A payment system established by a certified educational  
22 assistance organization may not allow a program participant to:

23 (1) withdraw cash or remove funds from a participating  
24 child's account; or

25 (2) receive payment or reimbursement directly from the  
26 program.

27 (g) A certified educational assistance organization may not

require a program participant to pay a fee to the organization or an affiliate of the organization related to the use of a participating child's account, including a transaction fee.

Sec. 29.361. AMOUNT OF TRANSFER TO PARTICIPANT ACCOUNT; FINANCING. (a) Regardless of the deadline by which the participating parent applies for enrollment in the program under Section 29.356(a) and except as provided by Subsections (b), (b-1), and (d) of this section, a certified educational assistance organization shall transfer in accordance with Section 29.362 each school year that a participating child participates in the program money distributed to the organization from money available under Section 29.353 to the child's account to be held in trust for the benefit of the child in an amount equal to:

(1) 85 percent of the estimated statewide average amount of state and local funding per student in average daily attendance for the most recent school year for which that information is available, as provided by the agency; or

(2) for a child with a disability, subject to Subsection (b), the sum of the amount described by Subdivision (1) and the amount the school district in which the child would otherwise be enrolled would be entitled to receive for the child calculated based on the child's individualized education program, as determined in accordance with Section 29.3615, and the provisions of Chapter 48 that provide funding based on a child's participation in a school district's special education program under Subchapter A applicable for the school year preceding the school year in which the child initially enrolls in the program.

1        (b) The amount transferred to the account of a child with a  
2 disability for a school year under Subsection (a)(2) may not exceed  
3 \$30,000.

4        (b-1) Notwithstanding Subsection (a), a participating child  
5 who is a home-schooled student, as defined by Section 29.916(a)(1),  
6 may not receive transfers under the program to the child's account  
7 under Subsection (a) in an amount that exceeds \$2,000 for a school  
8 year.

9        (c) In determining the estimated statewide average amount  
10 of state and local funding per student in average daily attendance  
11 for a school year under Subsection (a), the commissioner shall:

12                (1) make the determination not later than January 15  
13 preceding the school year; and

14                (2) include projected state and local funding under  
15 Chapters 48 and 49 and the amount the state is required to  
16 contribute to the Teacher Retirement System of Texas under Section  
17 825.404, Government Code, for the school year.

18        (d) If a child enrolls in the program after the beginning of  
19 a school year, the comptroller shall prorate the amount transferred  
20 to the participating child's account under Subsection (a) based on  
21 the date the child enrolls in the program.

22        (e) Any money remaining in a participating child's account  
23 at the end of a fiscal year is carried forward to the next fiscal  
24 year unless another provision of this subchapter mandates the  
25 closure of the account.

26        (f) A participating parent may make payments for the  
27 expenses of educational programs, services, and products not

1 covered by money in the account of the parent's child.

2 (g) A transfer under Subsection (a) may not be funded using  
3 federal money or money from the available school fund or the state  
4 instructional materials and technology fund.

5 (h) Transfers to a participating child's account under this  
6 subchapter do not constitute taxable income to a participating  
7 parent, unless otherwise provided by federal or another state's  
8 law.

9 (i) On dates consistent with satisfying the application  
10 deadlines established under Section 29.356(a), the agency shall  
11 calculate and report to the comptroller the amount specified under  
12 Subsection (a) for each participating child.

13 Sec. 29.3611. ENROLLMENT IN PUBLIC SCHOOL. If a child  
14 ceases participation in the program during a school year due to the  
15 child's enrollment in a school district or open-enrollment charter  
16 school:

17 (1) the district or school is entitled to receive, in  
18 addition to other funding to which the district or school is  
19 entitled to receive for the child, an allotment in an amount equal  
20 to the basic allotment multiplied by 0.1 for the child's average  
21 daily attendance at the district or school for that school year; and

22 (2) the child may not be considered in evaluating the  
23 performance of a school district or open-enrollment charter school  
24 under the public school accountability system as prescribed by  
25 Chapters 39 and 39A for the first school year after the child ceases  
26 participation in the program.

