

By: Paxton

S.B. No. 686

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(h), Education Code, is amended 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.~~

SECTION 2. Section 25.035, Education Code, is amended to read as follows:

Sec. 25.035. TRANSFERS BETWEEN DISTRICTS OR COUNTIES. The boards of trustees of two or more ~~adjoining~~ school districts or the boards of county school trustees of two or more ~~adjoining~~ counties may, ~~by agreement and~~ in accordance with Sections 25.032, 25.033, and 25.034, arrange for the transfer and assignment of any student from the jurisdiction of one board to that of

1 another. [~~In the case of the transfer and assignment of a student~~
2 ~~under this section, the participating governing boards shall also~~
3 ~~agree to the transfer of school funds or other payments~~
4 ~~proportionate to the transfer of attendance.~~]

5 SECTION 3. Section 25.036, Education Code, is amended to
6 read as follows:

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

17 (b) Before the beginning of each school year, a school
18 district shall:

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

22 (2) subject to Subsection (g), admit each eligible
23 transfer applicant until enrollment at the campus reaches capacity,
24 as determined under Section 25.046. [A transfer agreement under
25 this section shall be filed and preserved as a receiving district
26 record for audit purposes of the agency.]

27 (c) If a school district receives more eligible transfer

1 applications for a district campus or a specific grade level at a
2 district campus than the district has capacity for at that campus or
3 in that grade level, as determined under Section 25.046, the
4 district shall fill the available positions by lottery. A school
5 district shall offer to a student who the district does not enroll
6 due to lack of capacity an available position, if any, in the
7 appropriate grade level at another district campus.

8 (d) A school district that must fill positions by lottery
9 under Subsection (c) shall, in developing the lottery system,
10 ensure priority is given to applicants in the following order:

11 (1) students residing in the receiving district;
12 (2) students enrolled as transfer students at another
13 campus in the receiving district;

14 (3) students who are dependents of an employee of the
15 receiving district;

16 (4) students receiving special education services
17 under Subchapter A, Chapter 29;

18 (5) students who are dependents of military personnel;

19 (6) students who are dependents of law enforcement
20 personnel;

21 (7) students in foster care;

22 (8) students who are the subject of court-ordered
23 modification of an order establishing conservatorship or
24 possession and access; and

25 (9) students who are siblings of a student who is
26 enrolled in the receiving district at the time the student seeks to
27 transfer.

1 (e) A school district that receives more eligible transfer
2 applications for a district campus or a specific grade level at a
3 district campus than the district may enroll at the capacity
4 determined under Section 25.046 for that campus or grade level
5 shall establish and maintain a waitlist for transfer applicants who
6 are not admitted.

7 (f) If a position at a school district campus with a
8 waitlist under Subsection (e) becomes available after the start of
9 the school year, the district shall first admit transfer applicants
10 according to that waitlist and then admit any additional transfer
11 applicants in the order in which those additional transfer
12 applications are received.

13 (g) A school district may deny approval of a transfer under
14 this section only if:

15 (1) the district or a school in the district to which a
16 student seeks to transfer is at full student capacity or has more
17 requests for transfers than available positions;

18 (2) at the time a student seeks to transfer:

19 (A) the student is:

20 (i) suspended or expelled by the district
21 in which the student is enrolled; or

22 (ii) placed in a disciplinary alternative
23 education program or a juvenile justice alternative education
24 program; or

25 (B) disciplinary proceedings are pending against
26 the student in the district in which the student is enrolled for
27 conduct for which the student:

1 (i) may be placed in out-of-school
2 suspension in accordance with the district's student code of
3 conduct;

4 (ii) is required or permitted to be removed
5 from class and placed in a disciplinary alternative education
6 program under Section 37.006; or

7 (iii) is required or permitted to be
8 expelled under Section 37.007; or

9 (3) approving the transfer would supersede a
10 court-ordered desegregation plan.

11 (h) A school district that denies approval of a transfer
12 under this section shall inform the applicant in writing of the
13 reason for denying approval of the applicant's transfer.

14 (i) A student who transfers to another school district under
15 this section may not be charged tuition. The student is included in
16 the average daily attendance of the district to which the student
17 transfers, beginning on the date the student begins attending
18 classes at that district.