27 Sec. 29.3615. INDIVIDUALIZED EDUCATION PROGRAMS;



1 EVALUATIONS. (a) The parent of a child who is not enrolled in a  
2 school district or open-enrollment charter school may request that  
3 a school district conduct a full individual and initial evaluation  
4 of the child for purposes of determining the child's eligibility  
5 for:

6 (1) special education services under Subchapter A; and  
7 (2) participation in the program as a child with a  
8 disability.

9 (b) A school district that receives a request under this  
10 section shall follow procedures, including for timely completion,  
11 for a full individual and initial evaluation in accordance with 20  
12 U.S.C. Sections 1412(a)(10)(A)(ii) and 1414 and Section 29.004 of  
13 this code not later than the 45th school day after the date the  
14 district receives parental consent to conduct the evaluation.

15 (c) If a school district determines based on an evaluation  
16 conducted under Subsection (b) that a child is eligible for special  
17 education services, the district shall develop an individualized  
18 education program for the child for purposes of establishing the  
19 child's eligibility to participate in the program as a child with a  
20 disability.

21 (d) At the agency's request, a school district or  
22 open-enrollment charter school shall provide to the agency a  
23 child's individualized education program developed under Section  
24 29.005 or Subsection (c) of this section, as applicable.

25 (e) The agency may adopt rules as necessary to implement  
26 this section, including rules regarding an appeal of a  
27 determination of eligibility for special education services and

1 services to be provided as described in an individualized education  
2 program developed in accordance with this section.

3 Sec. 29.362. ADMINISTRATION OF ACCOUNTS. (a) On receipt  
4 of money distributed by the comptroller for purposes of making  
5 transfers to the accounts of participating children, a certified  
6 educational assistance organization shall hold that money in trust  
7 for the benefit of children participating in the program and make  
8 transfers to the account of each participating child served by the  
9 organization as follows:

10 (1) not later than July 1, at least one-quarter of the  
11 total annual amount;

12 (2) not later than October 1, one-half of the total  
13 annual amount; and

14 (3) not later than April 1, the total remaining amount  
15 after the transfers under Subdivisions (1) and (2).

16 (b) Each year, the comptroller may deduct from the total  
17 amount of money appropriated for purposes of this subchapter an  
18 amount, not to exceed three percent of that total amount, to cover  
19 the comptroller's cost of administering the program.

20 (c) The comptroller may disburse each state fiscal year a  
21 total amount, not to exceed five percent of the amount of money  
22 appropriated for purposes of the program for that state fiscal  
23 year, to the certified educational assistance organizations for the  
24 cost of providing services under this subchapter.

25 (d) On or before the first day of October and February, a  
26 certified educational assistance organization shall:

27 (1) verify with the agency that each participating

1 child is not enrolled in a school district or open-enrollment  
2 charter school in a manner in which the child is counted toward the  
3 district's or school's average daily attendance for purposes of the  
4 allocation of state funding under the Foundation School Program;  
5 and

6 (2) notify the comptroller if the organization  
7 determines that a participating child is:

8 (A) enrolled in a school district or  
9 open-enrollment charter school in a manner in which the child is  
10 counted toward the district's or school's average daily attendance  
11 for purposes of the allocation of state funding under the  
12 Foundation School Program; or

13 (B) not enrolled in a preapproved private school.

14 (e) The comptroller by rule shall establish a process by  
15 which a participating parent may authorize the comptroller or a  
16 certified educational assistance organization to make a payment  
17 directly from the participant's account to a preapproved education  
18 service provider or vendor of educational products for an expense  
19 allowed under Section 29.359.

20 (f) On the date on which a child who participated in the  
21 program is no longer eligible to participate in the program under  
22 Section 29.355 and payments for any education-related expenses  
23 allowed under Section 29.359 from the child's account have been  
24 completed, the participating child's account shall be closed and  
25 any remaining money returned to the comptroller for deposit in the  
26 program fund.

27 (g) Each quarter, any interest or other earnings

1 attributable to money held by a certified educational assistance  
2 organization for purposes of the program shall be remitted to the  
3 comptroller for deposit in the program fund.

4 Sec. 29.363. AUDITING. (a) The comptroller shall contract  
5 with a private entity to audit accounts and program participant  
6 eligibility data not less than once per year to ensure compliance  
7 with applicable law and program requirements. The audit must  
8 include a review of:

9 (1) each certified educational assistance  
10 organization's internal controls over program transactions; and

11 (2) compliance by:

12 (A) certified educational assistance  
13 organizations with Section 29.354 and other program requirements;

14 (B) program participants with Section 29.357(a)  
15 and other program requirements; and

16 (C) education service providers and vendors of  
17 educational products with Section 29.358 and other program  
18 requirements.

19 (b) In conducting an audit, the private entity may require a  
20 program participant, education service provider or vendor of  
21 educational products, or certified educational assistance  
22 organization to provide information and documentation regarding  
23 any transaction occurring under the program.

24 (c) The private entity shall report to the comptroller any  
25 violation of this subchapter or other relevant law and any  
26 transactions the entity determines to be unusual or suspicious  
27 found by the entity during an audit conducted under this section.

1 The comptroller shall report the violation or transaction to:

2 (1) the applicable certified educational assistance  
3 organization;

4 (2) the education service provider or vendor of  
5 educational products, as applicable; and

6 (3) each participating parent who is affected by the  
7 violation or transaction.

8 (d) The state auditor shall audit each certified  
9 educational assistance organization's compliance with the  
10 organization's duties to verify a child's eligibility to  
11 participate in the program under Section 29.355 and verify that a  
12 request for payment is for an approved expense under Section  
13 29.360(c). Each organization shall submit to the state auditor  
14 documentation of:

15 (1) each item of residency documentation described by  
16 Section 29.355(a-1) reviewed by the organization;

17 (2) each preapproved education-related expense  
18 category reviewed by the organization under Section 29.360(c);

19 (3) the number of transactions approved by the  
20 organization; and

21 (4) the number of transactions denied by the  
22 organization.

23 (e) The state auditor may review and analyze individual  
24 transactions approved by a certified educational assistance  
25 organization.

26 (f) The state auditor shall randomly select 10 percent of  
27 program applications on which to perform an eligibility

1 verification audit.

2 (g) Each education service provider shall provide to the  
3 state auditor proof of a third-party audit or financial review  
4 consistent with the provider's accreditation commission standards.

5 Sec. 29.364. SUSPENSION OF ACCOUNT. (a) The comptroller  
6 shall suspend the account of a participating child who fails to  
7 remain in good standing by complying with applicable law or a  
8 requirement of the program.

9 (b) On suspension of an account under Subsection (a), the  
10 comptroller shall notify the participating parent in writing that  
11 the account has been suspended and that no additional payments may  
12 be made from the account. The notification must specify the grounds  
13 for the suspension and state that the participating parent has 30  
14 days to respond and take any corrective action required by the  
15 comptroller.

16 (c) On the expiration of the 30-day period under Subsection  
17 (b), the comptroller shall:

18 (1) order closure of the suspended account;  
19 (2) order temporary reinstatement of the account,  
20 conditioned on the performance of a specified action by the  
21 participating parent; or

22 (3) order full reinstatement of the account.

23 (d) The comptroller may recover money distributed under the  
24 program that was used for expenses not allowed under Section  
25 29.359, for a child who was not eligible to participate in the  
26 program at the time of the expenditure, or from an education service  
27 provider or vendor of educational products that was not approved at

the time of the expenditure. The money and any interest or other additions received related to the money may be recovered from the participating parent or the education service provider or vendor of educational products that received the money in accordance with applicable law if the participating child's account is suspended or closed under this section. The comptroller shall deposit money recovered under this subsection into the program fund.

Sec. 29.365. TUITION AND FEES; REFUND PROHIBITED. (a) An education service provider or vendor of educational products may not charge a participating child an amount greater than the standard amount charged for that service or product by the provider or vendor.

(b) An education service provider or vendor of educational products receiving money distributed under the program may not in any manner rebate, refund, or credit to or share with a program participant, or any person on behalf of a participant, any program money paid or owed by the participant to the provider or vendor.