19 (j) A receiving school district may, but is not required to,
20 provide transportation to a student who transfers to the receiving
21 district under this section.

22 (k) A receiving school district may revoke, at any time
23 during the school year, the approval of the student's transfer if
24 the student:

25 (1) fails to comply with a condition specified in the
26 agreement that is:

27 (A) a condition specified in the student code of

1 conduct under Section 37.001(a)(2);

2 (B) a circumstance specified in the student code
3 of conduct under Section 37.001(a)(3) that may result in
4 out-of-school suspension;

5 (C) conduct for which a student is required or
6 permitted to be removed from class and placed in a disciplinary
7 alternative education program under Section 37.006; or

8 (D) conduct for which a student is required or
9 permitted to be expelled from school under Section 37.007; or

10 (2) fails to maintain a specified school attendance
11 rate.

12 (1) A student who transfers to another school district or
13 district campus as provided by this section may remain at the
14 receiving campus until that student completes the highest grade
15 level offered at the campus.

16 (m) Once a student who transfers to another school district
17 or district campus as provided by this section completes the
18 highest grade level offered at the receiving campus, the student
19 must reapply to continue attending school in the receiving
20 district. The district must prioritize admitting the student as
21 provided by Subsection (d).

22 (n) A school district may not deny admission to a student
23 who is currently enrolled in the district, including a student
24 enrolled as a transfer student at another campus in the district,
25 for the purpose of accepting a transfer applicant under this
26 section.

27 (o) A school district may not take any adverse action

1 against a student enrolled as a transfer student in the district
2 based on the fact that the district charged a tuition fee for the
3 student to attend school in the district for a previous school year
4 under former Section 25.038.

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

9 (q) The commissioner shall adopt rules necessary to
10 implement this section, including rules establishing:

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

13 (2) procedures to ensure this section complies with
14 state and federal law regarding confidentiality of student medical
15 or educational information, including the Health Insurance
16 Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d
17 et seq.) and the Family Educational Rights and Privacy Act of 1974
18 (20 U.S.C. Section 1232g).

19 SECTION 4. Subchapter B, Chapter 25, Education Code, is
20 amended by adding Sections 25.046 and 25.047 to read as follows:

21 Sec. 25.046. TRANSFER CAPACITY; DISTRICT POLICY. (a)
22 Except as provided by Subsection (c), each year on the first day of
23 January, April, July, and October, the board of trustees of a school
24 district shall determine the capacity of each district campus and
25 the capacity of each grade level offered at each campus. For
26 purposes of this section, the capacity of a district campus or a
27 grade level at that campus is the total number of students that may

1 be admitted at the campus or at that grade level, as applicable,
2 less the students who are currently enrolled at that campus or at
3 that grade level, as applicable. Based on the board's
4 determination of campus or grade level capacity and current student
5 enrollment, the district shall identify the number of available
6 positions at each campus and for each grade level. In determining
7 campus and grade level capacity, the district shall consult the
8 most recent district facility plan, including:

9 (1) a facility plan created as part of a district bond
10 proposal; or

11 (2) a long-range facility plan created as part of a
12 capital improvement project for which construction services are
13 procured under Chapter 2269, Government Code, in accordance with
14 Section 44.031(a)(5) of this code.

15 (b) The district shall post for each campus in the district
16 on the district's Internet website, if the district maintains a
17 website, the most recent determination of campus and grade level
18 capacity. If the district does not maintain a website, the district
19 shall make the information required under this subsection available
20 to the public at an administrative office of the district.

21 (c) A school district is not required to determine the
22 capacity of a new instructional facility, as defined by Section
23 48.152, in the first school year in which students attend the new
24 instructional facility.

25 (d) The board of trustees of a school district shall adopt a
26 written policy that meets the requirements adopted by the
27 commissioner under Subsection (f) for the admission of a transfer

1 applicant under this subchapter. The board shall make the policy
2 available to the public in the same manner the district makes
3 available a district's determination of campus and grade level
4 capacity under Subsection (b). The policy must include:

5 (1) adoption of a transfer application form;
6 (2) the provision of the address of the district
7 administrative office where a person may access the district's
8 determination of campus and grade level capacity, if the district
9 does not maintain an Internet website; and

10 (3) the provision of information regarding available
11 options for transportation provided by the district or in the
12 community.