Sec. 29.366. REFERRAL TO DISTRICT ATTORNEY. If the comptroller obtains evidence of fraudulent use of an account or money distributed under the program or any other violation of law by a certified educational assistance organization, education service provider or vendor of educational products, or program participant, the comptroller shall notify the appropriate local county or district attorney with jurisdiction over, as applicable:

(1) the principal place of business of the organization or provider or vendor; or

(2) the residence of the program participant.

1       Sec. 29.367. SPECIAL EDUCATION NOTICE. (a) A certified  
2 educational assistance organization shall post on the Internet  
3 website established and maintained for the program and provide to  
4 each parent who submits an application for the program a notice  
5 that:

6               (1) states that a private school is not subject to  
7 federal and state laws regarding the provision of educational  
8 services to a child with a disability in the same manner as a school  
9 district or open-enrollment charter school; and

10              (2) provides information regarding rights to which a  
11 child with a disability is entitled under federal and state law if  
12 the child attends a school district or open-enrollment charter  
13 school, including:

14                      (A) rights provided under the Individuals with  
15 Disabilities Education Act (20 U.S.C. Section 1400 et seq.); and

16                      (B) rights provided under Subchapter A.

17              (b) A private school in which a child with a disability who  
18 is a participating child enrolls shall provide to the participating  
19 parent a copy of the notice required under Subsection (a).

20       Sec. 29.368. PROGRAM PARTICIPANT, PROVIDER, AND VENDOR  
21 AUTONOMY. (a) An education service provider or vendor of  
22 educational products that receives money distributed under the  
23 program is not a recipient of federal financial assistance and may  
24 not be considered to be a state actor on the basis of receiving that  
25 money.

26              (b) A state agency or state official may not adopt a rule or  
27 take other governmental action related to the program and a



certified educational assistance organization may not take action that:

(1) limits or imposes requirements that are contrary to the religious or institutional values or practices of an education service provider, vendor of educational products, or program participant; or

(2) limits an education service provider, vendor of educational products, or program participant from freely:

(A) determining the methods or curriculum to educate students;

(B) determining admissions and enrollment practices, policies, and standards;

(C) modifying or refusing to modify the provider's, vendor's, or participant's religious or institutional values or practices, operations, conduct, policies, standards, assessments, or employment practices based on the provider's, vendor's, or participant's religious values or practices; or

(D) exercising the provider's, vendor's, or participant's religious or institutional practices as the provider, vendor, or participant determines.

Sec. 29.369. STUDENT RECORDS AND INFORMATION. (a) On request by the participating parent or parent of a child seeking to participate in the program, the school district or open-enrollment charter school that the child would otherwise attend shall provide a copy of the child's school records possessed by the district or school, if any, to the child's parent or, if applicable, the private school the child attends.

1        (b) As necessary to verify a child's eligibility for the  
2 program, the agency, a school district, or an open-enrollment  
3 charter school shall provide to a certified educational assistance  
4 organization any information available to the agency, district, or  
5 school requested by the organization regarding a child who  
6 participates or seeks to participate in the program, including  
7 information regarding the child's school district or  
8 open-enrollment charter school enrollment status and whether the  
9 child can be counted toward a school district's or open-enrollment  
10 charter school's average daily attendance for purposes of the  
11 allocation of funding under the Foundation School Program. The  
12 organization may not retain information provided under this  
13 subsection beyond the period necessary to determine a child's  
14 eligibility to participate in the program.

15        (c) A certified educational assistance organization or an  
16 education service provider or vendor of educational products that  
17 obtains information regarding a participating child:

18                (1) shall comply with state and federal law regarding  
19 the confidentiality of student educational information; and

20                (2) may not:

21                        (A) sell information regarding a participating  
22 child; or

23                        (B) distribute information regarding a  
24 participating child in a manner not described by Paragraph (A)  
25 without the program participant's consent.

26        (d) A student record held by the comptroller or a certified  
27 educational assistance organization is confidential and not

1 subject to disclosure under Chapter 552, Government Code. The  
2 comptroller or a certified educational assistance organization may  
3 redact information that constitutes student records from any  
4 information the governmental body discloses under Section 552.021,  
5 Government Code, without the necessity of requesting a decision  
6 from the attorney general under Subchapter G, Chapter 552,  
7 Government Code.

8 Sec. 29.370. GIFTS, GRANTS, AND DONATIONS. The comptroller  
9 may solicit and accept gifts, grants, and donations from any public  
10 or private source for any expenses related to the administration of  
11 the program, including establishing the program and contracting for  
12 the report required under Section 29.371.

13 Sec. 29.371. ANNUAL REPORT. (a) The comptroller, in  
14 collaboration with the agency and the certified educational  
15 assistance organizations, shall compile program data and produce an  
16 annual longitudinal report regarding:

17 (1) the number of program applications received,  
18 accepted, and wait-listed, disaggregated by age;

19 (2) program participant satisfaction;

20 (3) the results of assessment instruments shared in  
21 accordance with Section 29.357(a)(2);

22 (4) the effect of the program on public and private  
23 school capacity and availability;

24 (5) the amount of cost savings accruing to the state as  
25 a result of the program;

26 (6) in a report submitted in an even-numbered year  
27 only, an estimate of the total amount of funding required for the

program for the next state fiscal biennium;

(7) the amount of gifts, grants, and donations received under Section 29.370;

(8) based on surveys of former program participants or other sources available to an organization, the number and percentage of children participating in the program who, within one year after graduating from high school, are:

(A) college ready, as indicated by earning a minimum of 12 non-remedial semester credit hours or the equivalent or an associate degree from a postsecondary educational institution;

(B) career ready, as indicated by:

(i) earning a credential of value included in a library of credentials established under Section 2308A.007, Government Code; or

(ii) employment at or above the median wage in the child's region; or

(C) military ready, as indicated by achieving a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery and enlisting in the armed forces of the United States or the Texas National Guard; and

(9) the dropout rate, expulsion rate, and graduation rate of participating children who are children with a disability, both aggregated and disaggregated by the child's:

(A) grade level;

(B) age;

(C) sex;

1                   (D) race or ethnicity; and

2                   (E) category under Section 29.356(b).

3           (b) In producing the report, the comptroller shall:

4                   (1) use appropriate analytical and behavioral science  
5 methodologies to ensure public confidence in the report; and

6                   (2) comply with the requirements regarding the  
7 confidentiality of student educational information under the  
8 Family Educational Rights and Privacy Act of 1974 (20 U.S.C.  
9 Section 1232g).

10           (c) The report must cover a period of not less than five  
11 years and include, subject to Subsection (b)(2), the data analyzed  
12 and methodology used.

13           (d) The comptroller shall provide the report for posting on  
14 the Internet website established and maintained for the program.

15           (e) The comptroller shall provide the report, including  
16 assessment data, to the commissioner.

17           (f) The state auditor shall review and verify the validity  
18 of the contents of the comptroller's annual report required under  
19 this section. If the state auditor finds any discrepancies in the  
20 report, the state auditor may collect the data necessary to verify  
21 and audit the data from the comptroller, the applicable certified  
22 educational assistance organizations, and the applicable education  
23 service providers and vendors of educational products.

24           Sec. 29.3715. COLLECTION AND REPORTING OF DEMOGRAPHIC  
25 INFORMATION. (a) The comptroller, in collaboration with the  
26 agency and the certified educational assistance organizations,  
27 shall collect and report demographic information regarding each

1 participating child. The report must include the following  
2 demographic information:

- 3 (1) the child's grade;
- 4 (2) the child's age;
- 5 (3) the child's sex;
- 6 (4) the child's race or ethnicity;
- 7 (5) the school district in which the child resides;
- 8 (6) the district campus that the child would otherwise  
9 attend;
- 10 (7) the child's zip code;
- 11 (8) the child's date of enrollment in the program;
- 12 (9) the child's category under Section 29.356(b); and
- 13 (10) whether the child has a disability.

14 (b) Not later than August 1 of each year, the comptroller  
15 shall submit a written report to the legislature summarizing the  
16 demographic information collected under this section.