13 (e) The agency shall post on the agency's Internet website
14 information regarding each school district's policy adopted under
15 this section and each district's campus or grade level capacity
16 determinations under Subsection (a).

17 (f) The commissioner shall adopt rules and prescribe
18 procedures necessary to implement this section, including by
19 developing required policies and forms for use by a school district
20 in complying with Subsection (d). In adopting rules to implement
21 this section, the commissioner shall consider feedback from
22 districts and shall prioritize:

23 (1) flexibility of access for students;
24 (2) encouraging districts to accommodate student
25 transfers; and

26 (3) preventing districts from discouraging student
27 transfers.

1 Sec. 25.047. REPORTING AND AUDIT REQUIREMENTS. (a)

2 Subject to Subsection (b), each school district shall annually
3 submit not later than the last Friday in October of each school year
4 a report to the agency regarding the transfer of students to and
5 from the district during the previous school year. The report must
6 include:

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

9 (2) for each campus, the number of transfer
10 applications for transfers to that campus the district received,
11 the number of applications that were granted, and the number of
12 applications that were denied, including the reason for the denial,
13 during the preceding school year;

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

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

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

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

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

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

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

5 (4) a demographic analysis of the students
6 transferring districts;

7 (5) a demographic analysis of the students
8 transferring between campuses within the same district;

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

12 (7) for each district, the actual number of students
13 who transferred into or out of the district, showing the actual net
14 change in enrollment.

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

17 (1) the total number of students transferring
18 districts and of students transferring between campuses within the
19 same district;

20 (2) using data from the previous six school years, an
21 analysis at the state and district level of changes in:

22 (A) the number of school districts and campuses
23 admitting transfer students;

24 (B) the number of students transferring
25 districts; and

26 (C) the number of students transferring between
27 campuses within the same district;

1 (3) a demographic analysis of the students
2 transferring districts and of the students transferring between
3 campuses within the same district;

4 (4) using data from the previous six school years, an
5 analysis of the patterns of student movement between districts and
6 campuses, including a description of any characteristics that are
7 correlated with students transferring to or away from districts or
8 schools;

9 (5) a summary of district practices regarding
10 transportation of transfer students;

11 (6) an explanation of the reasons students choose to
12 transfer districts or campuses and the barriers faced by students
13 in transferring districts or campuses;

14 (7) an explanation of the challenges restricting
15 school districts from admitting more transfer students;

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

19 (9) the effects of inter-district transfers on student
20 performance outcomes and district program offerings for both
21 sending and receiving districts.

22 (e) Each year, the agency shall randomly select 10 percent
23 of the school districts in the state and conduct an audit of each
24 district's capacity determination under Section 25.046 and of each
25 district's approved and denied transfer applications. If the
26 agency finds inaccurate reporting of capacity levels by a school
27 district, the agency shall set the capacity for the school

1 district. Districts audited during the previous two school years
2 may not be selected for audit in a school year.

3 (f) The commissioner shall adopt rules necessary to
4 implement this section.

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

- 7 (1) Section 25.038;
- 8 (2) Sections 25.039(b) and (c); and
- 9 (3) Section 48.154.

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

14 SECTION 7. Notwithstanding any other provision of this Act,
15 a student accepted for transfer to a school district for the
16 2025-2026 school year under Section 25.035 or 25.036, Education
17 Code, on a date occurring before the effective date of this Act is
18 entitled to transfer to the district for that school year in the
19 same manner as any other student accepted for transfer to the
20 district for that school year on a date occurring on or after the
21 effective date of this Act.

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

26 SECTION 9. This Act applies beginning with the 2025-2026
27 school year.

1 SECTION 10. This Act takes effect immediately if it
2 receives a vote of two-thirds of all the members elected to each
3 house, as provided by Section 39, Article III, Texas Constitution.
4 If this Act does not receive the vote necessary for immediate
5 effect, this Act takes effect September 1, 2025.