17 Sec. 29.372. RULES; PROCEDURES. The comptroller shall  
18 adopt rules and procedures as necessary to implement, administer,  
19 and enforce this subchapter.

20 Sec. 29.373. APPEAL; FINALITY OF DECISIONS. (a) A program  
21 participant may appeal to the comptroller an administrative  
22 decision made by the comptroller or a certified educational  
23 assistance organization under this subchapter, including a  
24 decision regarding eligibility, allowable expenses, or the  
25 participant's removal from the program.

26 (b) An appeal under this subchapter does not constitute a  
27 contested case for any purpose.

1        (c) This subchapter may not be construed to confer a  
2 property right on a certified educational assistance organization,  
3 education service provider, vendor of educational products, or  
4 program participant.

5        (d) A decision of the comptroller made under this subchapter  
6 is final and not subject to appeal.

7        Sec. 29.374. RIGHT TO INTERVENE IN CIVIL ACTION. (a) A  
8 program participant, eligible child, education service provider,  
9 or vendor of educational products may intervene in any civil action  
10 challenging the constitutionality of the program.

11        (b) A court in which a civil action described by Subsection  
12 (a) is filed may require that all program participants, eligible  
13 children, education service providers, and vendors of educational  
14 products wishing to intervene in the action file a joint brief. A  
15 program participant, eligible child, education service provider,  
16 or vendor of educational products may not be required to join a  
17 brief filed on behalf of the state or a state agency.

18        SECTION 3. Section 22.092(d), Education Code, is amended to  
19 read as follows:

20        (d) The agency shall provide equivalent access to the  
21 registry maintained under this section to:

- 22            (1) private schools;
- 23            (2) public schools; ~~and~~
- 24            (3) nonprofit teacher organizations approved by the  
25 commissioner for the purpose of participating in the tutoring  
26 program established under Section 33.913; and
- 27            (4) the comptroller for the purpose of preapproving

1 education service providers and vendors of educational products  
2 under Section 29.358 for participation in the program established  
3 under Subchapter J, Chapter 29.

4 SECTION 4. Section 411.109, Government Code, is amended by  
5 adding Subsection (b-1) and amending Subsection (c) to read as  
6 follows:

7 (b-1) The comptroller is entitled to obtain criminal  
8 history record information as provided by Subsection (c) about a  
9 person who is an employee of an education service provider or vendor  
10 of educational products who intends to provide educational services  
11 to a child participating in the program established under  
12 Subchapter J, Chapter 29, Education Code, and is seeking approval  
13 to receive money distributed under that program.

14 (c) Subject to Section 411.087 and consistent with the  
15 public policy of this state, the comptroller is entitled to:

16 (1) obtain through the Federal Bureau of Investigation  
17 criminal history record information maintained or indexed by that  
18 bureau that pertains to a person described by Subsection (a), ~~(a)~~  
19 (b), or (b-1); and

20 (2) obtain from the department or any other criminal  
21 justice agency in this state criminal history record information  
22 maintained by the department or that criminal justice agency that  
23 relates to a person described by Subsection (a), ~~(a)~~ (b), or (b-1).

24 SECTION 5. Section 810.002, Health and Safety Code, is  
25 amended to read as follows:

26 Sec. 810.002. APPLICABILITY. This chapter applies to the  
27 following state agencies:



- 1 (1) the Department of Family and Protective Services;
- 2 (2) the Health and Human Services Commission;
- 3 (3) the Texas Education Agency; ~~[and]~~
- 4 (4) the Texas Juvenile Justice Department; and
- 5 (5) the comptroller of public accounts.

6 SECTION 6. (a) Except as provided by Subsection (b) of this  
7 section, Subchapter J, Chapter 29, Education Code, as added by this  
8 Act, applies beginning with the 2026-2027 school year.

9 (b) Section 29.3521(c), Education Code, as added by this  
10 Act, applies beginning with the state fiscal biennium beginning  
11 September 1, 2027.

12 SECTION 7. (a) Not later than May 15, 2026, the comptroller  
13 of public accounts shall adopt rules as provided by Sections  
14 29.356(d) and 29.372, Education Code, as added by this Act.

15 (b) The comptroller of public accounts may identify rules  
16 required by the passage of Subchapter J, Chapter 29, Education  
17 Code, as added by this Act, that must be adopted on an emergency  
18 basis for purposes of the 2026-2027 school year and may use the  
19 procedures established under Section 2001.034, Government Code,  
20 for adopting those rules. The comptroller of public accounts is not  
21 required to make the finding described by Section 2001.034(a),  
22 Government Code, to adopt emergency rules under this subsection.

23 SECTION 8. (a) The constitutionality and other validity  
24 under the state or federal constitution of all or any part of  
25 Subchapter J, Chapter 29, Education Code, as added by this Act, may  
26 be determined in an action for declaratory judgment under Chapter  
27 37, Civil Practice and Remedies Code, in a district court in the

1 county in which the violation is alleged to have occurred or where  
2 the plaintiff resides or has its principal place of business.

3 (b) An order, however characterized, of a trial court  
4 granting or denying a temporary or otherwise interlocutory  
5 injunction or a permanent injunction on the grounds of the  
6 constitutionality or unconstitutionality, or other validity or  
7 invalidity, under the state or federal constitution of all or any  
8 part of Subchapter J, Chapter 29, Education Code, as added by this  
9 Act, may be reviewed only by direct appeal to the Texas Supreme  
10 Court filed not later than the 15th business day after the date on  
11 which the order was entered. The Texas Supreme Court shall give  
12 precedence to appeals under this section over other matters.

13 (c) The direct appeal is an accelerated appeal.

14 (d) This section exercises the authority granted by Section  
15 3-b, Article V, Texas Constitution.

16 (e) The filing of a direct appeal under this section will  
17 automatically stay any temporary or otherwise interlocutory  
18 injunction or permanent injunction granted in accordance with this  
19 section pending final determination by the Texas Supreme Court,  
20 unless the supreme court makes specific findings that the applicant  
21 seeking such injunctive relief has pleaded and proved that:

22 (1) the applicant has a probable right to the relief it  
23 seeks on final hearing;

24 (2) the applicant will suffer a probable injury that  
25 is imminent and irreparable, and that the applicant has no other  
26 adequate legal remedy; and

27 (3) maintaining the injunction is in the public

1 interest.

2 (f) An appeal under this section, including an  
3 interlocutory, accelerated, or direct appeal, is governed, as  
4 applicable, by the Texas Rules of Appellate Procedure, including  
5 Rules 25.1(d)(6), 28.1, 32.1, 37.3(a)(1), 38.6(a) and (b), 40.1(b),  
6 and 49.4.

7 (g) This section does not authorize an award of attorney's  
8 fees against this state, and Section 37.009, Civil Practice and  
9 Remedies Code, does not apply to an action filed under this section.

10 (h) The attorney general shall represent the state in any  
11 legal action brought that challenges the constitutionality or  
12 validity of all or any part of Subchapter J, Chapter 29, Education  
13 Code, as added by this Act.

14 SECTION 9. It is the intent of the legislature that every  
15 provision, section, subsection, sentence, clause, phrase, or word  
16 in this Act, and every application of the provisions in this Act to  
17 each person or entity, is severable from each other. If any  
18 application of any provision in this Act to any person, group of  
19 persons, or circumstances is found by a court to be invalid for any  
20 reason:

21 (1) the remaining applications of that provision to  
22 all other persons and circumstances shall be severed and may not be  
23 affected; and

24 (2) the court must allow continued operation of the  
25 program without regard for the severed provision rather than  
26 restrict program operation or participation.

27 SECTION 10. This Act takes effect immediately if it

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1 receives a vote of two-thirds of all the members elected to each  
2 house, as provided by Section 39, Article III, Texas Constitution.  
3 If this Act does not receive the vote necessary for immediate  
4 effect, this Act takes effect September 1, 2025.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 2 passed the Senate on February 5, 2025, by the following vote: Yeas 19, Nays 12; and that the Senate concurred in House amendments on April 24, 2025, by the following vote: Yeas 19, Nays 12.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 2 passed the House, with amendments, on April 17, 2025, by the following vote: Yeas 86, Nays 61.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor