

SENATE AMENDMENTS

2nd Printing

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H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to public education and public school finance.

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

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

SECTION 1.01. Section 12.1058(d), Education Code, is amended to read as follows:

(d) A political subdivision shall consider an open-enrollment charter school a school district for purposes of zoning, project permitting, platting and replatting processes, business licensing, franchises, utility services, signage, subdivision regulation, property development projects, the requirements for posting bonds or securities, contract requirements, land development standards as provided by Section 212.902, Local Government Code, tree and vegetation regulations, regulations of architectural features of a structure, construction of fences, landscaping, garbage disposal, noise levels, fees or other assessments, and construction or site development work ~~[if the charter school provides to the political subdivision the certification described by Subsection (e)].~~

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

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

(1) the adjustment under Section 48.052;

(2) ~~[~~ the funding under Sections 48.101 and ~~]~~ ~~48.110,~~ 48.111; ~~[, and 48.112,~~ and

(3) enrichment funding under Section 48.202(a) ~~[, to which the charter holder would be entitled for the school under Chapter 48 if the school were a school district without a tier one local share for purposes of Section 48.266]~~.

(a-2) In addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school an allotment per student in average daily attendance in an amount equal to the difference between:

(1) the product of:

(A) the quotient of:

(i) the total amount of funding provided to eligible school districts under Section 48.101(b) or (c); and

(ii) the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(B) the sum of one and the quotient of:

(i) the total number of students in average

daily attendance in school districts that receive an allotment under Section 48.101(b) or (c); and

(ii) the total number of students in average daily attendance in school districts statewide; and

(2) \$700 [~~\$125~~].

(d) Subject to Subsections [~~Subsection~~] (e) and (e-1), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, an annual allotment [~~funding~~] per student in average daily attendance [~~in an amount~~] equal to [~~the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by~~] the lesser of:

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

(2) the maximum amount of the basic allotment provided under Section 48.051 for the applicable school year multiplied by 0.07 [~~a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million~~].

(d-1) Notwithstanding Subsection (d), the total amount that may be used to provide allotments under Subsection (d) may not exceed:

(1) for the 2025-2026 school year, \$100 million; and

(2) for the 2026-2027 school year, \$160 million.

(d-2) If the total amount of allotments to which charter

1 holders are entitled for open-enrollment charter schools under
2 Subsection (d) for a school year exceeds the amount permitted under
3 Subsection (d-1), the commissioner shall proportionately reduce
4 the amount of each charter holder's allotment until the total
5 amount for the allotments is equal to the amount permitted under
6 that subsection.

7 (d-3) Subsections (d-1) and (d-2) and this subsection
8 expire September 1, 2027.

9 (e) Subject to Subsection (e-1), a [A] charter holder is not
10 entitled to receive funding under Subsection (d) for an
11 open-enrollment charter school [only] if the school has been
12 assigned:

13 (1) an unacceptable [~~most recent overall~~] performance
14 rating [~~assigned to the open-enrollment charter school~~] under
15 Subchapter C, Chapter 39, for the two preceding school years;

16 (2) a financial accountability performance rating
17 under Subchapter D, Chapter 39, indicating a financial performance
18 lower than satisfactory for the two preceding school years; or

19 (3) any combination of the ratings described by
20 Subdivisions (1) and (2) for the two preceding school years
21 [~~reflects at least acceptable performance~~].

22 (e-1) Subsection (e) [~~This subsection~~] does not apply to a
23 charter holder:

24 (1) during the first two years of the applicable
25 open-enrollment charter school's operation; or

26 (2) that operates a school program located at a day
27 treatment facility, residential treatment facility, psychiatric

hospital, or medical hospital.

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

(f) Funds received by a charter holder under Subsection (d):
(1) notwithstanding any other law, may not be used to pay a salary, bonus, stipend, or any other form of compensation to a school superintendent or administrator serving as educational leader and chief executive officer of the school; and

(2) may only be used:
(A) ~~[(1)]~~ to lease an instructional facility;
(B) ~~[(2)]~~ to pay property taxes imposed on an instructional facility;
(C) ~~[(3)]~~ to pay debt service on bonds issued for a purpose for which a school district is authorized to issue bonds under Section 45.001(a)(1) or to pay for a purchase for which a school district is authorized to issue bonds under that section ~~to finance an instructional facility]~~; or
(D) ~~[(4)]~~ for any other purpose related to the purchase, lease, sale, acquisition, or maintenance of an instructional facility.

SECTION 1.03. Section 12.156(a), Education Code, is amended to read as follows:

(a) Except as otherwise provided by this subchapter, Subchapter D, including Section 12.106(d), applies to a college or university charter school or junior college charter school as though the college or university charter school or junior college charter school, as applicable, were granted a charter under that subchapter.

SECTION 1.04. Section 12.263, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) An eligible entity granted a charter under this subchapter is not entitled to receive an allotment under Section 12.106(d) for the adult education program if the program has been assigned under the applicable accountability framework adopted under Section 12.262:

(1) an overall performance rating that reflects unacceptable performance for the two preceding school years;

(2) a financial accountability performance rating that indicates a financial performance lower than satisfactory for the two preceding school years; or

(3) any combination of the ratings described by Subdivisions (1) and (2) for the two preceding school years.

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

(a) Subject to Subsection (b), a school district or open-enrollment charter school may designate a classroom teacher as a master, exemplary, ~~or~~ recognized, or acknowledged teacher for a five-year period based on the results from single year or multiyear

1 appraisals that comply with Section 21.351 or 21.352.

2 (c) Notwithstanding performance standards established
3 under Subsection (b), a classroom teacher that holds a National
4 Board Certification issued by the National Board for Professional
5 Teaching Standards may be designated as nationally board certified
6 ~~[recognized]~~.

7 (d-1) Each school year, the commissioner shall, using
8 criteria developed by the commissioner, designate as enhanced
9 teacher incentive allotment public schools school districts and
10 open-enrollment charter schools that implement comprehensive
11 school evaluation and support systems. The criteria developed by
12 the commissioner must require a district or school to:

13 (1) for principals and assistant principals,
14 implement:

15 (A) a strategic evaluations system aligned with
16 the district's or school's teacher designation system; and

17 (B) a compensation system based on performance;

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

23 (3) implement for all classroom teachers a
24 compensation plan based on performance that:

25 (A) uses a salary schedule that is based on
26 differentiation among classroom teacher appraisals as permitted
27 under this section; and

1 (B) does not include across-the-board salary
2 increases for classroom teachers except for periodic changes to the
3 district's or school's salary schedule to adjust for significant
4 inflation; and

5 (4) implement a locally designed plan to place highly
6 effective teachers at high needs campuses and in accordance with
7 Section 28.0062(a)(3).

8 (d-2) The commissioner may remove a school district's or
9 open-enrollment charter school's designation under Subsection
10 (d-1) if the commissioner determines the district or school no
11 longer meets the criteria for the designation.

12 (d-3) Not later than September 1 of each year, the
13 commissioner shall post on the agency's Internet website a list of
14 the school districts and open-enrollment charter schools
15 designated as enhanced teacher incentive allotment public schools
16 under Subsection (d-1).

17 (e) The agency shall use contracted services to develop and
18 provide technical assistance for school districts and
19 open-enrollment charter schools that request assistance in:

20 (1) earning a designation under Subsection (d-1); or
21 (2) implementing a local optional teacher designation
22 system, including:

23 (A) providing assistance in prioritizing high
24 needs campuses;

25 (B) providing examples or models of local
26 optional teacher designation systems to reduce the time required
27 for a district or school to implement a teacher designation system;

1 (C) establishing partnerships between districts
2 and schools that request assistance and districts and schools that
3 have implemented a teacher designation system;

4 (D) applying the performance and validity
5 standards established by the commissioner under Subsection (b);

6 (E) providing centralized support for the
7 analysis of the results of assessment instruments administered to
8 district or school students; and

9 (F) facilitating effective communication on and
10 promotion of local optional teacher designation systems.

11 SECTION 1.06. Subchapter H, Chapter 21, Education Code, is
12 amended by adding Section 21.3522 to read as follows:

13 Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM
14 GRANT PROGRAM. (a) From money appropriated or otherwise available
15 for the purpose, the agency shall establish and administer a grant
16 program to provide money and technical assistance to:

17 (1) expand and support ongoing implementation of local
18 optional teacher designation systems under Section 21.3521;

19 (2) increase the number of classroom teachers eligible
20 for a designation under that section; and

21 (3) increase the salaries paid to classroom teachers
22 employed by school districts or open-enrollment charter schools
23 that have established or are seeking to establish a designation
24 system under that section.

25 (b) A grant awarded under this section must:

26 (1) meet the needs of individual school districts or
27 open-enrollment charter schools; and

1 (2) enable regional leadership capacity.

2 (c) The commissioner may adopt rules as necessary to
3 implement this section.

4 SECTION 1.07. Subchapter C, Chapter 25, Education Code, is
5 amended by adding Section 25.0816 to read as follows:

6 Sec. 25.0816. ADDITIONAL DAYS SCHOOL YEAR PLANNING GRANT
7 PROGRAM. (a) From money appropriated or otherwise available for
8 the purpose, the agency shall establish and administer a grant
9 program to provide funding and technical assistance to school
10 districts and open-enrollment charter schools to plan the school
11 year and adjust operations as necessary to qualify for the
12 incentive funding under Section 48.0051.

13 (b) In awarding grants under the program, the agency shall
14 prioritize school districts and open-enrollment charter schools
15 that seek to maximize incentive funding under Section 48.0051.

16 (c) The agency may solicit and accept gifts, grants, and
17 donations for purposes of this section.

18 SECTION 1.08. Section 28.0211(a-1), Education Code, is
19 amended to read as follows:

20 (a-1) Each time a student fails to perform satisfactorily on
21 an assessment instrument administered under Section 39.023(a) or
22 (1) in the third, fourth, fifth, sixth, seventh, or eighth grade or
23 an end-of-course assessment instrument administered under Section
24 39.023(c), other than an assessment instrument developed or adopted
25 based on alternative academic achievement standards, the school
26 district in which the student attends school shall provide to the
27 student accelerated instruction in the applicable subject area

during the subsequent summer or school year and, subject to Subsections (a-7) and (a-8), either:

(1) allow the student to be assigned a classroom teacher who has earned a designation ~~[is certified as a master, exemplary, or recognized teacher]~~ under Section 21.3521 for the subsequent school year in the applicable subject area; or

(2) provide the student supplemental instruction under Subsection (a-4).

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

(b-1) Notwithstanding Subsection (b), any child who is at least three years of age is eligible for enrollment in a prekindergarten class under this section if:

(1) the class is provided through a partnership between a school district or open-enrollment charter school and a community-based child-care provider described by Subsection (g); and

(2) the child receives subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

(h) Notwithstanding any other law, a facility or location at which prekindergarten classes are provided by a school district or open-enrollment charter school in partnership with a private entity under this section:

(1) must comply with any municipal ordinance applicable to the operation of a private prekindergarten program; and

1 (2) may not be required to comply with any municipal
2 ordinance applicable to the operation of a prekindergarten program
3 by a school district or open-enrollment charter school.

4 SECTION 1.10. Section 29.934, Education Code, is amended by
5 amending Subsections (b) and (d) and adding Subsection (d-1) to
6 read as follows:

7 (b) To apply to be designated as a resource campus under
8 this section, the campus must have received an overall performance
9 rating under Section 39.054 of D or F, or an overall performance
10 rating under Section 39.054(a-4)(1) or 39.0546 of "Not Rated," for
11 three [four] years over a 10-year period of time.

12 (d) To be designated as a resource campus, the campus must:

13 (1) implement a targeted improvement plan as described
14 by Chapter 39A and establish a school community partnership team;

15 (2) adopt an accelerated campus excellence turnaround
16 plan as provided by Section 39A.105(b) [~~except that a classroom~~
17 ~~teacher who satisfies the requirements for demonstrated~~
18 ~~instructional effectiveness under Section 39A.105(b)(3) must also~~
19 ~~hold a current designation assigned under Section 21.3521]~~;

20 (3) be in a school district that has adopted an
21 approved local optional teacher designation system under Section
22 21.3521;

23 (4) satisfy certain staff criteria by:

24 (A) requiring a principal or teacher employed at
25 the campus before the designation to apply for a position to
26 continue at the campus;

27 (B) for a subject in the foundation curriculum

under Section 28.002(a)(1):

(i) employing only teachers who have at least two [~~three~~] years of teaching experience; and

(ii) ensuring that at least 50 percent of teachers hold a current designation assigned under Section 21.3521;

(C) employing at least one school counselor for every 300 students; and

(D) employing at least one appropriately licensed professional to assist with the social and emotional needs of students and staff, who must be a:

(i) family and community liaison;

(ii) clinical social worker;

(iii) specialist in school psychology; or

(iv) professional counselor;

(5) implement a positive behavior program as provided by Section 37.0013;

(6) implement a family engagement plan as described by Section 29.168;

(7) develop and implement a plan to use high quality instructional materials;

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

(9) annually submit to the commissioner data and information required by the commissioner to assess fidelity of implementation.

(d-1) The commissioner may grant to a campus requesting to

1 be designated as a resource campus under this section a one-year
2 waiver from the requirement under Subsection (d)(4)(B)(ii) if the
3 campus provides substantial evidence that the campus is working
4 toward meeting the requirement.

5 SECTION 1.11. Effective September 1, 2028, Section 29.934,
6 Education Code, is amended by amending Subsection (b) and adding
7 Subsection (b-1) to read as follows:

8 (b) To apply to be designated as a resource campus under
9 this section, the campus must have received an overall performance
10 rating under Section 39.054 of D or F, or an overall performance
11 rating under Section 39.054(a-4)(1) of "Not Rated," for three
12 [four] years over a 10-year period of time.

13 (b-1) Notwithstanding Subsection (b), a campus may apply to
14 be designated as a resource campus under this section if the campus
15 received an overall performance rating under Section 39.054 of D or
16 F, or an overall performance rating under Section 39.054(a-4)(1) or
17 former Section 39.0546 of "Not Rated," for three years over a
18 10-year period of time. This subsection expires September 1, 2033.

19 SECTION 1.12. Subchapter Z, Chapter 29, Education Code, is
20 amended by adding Sections 29.940 and 29.941 to read as follows:

21 Sec. 29.940. FEDERAL GRANT ADMINISTRATION. For a federal
22 grant program under which the agency oversees and administers
23 services to nonpublic schools, the agency shall follow federal
24 disposition rules and procedures to dispose of equipment or
25 supplies that are unused or no longer needed and were previously
26 allocated to nonpublic schools participating in the grant program.

27 Sec. 29.941. GRANT PROGRAM TO PROMOTE PARENTAL ENGAGEMENT.

1 (a) From money appropriated or otherwise available for the
2 purpose, the commissioner shall establish a grant program to
3 provide grants to school districts and open-enrollment charter
4 schools to assist with costs associated with operating programs or
5 projects to encourage parental engagement in the educational
6 success of students in the district or school, including:

7 (1) educational programming for parents on how to
8 teach the parent's child how to read, including how to read with the
9 parent's child outside of school in a manner that complements
10 instruction;

11 (2) for a parent of a child identified as academically
12 behind, educational programming on identifying and addressing the
13 child's academic struggles;

14 (3) for a parent of a child enrolled in a special
15 education program under Subchapter A, educational programming on
16 how to prepare the child for educational success; and

17 (4) for a parent of a child who exhibits behavioral
18 issues or has been subject to disciplinary measures, programs or
19 policies to engage the parent in efforts to discipline and improve
20 the behavior of the child.

21 (b) A school district or open-enrollment charter school may
22 use money awarded under Subsection (a) to:

23 (1) pay staff working additional hours to operate a
24 program or project described by Subsection (a);

25 (2) pay for food offered at training meetings for a
26 program or project described by Subsection (a); and

27 (3) pay for educational materials provided to parents

1 related to a program or project described by Subsection (a).

2 (c) The commissioner may adopt rules as necessary to
3 implement this section.

4 SECTION 1.13. Section 38.312, Education Code, is amended to
5 read as follows:

6 Sec. 38.312. EXPIRATION. The task force is abolished and
7 this subchapter expires December 1, 2031 [~~2025~~].

8 SECTION 1.14. Section 39.082(c), Education Code, is amended
9 to read as follows:

10 (c) The system may not include an indicator under Subsection
11 (b) or any other performance measure that:

12 (1) requires a school district to spend at least 65
13 percent or any other specified percentage of district operating
14 funds for instructional purposes; [~~or~~]

15 (2) lowers the financial management performance
16 rating of a school district for failure to spend at least 65 percent
17 or any other specified percentage of district operating funds for
18 instructional purposes; or

19 (3) for a school district required to reduce its local
20 revenue level under Section 48.257, includes in determining the
21 district's ratio of assets to liabilities any amount required to be
22 expended by the district to comply with Chapter 49.

23 SECTION 1.15. Section 46.071, Education Code, is amended by
24 adding Subsections (d-1) and (d-2) to read as follows:

25 (d-1) If the amount required to pay debt service on bonds
26 issued under Subchapter A, Chapter 45, is less than the sum of state
27 assistance provided under this chapter, including the amount of

1 additional state aid provided under this section, and the revenue
2 from the district's interest and sinking tax for a school year, the
3 commissioner shall, except as provided by Subsection (d-2), reduce
4 the amount of additional state aid provided under this section by
5 the difference between:

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

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

12 (d-2) The amount of additional state aid provided under this
13 section may not be reduced under Subsection (d-1) to an amount below
14 zero.

15 SECTION 1.16. Section 48.005, Education Code, is amended by
16 amending Subsections (a) and (e) and adding Subsection (a-1) to
17 read as follows:

18 (a) In this chapter, average daily attendance is:

19 (1) the quotient of the sum of attendance for each day
20 of the minimum number of days of instruction as described under
21 Section 25.081(a) divided by the minimum number of days of
22 instruction;

23 (2) for a district that operates under a flexible year
24 program under Section 29.0821, the quotient of the sum of
25 attendance for each actual day of instruction as permitted by
26 Section 29.0821(b)(1) divided by the number of actual days of
27 instruction as permitted by Section 29.0821(b)(1);

1 (3) for a district that operates under a flexible
2 school day program under Section 29.0822, the average daily
3 attendance as calculated by the commissioner in accordance with
4 Sections 29.0822(d) and (d-1); or

5 (4) except as provided by Subsection (a-1), for a
6 district that operates a half-day program or a full-day program
7 under Section 29.153(c), one-half of the average daily attendance
8 calculated under Subdivision (1).

9 (a-1) Average daily attendance is calculated under
10 Subsection (a)(1) for students:

11 (1) enrolled in a half-day program or full-day program
12 under Section 29.153(c) provided by an eligible private provider
13 under Section 29.171; and

14 (2) assigned to a campus:

15 (A) that is operated under a contract entered
16 into by the district with an entity under Section 11.174 or an
17 eligible private provider under Section 29.171; or

18 (B) of an open-enrollment charter school that is
19 operated by an entity governed by a management contract approved by
20 the agency.

21 (e) For each school year, the commissioner shall adjust the
22 average daily attendance of school districts that are entitled to
23 funding on the basis of an adjusted average daily attendance under
24 Subsection (b)(2) so that:

25 (1) all districts are funded on the basis of the same
26 percentage of the preceding year's actual average daily attendance;
27 and

1 (2) the total cost to the state does not exceed \$300
2 million, or a greater amount provided by appropriation ~~[the amount~~
3 ~~specifically appropriated for that year for purposes of Subsection~~
4 ~~(b)(2)]~~.

5 SECTION 1.17. Section 48.0051, Education Code, is amended
6 by amending Subsections (a), (b), and (d) and adding Subsection
7 (b-1) to read as follows:

8 (a) The ~~[Subject to Subsection (a-1), the]~~ commissioner
9 shall adjust the average daily attendance of a school district or
10 open-enrollment charter school under Section 48.005 in the manner
11 provided by Subsection (b) if the district or school:

12 (1) provides the minimum number of minutes of
13 operational and instructional time required under Section 25.081
14 and commissioner rules adopted under that section over at least 175
15 ~~[180]~~ days of instruction; and

16 (2) offers an additional 30 days of half-day
17 instruction for students enrolled in prekindergarten through
18 eighth ~~[fifth]~~ grade.

19 (b) Subject to Subsection (b-1), for ~~[For]~~ a school district
20 or open-enrollment charter school described by Subsection (a), the
21 commissioner shall increase the average daily attendance of the
22 district or school under Section 48.005 by the amount that results
23 from the quotient of the sum of attendance by students described by
24 Subsection (a)(2) for each of the 30 additional instructional days
25 of half-day instruction that are provided divided by 175 ~~[180]~~.

26 (b-1) For a school district or open-enrollment charter
27 school described by Subsection (a) that provides at least 200 full

1 days of instruction to students described by Subsection (a)(2), the
2 commissioner shall increase the amount computed for the district or
3 school under Subsection (b) by 50 percent.

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

SECTION 1.18. Subchapter A, Chapter 48, Education Code, is
amended by adding Section 48.014 to read as follows:

Sec. 48.014. NOTICE FOR SCHOOL DISTRICTS REGARDING RECOURSE
FOR INVALID PROPERTY VALUES. (a) This section applies only to a
school district located in an appraisal district in which the
comptroller has certified the preliminary findings of the school
district property value study under Section 403.302(g), Government
Code, and determined that a school district located in the
appraisal district has an invalid local value, regardless of
whether the district meets the definition of an eligible school
district under Section 403.3011, Government Code.

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

(1) an estimate of the effect on the district's
finances; and

(2) any right of recourse available to the district.

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

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

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

(a) For each student in average daily attendance, not
including the time students spend each day in career and technology
education programs or in special education programs in a setting
~~[an instructional arrangement]~~ other than a general education
setting ~~[mainstream or career and technology education programs]~~,
for which an additional allotment is made under Subchapter C, a
school district is entitled to an allotment equal to the lesser of
the amounts that result from the following formulas:

(1) $A = \$6,500 + \text{GYIA}$; [~~\$6,160~~] or [~~the amount that~~
~~results from the following formula:~~]

(2) $A = (\$6,500 + \text{GYIA})$ [~~\$6,160~~] X TR/MCR

where:

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

"GYIA" is the guaranteed yield increment adjustment
determined under Section 48.2561;

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

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

(c) During any school year for which the maximum amount of the basic allotment provided under Subsection (a) or (b) is greater than the maximum amount provided for the preceding school year, a school district must use at least 40 ~~[30]~~ percent of the amount, if the amount is greater than zero, that equals the product of the average daily attendance of the district multiplied by the amount of the difference between the district's funding under this chapter per student in average daily attendance for the current school year and the preceding school year to provide compensation increases to full-time district employees other than administrators as follows:

(1) 75 percent must be used to increase the salary ~~[compensation]~~ paid to classroom teachers, full-time librarians, full-time school counselors certified under Subchapter B, Chapter 21, and full-time school nurses, prioritizing higher salary increases ~~[differentiated compensation]~~ for classroom teachers in the following order:

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

(B) classroom teachers with ~~[more than]~~ five or more years of experience; and

(2) 25 percent may be used as determined by the district to increase compensation paid to full-time district employees.

(c-1) A school district employee who received a salary increase under Subsection (c) ~~[from a school district for the 2019-2020 school year]~~ is, as long as the employee remains employed by the same district and the district is receiving at least the same amount of funding as the amount of funding the district received for the ~~[2019-2020]~~ school year in which the requirement under Subsection (c) applied, entitled to salary that is at least equal to the salary the employee received for the preceding ~~[2019-2020]~~ school year. This subsection does not apply if:

(1) the board of trustees of the school district at which the employee is employed:

(A) ~~[(1)]~~ complies with Sections 21.4021, 21.4022, and 21.4032 in reducing the employee's salary; and

(B) ~~[(2)]~~ has adopted a resolution declaring a financial exigency for the district under Section 44.011; or

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

(c-3) A school district must ensure that the salary increases provided under Subsection (c)(1) provide for:

(1) a difference of at least 40 percent between the average salary schedule increase provided to a classroom teacher described by Subsection (c)(1)(A) and a classroom teacher described by Subsection (c)(1)(B); or

(2) an increase based on performance in accordance with the district's compensation plan implemented under Section

1 21.3521(d-1)(3).

2 (c-4) Notwithstanding Subsection (c-3), a school district
3 is not required to provide a salary increase to an employee under
4 Subsection (c) in an amount that exceeds \$15,000 per year. A
5 district may spend excess money available as a result of this
6 subsection for any purpose for which money provided under this
7 section may be spent.

8 (c-5) A school district that increases employee
9 compensation in the 2025-2026 school year to comply with Subsection
10 (c), as amended by H.B. 2, Acts of the 89th Legislature, Regular
11 Session, 2025, is providing compensation for services rendered
12 independently of an existing employment contract applicable to that
13 year and is not in violation of Section 53, Article III, Texas
14 Constitution. A school district that does not meet the
15 requirements of Subsection (c) in the 2025-2026 school year may
16 satisfy the requirements of this section by providing an employee a
17 one-time bonus payment during the 2026-2027 school year in an
18 amount equal to the difference between the compensation earned by
19 the employee during the 2025-2026 school year and the compensation
20 the employee should have received during that school year if the
21 district had complied with Subsection (c).

22 (c-6) In calculating the difference between a school
23 district's funding under this chapter per student in average daily
24 attendance for the current school year and the preceding school
25 year for purposes of Subsection (c), the agency may not include the
26 amounts to which the district is entitled under Section 48.115 or
27 48.284.

SECTION 1.20. Section 48.101, Education Code, is amended to read as follows:

Sec. 48.101. SMALL AND MID-SIZED DISTRICT ALLOTMENT. (a) Small and mid-sized districts are entitled to an annual allotment in accordance with this section. In this section:

(1) "AA" is the district's annual allotment per student in average daily attendance;

(2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 48.051, other than students in average daily attendance who do not reside in the district and are enrolled in a full-time virtual program; and

(3) "BA" is the basic allotment determined under Section 48.051.

(b) A school district that has fewer than 1,600 students in average daily attendance is entitled to an annual allotment for each student in average daily attendance based on the following formula:

$$AA = ((1,600 - ADA) \times \underline{.00057} [\del{.0004}]) \times BA$$

(c) A school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is entitled to an annual allotment for each student in average daily attendance based on the formula, of the following formulas, that results in the greatest annual allotment:

(1) the formula in Subsection (b), if the district is eligible for that formula; or

$$(2) AA = ((5,000 - ADA) \times \underline{.00003} [\del{.000025}]) \times BA.$$

(d) Instead of the allotment under Subsection (b) or (c)(1), a school district that has fewer than 300 students in average daily attendance and is the only school district located in and operating in a county is entitled to an annual allotment for each student in average daily attendance based on the following formula:

$$AA = ((1,600 - ADA) \times \underline{.0006} [\underline{.00047}]) \times BA$$

SECTION 1.21. Sections 48.104(a), (d), and (e), Education Code, are amended to read as follows:

(a) For each student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student is educationally disadvantaged, 0.28 [~~0.275~~]. For each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant, a district is entitled to an annual allotment equal to the basic allotment multiplied by 2.41.

(d) The weights assigned to the five tiers of the index established under Subsection (c) are, from least to most severe economic disadvantage, 0.23 [~~0.225~~], 0.2425 [~~0.2375~~], 0.255 [~~0.25~~], 0.2675 [~~0.2625~~], and 0.28 [~~0.275~~].

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

SECTION 1.22. Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.1042 to read as follows:

Sec. 48.1042. DISTRIBUTION OF CERTAIN COMPENSATORY EDUCATION ALLOTMENT AND EARLY EDUCATION ALLOTMENT MONEY. (a) This section applies only to money to which a school district is entitled under:

(1) Section 48.104; or

(2) Section 48.108 for students in prekindergarten.

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

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

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

SECTION 1.23. Sections 48.105(a) and (b), Education Code, are amended to read as follows:

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the basic allotment multiplied by:

(1) for an emergent bilingual student, as defined by Section 29.052:

(A) 0.12 [~~0.1~~]; or

(B) 0.17 [~~0.15~~] if the student is in a bilingual education program using a dual language immersion/one-way or two-way program model; and

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

(b) At least 55 percent of the funds allocated under this section must be used in providing bilingual education or special language programs under Subchapter B, Chapter 29. A district's bilingual education or special language allocation may be used only for program and student evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salaries [~~salary supplements~~] for teachers, incremental costs associated with providing smaller class sizes, and other supplies required for quality instruction.

SECTION 1.24. Section 48.108(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance in prekindergarten [~~kindergarten~~] through third grade, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 if the student is:

(1) educationally disadvantaged; or

(2) an emergent bilingual student, as defined by Section 29.052, and is in a bilingual education or special language

1 program under Subchapter B, Chapter 29.

2 SECTION 1.25. Section 48.112, Education Code, is amended by
3 amending Subsections (c), (d), and (i) and adding Subsection (g-1)
4 to read as follows:

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

10 (1) \$12,000, or an increased amount not to exceed
11 \$36,000 [~~\$32,000~~] as determined under Subsection (d), for each
12 master teacher;

13 (2) \$9,000 [~~\$6,000~~], or an increased amount not to
14 exceed \$25,000 [~~\$18,000~~] as determined under Subsection (d), for
15 each exemplary teacher; ~~and~~

16 (3) \$5,000 [~~\$3,000~~], or an increased amount not to
17 exceed \$15,000 [~~\$9,000~~] as determined under Subsection (d), for
18 each recognized teacher; and

19 (4) \$3,000, or an increased amount not to exceed
20 \$9,000 as determined under Subsection (d), for each:

21 (A) acknowledged teacher; or

22 (B) nationally board certified teacher.

23 (d) The high needs and rural factor is determined by
24 multiplying the following applicable amounts by the average of the
25 point value assigned to each student at a district campus under
26 Subsection (e):

27 (1) \$6,000 [~~\$5,000~~] for each master teacher;

(2) \$4,000 [~~\$3,000~~] for each exemplary teacher; [~~and~~]

(3) \$2,500 [~~\$1,500~~] for each recognized teacher; and

(4) \$1,500 for each:

(A) acknowledged teacher; or

(B) nationally board certified teacher.

(g-1) For a district that is designated as an enhanced teacher incentive allotment public school under Section 21.3521(d-1), the commissioner shall increase the amount to which the district is entitled under this section by multiplying that amount by 1.1.

(i) A district shall annually certify that:

(1) funds received under this section were used as follows:

(A) at least 90 percent of each allotment received under Subsection (c) was used for the compensation of teachers employed at the campus at which the teacher for whom the district received the allotment is employed; [~~and~~]

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

(C) any other funds received under this section were used for costs associated with implementing Section 21.3521, including efforts to support teachers in obtaining designations; and

(2) the district prioritized high needs campuses in

the district in using funds received under this section.

SECTION 1.26. Section 48.115(a), Education Code, is amended to read as follows:

(a) Except as provided by Subsection (a-1), a school district is entitled to an annual allotment equal to the sum of the following amounts or a greater amount provided by appropriation:

(1) \$10 for each student in average daily attendance, plus \$1 for each student in average daily attendance per every \$50 by which the district's maximum basic allotment under Section 48.051 exceeds \$6,555 [~~\$6,160~~], prorated as necessary; and

(2) \$15,000 per campus.

SECTION 1.27. Subchapter C, Chapter 48, Education Code, is amended by adding Section 48.116 to read as follows:

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

(1) if the student is not educationally disadvantaged, the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by 0.008; or

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

(b) The agency shall approve fine arts education courses that qualify for the allotment provided under this section. The approved courses must include fine arts education courses that:

(1) are authorized by the State Board of Education,

1 including music, art, theater, and dance;

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

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

6 (c) The agency shall annually publish a list of fine arts
7 education courses approved under Subsection (b).

8 (d) The total amount of allotments provided under this
9 section for a school year may not exceed \$15 million.

10 (e) The agency may proportionally reduce each school
11 district's allotment under this section if the amount appropriated
12 for purposes of this section is insufficient to pay for all
13 allotments to which districts are entitled under this section.

14 SECTION 1.28. Section 48.202, Education Code, is amended by
15 amending Subsection (a-1) and adding Subsection (e-2) to read as
16 follows:

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

20 (1) the greater of \$129.52 or an amount set by
21 appropriation [~~the amount of district tax revenue per weighted~~
22 ~~student per cent of tax effort available to a school district at the~~
23 ~~96th percentile of wealth per weighted student or the amount that~~
24 ~~results from multiplying 6,160, or the greater amount provided~~
25 ~~under Section 48.051(b), if applicable, by 0.016,~~] for the first
26 eight cents by which the district's maintenance and operations tax
27 rate exceeds the district's tier one tax rate; and

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

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

SECTION 1.29. Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2561 to read as follows:

Sec. 48.2561. GUARANTEED YIELD INCREMENT ADJUSTMENT. (a) Not later than October 1 of each even-numbered year, for the subsequent state fiscal biennium, the agency shall determine the amount of the guaranteed yield increment adjustment for each state fiscal year of the biennium. The amount of the guaranteed yield increment adjustment is the difference between:

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

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

1 (b) Notwithstanding Subsection (a), the amount of the
2 guaranteed yield increment adjustment for each state fiscal year of
3 the state fiscal biennium beginning September 1, 2025, is \$55. This
4 subsection expires September 1, 2027.

5 SECTION 1.30. Section 48.266, Education Code, is amended by
6 amending Subsection (b) and adding Subsection (b-1) to read as
7 follows:

8 (b) Except as provided by this subsection and subject to
9 Subsection (b-1), the commissioner shall base the determinations
10 under Subsection (a) on the estimates provided to the legislature
11 under Section 48.269, or, if the General Appropriations Act
12 provides estimates for that purpose, on the estimates provided
13 under that Act, for each school district for each school year. The
14 commissioner shall reduce the entitlement of each district that has
15 a final taxable value of property for the second year of a state
16 fiscal biennium that is higher than the estimate under Section
17 48.269 or the General Appropriations Act, as applicable. A
18 reduction under this subsection may not reduce the district's
19 entitlement below the amount to which it is entitled at its actual
20 taxable value of property.

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

26 SECTION 1.31. Section 48.283, Education Code, is amended to
27 read as follows:

1 Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS
2 IMPACTED BY COMPRESSION. (a) For the 2023-2024 and 2024-2025
3 school years, a [A] school district that received an adjustment
4 under Section 48.257(b) for the 2022-2023 school year is entitled
5 to additional state aid [for each school year] in an amount equal to
6 [the amount of that adjustment for the 2022-2023 school year less]
7 the difference, if the difference is greater than zero, between:

8 (1) [the amount to which the district is entitled
9 under this chapter for the current school year; and

10 [-(2)-] the amount of state and local revenue that would
11 have been available to [which] the district [would be entitled]
12 under this chapter and Chapter 49 for the 2023-2024 or 2024-2025
13 [current] school year, as applicable, if the district's maximum
14 compressed tax rate had not been reduced under Section 48.2555, as
15 added by S.B. 2, Acts of the 88th Legislature, 2nd Called Session,
16 2023; and

17 (2) the amount of state and local revenue available to
18 the district under this chapter and Chapter 49 for the 2023-2024 or
19 2024-2025 school year, as applicable.

20 (b) This section expires January 1, 2026.

21 SECTION 1.32. Subchapter F, Chapter 48, Education Code, is
22 amended by adding Sections 48.2711, 48.2831, and 48.284 to read as
23 follows:

24 Sec. 48.2711. ADJUSTMENT FOR LOSS OF REVENUE DUE TO USE OF
25 STATE VALUE. (a) This section applies only to a school district:

26 (1) for which the state value for the district's
27 taxable value of property is used under Section 403.302(c),

1 Government Code; and

2 (2) in which the district's board of trustees adopts a
3 resolution during the school year recognizing the need for an
4 adjustment under this section.

5 (b) For each school district to which this section applies,
6 the agency shall determine whether the district's entitlement under
7 this chapter for a school year is greater if the district's taxable
8 value of property is:

9 (1) the local value; or

10 (2) the state value as determined by the comptroller
11 under Sections 403.302(a) and (b), Government Code.

12 (c) If the agency determines under Subsection (b) that the
13 school district's entitlement is greater for the applicable school
14 year using the local value for the district's taxable value of
15 property, the commissioner shall increase state aid or adjust the
16 limit on local revenue under Section 48.257 for the district for
17 that school year in an amount equal to:

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

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

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

27 (d) A school district may not receive an adjustment under

1 this section for more than three consecutive school years unless
2 the legislature specifically appropriates money for the purpose of
3 making adjustments under this section for the fourth or a
4 subsequent consecutive school year.

5 (e) For purposes of determining the number of consecutive
6 school years for which this section applies to a school district,
7 the commissioner may not consider a school year before the
8 2025-2026 school year.

9 (f) A school year in which the comptroller determines a
10 school district's local value to be valid under Section 403.302(c),
11 Government Code, that occurs after the district receives an
12 adjustment under this section is not included in calculating
13 consecutive school years under Subsection (c) or (d) and is not
14 considered a break in consecutive school years, except as provided
15 by Subsection (h).

16 (g) A school district may not receive an adjustment under
17 this section for a school year in which the district is determined
18 to be an eligible school district, as defined by Section 403.3011,
19 Government Code. A school year in which the district is not
20 eligible for an adjustment under this subsection is included in
21 calculating consecutive school years under Subsections (c) and (d).

22 (h) Except as provided by Subsection (d), a school district
23 that receives an adjustment under this section for three
24 consecutive school years is not eligible to receive an adjustment
25 under this section in the subsequent school year but may be again
26 eligible for the adjustment following two consecutive school years
27 for which the local value is used for the district's taxable value

of property under Section 403.302(c), Government Code.

(i) The total amount of adjustments made under this section for a school year may not exceed \$60 million.

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

(k) A determination made by the commissioner under this section is final and may not be appealed.

Sec. 48.2831. ADDITIONAL STATE AID TO ENSURE MINIMUM FUNDING LEVEL. (a) Beginning with the 2025-2026 school year, a school district is entitled to additional state aid in an amount necessary to ensure the district receives state and local revenue per student in weighted average daily attendance under this chapter and Chapter 49 in an amount at least equal to the sum of:

(1) state and local revenue per student in weighted average daily attendance that would have been available to the district for the 2025-2026 school year under this chapter and Chapter 49, as those chapters existed on September 1, 2024; and

(2) \$200.

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

(c) For purposes of calculating the amount of additional

state aid to which a district is entitled under this section, the agency shall:

(1) for the 2025-2026 school year, use the same values for formula funding adjustments under this chapter and Chapter 49, as those chapters existed on September 1, 2024, that the agency used during that school year; and

(2) for a school year after the 2025-2026 school year, exclude any formula funding adjustments under this chapter and Chapter 49, as those chapters existed on September 1, 2024, that are expired or do not apply to the district for a school year following the 2025-2026 school year as provided by this chapter and Chapter 49, as those chapters existed on September 1, 2024.

(d) The agency shall notify the Legislative Budget Board as soon as practicable after the agency determines that no school districts qualify for additional state aid under this section.

Sec. 48.284. ADDITIONAL STATE AID FOR REGIONAL INSURANCE COST DIFFERENTIALS. (a) In this section, "catastrophe area" and "first tier coastal county" have the meanings assigned by Section 2210.003, Insurance Code.

(b) This section applies to a school district or open-enrollment charter school that has the following property located in a first tier coastal county or an area designated in 2024 as a catastrophe area:

(1) the central administrative office of the district or school; and

(2) a majority of campuses of the district or school.

(c) A school district or open-enrollment charter school to

which this section applies is entitled to additional state aid for each student in adjusted average daily attendance in an amount equal to the difference between, for the 2023-2024 school year, or a different school year specified by appropriation:

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

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

(d) For purposes of Subsection (c), the average daily attendance of a school district that qualifies for, or an open-enrollment charter school that if the school were a school district would qualify for, an allotment under Section 48.101 is the district's or school's average daily attendance multiplied by the sum of one and:

(1) for a school district, the district's annual allotment per student in average daily attendance under that section divided by the basic allotment; or

(2) for an open-enrollment charter school, the school's allotment determined per student in average daily attendance under Section 12.106(a-2) divided by the basic allotment.

SECTION 1.33. Sections 12.1058(e) and 12.106(a-4),

Education Code, are repealed.

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

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

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

ARTICLE 2. TEACHER PREPARATION AND CHANGES RELATED TO EMPLOYEES

SECTION 2.01. Section 12A.004(a), Education Code, is amended to read as follows:

(a) A local innovation plan may not provide for the exemption of a district designated as a district of innovation from

the following provisions of this title:

(1) a state or federal requirement applicable to an open-enrollment charter school operating under Subchapter D, Chapter 12;

(2) Subchapters A, C, D, and E, Chapter 11, except that a district may be exempt from Sections 11.1511(b)(5) and (14) and Section 11.162;

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

(4) parental notification requirements under Section 21.057;

(5) state curriculum and graduation requirements adopted under Chapter 28; and

(6) ~~[(4)]~~ academic and financial accountability and sanctions under Chapters 39 and 39A.

SECTION 2.02. Section 21.001, Education Code, is amended by adding Subdivision (3-b) to read as follows:

(3-b) "Teacher of record" means a person employed by a school district who teaches the majority of the instructional day in an academic instructional setting and is responsible for evaluating student achievement and assigning grades.

SECTION 2.03. Subchapter A, Chapter 21, Education Code, is amended by adding Sections 21.0032 and 21.0033 to read as follows:

Sec. 21.0032. EMPLOYMENT OF UNCERTIFIED CLASSROOM TEACHERS. (a) A school district may not employ as a teacher of record for a course in the foundation curriculum under Section 28.002 a person who does not hold an appropriate certificate or

permit required by the State Board for Educator Certification under Subchapter B.

(a-1) Notwithstanding Subsection (a), a school district may employ as a classroom teacher for a course in the foundation curriculum under Section 28.002 not more than the following applicable percentage of classroom teachers who do not hold an appropriate certificate or permit required by the State Board for Educator Certification under Subchapter B:

(1) for the 2026-2027 school year, 20 percent;

(2) for the 2027-2028 school year, 15 percent;

(3) for the 2028-2029 school year, 10 percent; and

(4) for the 2029-2030 school year, 5 percent.

(a-2) This subsection and Subsection (a-1) expire September 1, 2031.

(b) This section does not preclude a school district from:

(1) receiving a waiver under Section 7.056; or

(2) issuing a school district teaching permit under Section 21.055.

Sec. 21.0033. TEACHER CERTIFICATION INCENTIVE. (a) From money appropriated or otherwise available for the purpose, the agency shall provide to each school district a one-time payment of \$1,000 for each classroom teacher employed by the district who:

(1) was hired for the 2022-2023 or 2023-2024 school year as a first-year teacher;

(2) was uncertified on January 1, 2025;

(3) earned a standard certificate under Subchapter B by the end of the 2025-2026 school year; and

1 (4) was continuously employed by the district since
2 the school year described by Subdivision (1).

3 (b) This section expires September 1, 2027.

4 SECTION 2.04. Subchapter B, Chapter 21, Education Code, is
5 amended by adding Section 21.0411 to read as follows:

6 Sec. 21.0411. WAIVER OR PAYMENT OF CERTAIN EXAMINATION AND
7 CERTIFICATION FEES. (a) Notwithstanding a rule adopted under
8 Section 21.041(c), the board shall, for a person applying for a
9 certification in special education, bilingual education, or
10 another area specified by the General Appropriations Act, waive:

11 (1) a certification examination fee imposed by the
12 board for the first administration of the examination to the
13 person; and

14 (2) a fee associated with the application for
15 certification by the person.

16 (b) The board shall pay to a vendor that administers a
17 certification examination described by Subsection (a) a fee
18 assessed by that vendor for the examination of a person applying for
19 a certification described by Subsection (a) for the first
20 administration of the examination to the person.

21 SECTION 2.05. Subchapter I, Chapter 21, Education Code, is
22 amended by adding Section 21.416 to read as follows:

23 Sec. 21.416. EMPLOYED RETIREE EDUCATOR REIMBURSEMENT GRANT
24 PROGRAM. (a) From money appropriated or otherwise available, the
25 commissioner shall establish and administer a grant program to
26 reimburse a school district, an open-enrollment charter school, the
27 Windham School District, the Texas School for the Deaf, or the Texas

School for the Blind and Visually Impaired for the increased contributions to the Teacher Retirement System of Texas associated with hiring a teacher, or an educator providing special education services, who retired before September 1, 2024.

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

(1) providing, notwithstanding Subsection (a), a date or date range other than September 1, 2024, before which a teacher or educator must have retired for a school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf, or the Texas School for the Blind and Visually Impaired to be eligible; or

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

(A) who holds a certain certification;
(B) to teach a certain subject or grade;
(C) in a certain geographical area; or
(D) to provide instruction to certain students,
including to students with disabilities.

(c) The commissioner shall proportionally reduce the amount of money awarded to school districts, open-enrollment charter schools, the Windham School District, the Texas School for the Deaf, and the Texas School for the Blind and Visually Impaired under this section if the number of grant applications by eligible

districts or schools exceeds the number of grants the commissioner could award with the money appropriated or otherwise available for the purpose.

(d) A school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf, or the Texas School for the Blind and Visually Impaired may use money received under this section to make required payments under Section 825.4092, Government Code.

SECTION 2.06. Chapter 21, Education Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. GROW YOUR OWN PARTNERSHIP PROGRAM

Sec. 21.901. DEFINITIONS. In this subchapter:

(1) "Cooperating teacher" means a classroom teacher who:

(A) has at least three full school years of teaching experience with a superior record of assisting students in achieving improvement in student performance;

(B) is employed by a school district or open-enrollment charter school participating in the program under this subchapter and paired with a student or employee participating in the program at the district or school; and

(C) provides coaching to a student or employee participating in the program in the teacher's classroom.

(2) "Program" means the Grow Your Own Partnership Program established under Section 21.902.

Sec. 21.902. GROW YOUR OWN PARTNERSHIP PROGRAM. (a) The commissioner shall establish the Grow Your Own Partnership Program

to enable qualified institutions of higher education and educator preparation programs, as determined by the commissioner, to form partnerships with school districts or open-enrollment charter schools to establish innovative staffing pipelines to ensure the availability of high-quality classroom teachers to benefit future district or school students.

(b) The program must be designed to form partnerships that support:

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

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

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

(d) A school district or open-enrollment charter school participating in the program shall:

(1) for a partnership described by Subsection (b)(1), provide:

(A) authentic opportunities, which may be paid or unpaid, for students to practice teaching under the supervision of a cooperating teacher; and

(B) guidance and other transition supports as a student begins an undergraduate degree program that offers a route

1 to teacher preparation;

2 (2) for a partnership described by Subsection (b)(2),
3 provide for a district or school employee:

4 (A) scheduled release time to support the
5 completion of an associate degree or the first 60 hours of a
6 bachelor's degree;

7 (B) authentic opportunities to practice teaching
8 under the supervision of a cooperating teacher;

9 (C) on-the-job training aligned with the
10 standards for educator certification established by the board;

11 (D) a job assignment that includes instructional
12 support for students enrolled in the district or school; and

13 (E) guidance and other transition supports as the
14 employee begins a program to satisfy the teacher preparation
15 requirements under Subchapter B;

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

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

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

25 (e) A school district or open-enrollment charter school may
26 use money received under Section 48.157 to implement the program
27 and pay tuition and fees, including certification fees, for

1 students or employees participating in the program.

2 (f) A school district or open-enrollment charter school may
3 only pair a student or employee participating in the program with a
4 cooperating teacher who agrees to participate in that role in the
5 program at the district or school.

6 (g) A student or employee participating in the program may
7 not serve:

8 (1) as a teacher of record; or

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

13 (h) A student or employee participating in the program may
14 serve in a position described by Subsection (g)(2) for the limited
15 purpose of gaining experience in the position. The student's or
16 employee's amount of time serving in that position may not exceed
17 the amount of time during which the teacher of record for the
18 students has the primary or sole responsibility of providing
19 instruction or supervision to those students.

20 Sec. 21.903. RULES. The commissioner shall adopt rules as
21 necessary to implement this subchapter.

22 SECTION 2.07. Subchapter D, Chapter 48, Education Code, is
23 amended by adding Section 48.157 to read as follows:

24 Sec. 48.157. GROW YOUR OWN PARTNERSHIP PROGRAM ALLOTMENT.

25 (a) Subject to Subsection (d), for each district employee
26 participating in a partnership described by Section 21.902(b)(2), a
27 school district is entitled to an annual allotment equal to the sum

of:

(1) \$8,000; and

(2) the high needs and rural factor, as determined under Subsection (b), multiplied by \$1,000.

(b) The high needs and rural factor is the lesser of:

(1) the average of the point value assigned to each student at a district campus under Sections 48.112(e) and (f); or

(2) 4.0.

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

(d) Unless a greater number of individuals is provided for by appropriation for that school year, a school district may receive an allotment under this section for a school year for not more than 40 district employees.

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

SECTION 2.08. Section 12A.004(a), Education Code, as amended by this article, applies to each local innovation plan adopted under Chapter 12A, Education Code, regardless of whether

the plan was adopted before, on, or after the effective date of this article. A local innovation plan adopted or renewed before the effective date of this article must comply with Section 12A.004(a), Education Code, as amended by this article, not later than September 1, 2025.

ARTICLE 3. SPECIAL EDUCATION

SECTION 3.01. Section 7.021(b)(10), Education Code, is amended to read as follows:

(10) The agency shall carry out duties assigned under Section 30.002 concerning children who have visual impairments, are deaf or hard of hearing, or are deaf-blind [~~with visual impairments~~].

SECTION 3.02. Section 7.055(b)(25), Education Code, is amended to read as follows:

(25) The commissioner shall develop a system to distribute to school districts or regional education service centers a special supplemental allowance for students with visual impairments as required under Section 30.0021 [~~30.002~~].

SECTION 3.03. Section 8.051(d), Education Code, is amended to read as follows:

(d) Each regional education service center shall maintain core services for purchase by school districts and campuses. The core services are:

(1) training and assistance in:

(A) teaching each subject area assessed under Section 39.023; and

(B) providing instruction in personal financial

1 literacy as required under Section 28.0021;

2 (2) training and assistance in providing each program
3 that qualifies for a funding allotment under Section 48.102,
4 48.1021, 48.103, 48.104, 48.105, or 48.109;

5 (3) assistance specifically designed for a school
6 district or campus assigned an unacceptable performance rating
7 under Section 39.054;

8 (4) training and assistance to teachers,
9 administrators, members of district boards of trustees, and members
10 of site-based decision-making committees;

11 (5) assistance specifically designed for a school
12 district that is considered out of compliance with state or federal
13 special education requirements, based on the agency's most recent
14 compliance review of the district's special education programs; and

15 (6) assistance in complying with state laws and rules.

16 SECTION 3.04. Sections 28.025(c-7) and (c-8), Education
17 Code, are amended to read as follows:

18 (c-7) Subject to Subsection (c-8), a student who is enrolled
19 in a special education program under Subchapter A, Chapter 29, may
20 earn the distinguished level of achievement under Subsection (b-15)
21 or an endorsement on the student's transcript under Subsection
22 (c-1) by:

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

25 (A) the curriculum requirements identified by
26 the State Board of Education under Subsection (a); ~~and~~

27 (B) for the distinguished level of achievement,

1 the additional curriculum requirements prescribed under Subsection
 2 (b-15); and

3 (C) for an endorsement, the additional
 4 ~~[endorsement]~~ curriculum requirements prescribed by the State
 5 Board of Education under Subsection (c-2); and

6 (2) successfully completing all curriculum
 7 requirements for the distinguished level of achievement or that
 8 endorsement adopted by the State Board of Education:

9 (A) without modification of the curriculum; or
 10 (B) with modification of the curriculum,
 11 provided that the curriculum, as modified, is sufficiently rigorous
 12 as determined by the student's admission, review, and dismissal
 13 committee and documented in the student's individualized education
 14 program.

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

21 SECTION 3.05. Section 29.001, Education Code, is amended to
 22 read as follows:

23 Sec. 29.001. IMPLEMENTATION OF SPECIAL EDUCATION
 24 LAW [STATEWIDE PLAN]. (a) As the state education agency
 25 responsible for carrying out the purposes of Part B, Individuals
 26 with Disabilities Education Act (20 U.S.C. Section 1411 et seq.),
 27 the ~~[The]~~ agency shall develop, and revise ~~[modify]~~ as necessary, a

comprehensive system to ensure statewide and local compliance
~~[design, consistent]~~ with federal and state law related to special
education~~[, for the delivery of services to children with~~
~~disabilities in this state that includes rules for the~~
~~administration and funding of the special education program so that~~
~~a free appropriate public education is available to all of those~~
~~children between the ages of three and 21].~~

(b) The comprehensive system must ~~[statewide design shall]~~
include the provision of services primarily through school
districts and shared services arrangements, supplemented by
regional education service centers.

(c) The comprehensive system must focus on providing a free
appropriate public education and maximizing student outcomes and
include ~~[agency shall also develop and implement a statewide plan~~
~~with programmatic content that includes procedures designed to]:~~

(1) rulemaking, technical assistance, guidance
documents, monitoring protocols, data elements necessary for
statewide reporting, and other resources as necessary to implement
and ensure compliance with federal and state law related to special
education ~~[ensure state compliance with requirements for~~
~~supplemental federal funding for all state-administered programs~~
~~involving the delivery of instructional or related services to~~
~~students with disabilities];~~

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

(3) the pursuit of ~~[periodically assess statewide~~

1 ~~personnel needs in all areas of specialization related to special~~
2 ~~education and pursue]~~ strategies to meet statewide special
3 education and related services personnel ~~[those]~~ needs ~~[through a~~
4 ~~consortium of representatives from regional education service~~
5 ~~centers, local education agencies, and institutions of higher~~
6 ~~education and through other available alternatives]~~;

7 (4) ensuring ~~[ensure]~~ that regional education service
8 centers throughout the state maintain a regional support function,
9 which may include procedures for service centers to assist school
10 districts in identifying existing public or private educational or
11 related services in each region, cooperatively developing programs
12 for students with disabilities, providing to or obtaining for
13 school districts special equipment, delivering services, and
14 facilitating ~~[direct service delivery and a component designed to~~
15 ~~facilitate]~~ the placement of students with disabilities who cannot
16 be appropriately served in their resident districts;

17 (5) ~~[allow the agency to]~~ effectively monitoring
18 ~~[monitor]~~ and periodically conducting ~~[conduct]~~ site visits of all
19 school districts to ensure that rules adopted under this subchapter
20 ~~[section]~~ are applied in a consistent and uniform manner, to ensure
21 that districts are complying with those rules, and to ensure that
22 annual statistical reports filed by the districts and not otherwise
23 available through the Public Education Information Management
24 System under Sections 48.008 and 48.009 are accurate and complete;
25 and

26 (6) the provision of training and technical assistance
27 to ensure that:

1 (A) appropriately trained personnel are involved
2 in the diagnostic and evaluative procedures operating in all
3 districts and that those personnel routinely serve on district
4 multidisciplinary evaluation teams and admissions, review, and
5 dismissal committees;

6 (B) [~~(7) ensure that~~] an individualized
7 education program for each student with a disability is properly
8 developed, implemented, and maintained in the least restrictive
9 environment that is appropriate to meet the student's educational
10 needs;

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

19 (D) [~~(8) ensure that,~~] when appropriate, each
20 student with a disability is provided an opportunity to participate
21 in career and technology and physical education classes[~~, in~~
22 ~~addition to participating in regular or special classes~~];

23 (E) [~~(9) ensure that~~] each student with a
24 disability is provided necessary related services;

25 (F) school districts have an opportunity to
26 request technical assistance from the agency or a regional
27 education service center in establishing classroom environments

1 conducive to learning for students with disabilities, including
2 environments for students whose data indicate behavior that
3 significantly impedes the student's own learning and the learning
4 of other students;

5 (G) [~~(10)~~—~~ensure that~~] an individual assigned
6 to act as a surrogate parent for a child with a disability, as
7 provided by 20 U.S.C. Section 1415(b), is required to:

8 (i) [~~(A)~~] complete a training program that
9 complies with minimum standards established by agency rule;

10 (ii) [~~(B)~~] visit the child and the child's
11 school;

12 (iii) [~~(C)~~] consult with persons involved
13 in the child's education, including teachers, caseworkers,
14 court-appointed volunteers, guardians ad litem, attorneys ad
15 litem, foster parents, and caretakers;

16 (iv) [~~(D)~~] review the child's educational
17 records;

18 (v) [~~(E)~~] attend meetings of the child's
19 admission, review, and dismissal committee;

20 (vi) [~~(F)~~] exercise independent judgment
21 in pursuing the child's interests; and

22 (vii) [~~(G)~~] exercise the child's due
23 process rights under applicable state and federal law; and

24 (H) [~~(11)~~—~~ensure that~~] each district develops a
25 process to be used by a teacher who instructs a student with a
26 disability in a general education [~~regular~~] classroom setting:

27 (i) [~~(A)~~] to request a review of the

1 student's individualized education program;

2 (ii) [~~(B)~~] to provide input in the
3 development of the student's individualized education program;

4 (iii) [~~(C)~~] that provides for a timely
5 district response to the teacher's request; and

6 (iv) [~~(D)~~] that provides for notification
7 to the student's parent or legal guardian of that response.

8 SECTION 3.06. Subchapter A, Chapter 29, Education Code, is
9 amended by adding Section 29.0012 to read as follows:

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

16 (b) The agency by rule shall adopt a set of performance
17 indicators for measuring and evaluating the quality of learning and
18 achievement for students receiving special education services at
19 the school district or open-enrollment charter school to be
20 considered at a meeting held under this section. The indicators
21 must include performance on the college, career, or military
22 readiness outcomes described by Section 48.110.

23 SECTION 3.07. Section 29.003, Education Code, is amended to
24 read as follows:

25 Sec. 29.003. ELIGIBILITY CRITERIA. (a) The agency shall
26 develop specific eligibility criteria based on the general
27 classifications established by this section and in accordance with

1 federal law [~~with reference to contemporary diagnostic or~~
 2 ~~evaluative terminologies and techniques~~]. Eligible students with
 3 disabilities shall enjoy the right to a free appropriate public
 4 education, which may include instruction in the general education
 5 [~~regular~~] classroom, instruction through special teaching, or
 6 instruction through contracts approved under this subchapter.
 7 Instruction shall be supplemented by the provision of related
 8 services when appropriate.

9 (b) A student is eligible to participate in a school
 10 district's special education program [~~if the student~~]:

11 (1) from birth through [~~is not more than~~] 21 years of
 12 age if the student [~~and~~] has a visual [~~or auditory~~] impairment, is
 13 deaf or hard of hearing, or is deaf-blind and that disability
 14 prevents the student from being adequately or safely educated in
 15 public school without the provision of special education services;
 16 [~~or~~]

17 (2) from three years of age through nine years of age
 18 if the student is experiencing developmental delays as described by
 19 20 U.S.C. Section 1401(3)(B) and defined by commissioner rule; or

20 (3) from 3 years of age through [~~is at least three but~~
 21 ~~not more than~~] 21 years of age if the student [~~and~~] has one or more
 22 of the [~~following~~] disabilities described by 20 U.S.C. Section
 23 1401(3)(A) and that disability prevents the student from being
 24 adequately or safely educated in public school without the
 25 provision of special education services[+]

26 [~~(A) physical disability,~~

27 [~~(B) intellectual or developmental disability,~~

1 [~~(C) emotional disturbance,~~
2 [~~(D) learning disability,~~
3 [~~(E) autism,~~
4 [~~(F) speech disability, or~~
5 [~~(G) traumatic brain injury~~].

6 SECTION 3.08. Sections 29.005(a), (d), and (e), Education
7 Code, are amended to read as follows:

8 (a) Before a child is enrolled in a special education
9 program of a school district, the district shall establish a
10 committee composed of the persons required under 20 U.S.C. Section
11 1414(d) to develop the child's individualized education program.
12 If a committee is required to include a general [~~regular~~] education
13 teacher, the [~~regular education~~] teacher included must, to the
14 extent practicable, be a teacher who is responsible for
15 implementing a portion of the child's individualized education
16 program.

17 (d) If the primary language of the child's parent is a
18 language other than [~~is unable to speak~~] English, the district
19 shall:

20 (1) provide the parent with a written or audiotaped
21 copy of the child's individualized education program translated
22 into Spanish if Spanish is the parent's primary [~~native~~] language;
23 or

24 (2) if the parent's primary [~~native~~] language is a
25 language other than Spanish, make a good faith effort to provide the
26 parent with a written or audiotaped copy of the child's
27 individualized education program translated into the parent's

1 primary ~~[native]~~ language.

2 (e) The commissioner by rule may require a school district
3 to include in the individualized education program of a student
4 with autism ~~[or another pervasive developmental disorder]~~ any
5 information or requirement determined necessary to ensure the
6 student receives a free appropriate public education as required
7 under the Individuals with Disabilities Education Act (20 U.S.C.
8 Section 1400 et seq.).

9 SECTION 3.09. Section 29.0051, Education Code, is amended
10 by adding Subsection (d) to read as follows:

11 (d) From federal money available for the purpose, the
12 commissioner may develop or procure the model form developed under
13 Subsection (a) in a digital format. If the commissioner develops or
14 procures the model form in a digital format, the commissioner shall
15 adopt rules regarding school district use of the form in that
16 format.

17 SECTION 3.10. Subchapter A, Chapter 29, Education Code, is
18 amended by adding Section 29.0056 to read as follows:

19 Sec. 29.0056. INFORMATION ON COMMUNITY-BASED SUPPORTS AND
20 RESIDENTIAL OPTIONS. (a) In this section, "state supported living
21 center" has the meaning assigned by Section 531.002, Health and
22 Safety Code.

23 (b) The Health and Human Services Commission, in
24 collaboration with the agency and stakeholders, shall develop and
25 provide to the agency materials regarding residential options and
26 supports for children who may qualify for home and community-based
27 supports or a residential placement. The agency shall make the

materials developed under this subsection available to school districts.

(c) The materials must include information regarding:

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

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

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

(i) the youth empowerment services program;
(ii) the home and community-based services program;

(iii) the Texas home living program;
(iv) the community living assistance and support services program; and

(v) the deaf-blind with multiple disabilities program;

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

(C) state supported living centers.

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

SECTION 3.11. Sections 29.006(a) and (c), Education Code,

are amended to read as follows:

(a) The governor shall appoint a continuing advisory committee consistent with [~~, composed of 17 members, under~~] 20 U.S.C. Section 1412(a)(21). At least one member appointed under this subsection must be a director of special education programs for a school district.

(c) Members of the committee are appointed for staggered terms of four years with the terms of half of the [~~eight or nine~~] members or, for an odd number of members, half of the members rounded down or half of the members rounded up expiring on February 1 of each odd-numbered year.

SECTION 3.12. Section 29.008, Education Code, is amended to read as follows:

Sec. 29.008. CONTRACTS FOR SERVICES; RESIDENTIAL AND DAY PLACEMENT PROGRAMS. (a) The commissioner shall set minimum standards for and develop and update as necessary a list of approved public or private facilities, institutions, agencies, or businesses inside or outside of this state that a [A] school district, shared services arrangement unit, or regional education service center may contract with [a public or private facility, institution, or agency inside or outside of this state] for the provision of services to students with disabilities in a residential or day placement program.

(a-1) [~~Each contract for residential placement must be approved by the commissioner.~~] The commissioner may approve a facility, institution, agency, or business under Subsection (a) [~~residential placement contract~~] only after at least a programmatic

1 evaluation of personnel qualifications, costs, adequacy of
2 physical plant and equipment, and curriculum content. [~~The~~
3 ~~commissioner may approve either the whole or a part of a facility or~~
4 ~~program.~~]

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

12 (b) Except as provided by Subsection (c), costs of an
13 approved contract for residential placement may be paid from a
14 combination of federal, state, and local funds. The local share of
15 the total contract cost for each student is that portion of the
16 local tax effort that exceeds the district's local fund assignment
17 under Section 48.256, divided by the average daily attendance in
18 the district. If the contract involves a private facility, the
19 state share of the total contract cost is that amount remaining
20 after subtracting the local share. If the contract involves a
21 public facility, the state share is that amount remaining after
22 subtracting the local share from the portion of the contract that
23 involves the costs of instructional and related services. For
24 purposes of this subsection, "local tax effort" means the total
25 amount of money generated by taxes imposed for debt service and
26 maintenance and operation less any amounts paid into a tax
27 increment fund under Chapter 311, Tax Code. This subsection

1 expires September 1, 2027.

2 (c) When a student, including one for whom the state is
3 managing conservator, is placed primarily for care or treatment
4 reasons in a private [~~residential~~] facility that operates its own
5 private education program, none of the costs may be paid from public
6 education funds. If a [~~residential~~] placement primarily for care
7 or treatment reasons involves a private [~~residential~~] facility in
8 which the education program is provided by the school district, the
9 portion of the costs that includes appropriate education services,
10 as determined by the school district's admission, review, and
11 dismissal committee, shall be paid from state and federal education
12 funds.

13 (d) A district that contracts for the provision of education
14 services rather than providing the services itself shall oversee
15 the implementation of the student's individualized education
16 program and shall annually reevaluate the appropriateness of the
17 arrangement. The reevaluation must include standards and
18 expectations that the student would need to meet to be reintegrated
19 to a regular school setting. An approved facility, institution,
20 [~~or~~] agency, or business with whom the district contracts shall
21 periodically report to the district and the agency on the services
22 the student has received or will receive in accordance with the
23 contract as well as diagnostic or other evaluative information that
24 the district or agency requires in order to fulfill its obligations
25 under this subchapter.

26 (e) The commissioner shall adopt rules for residential and
27 day placement of students receiving special education services.

SECTION 3.13. The heading to Section 29.009, Education Code, is amended to read as follows:

Sec. 29.009. PUBLIC NOTICE CONCERNING EARLY CHILDHOOD SPECIAL EDUCATION [~~PRESCHOOL~~] PROGRAMS [~~FOR STUDENTS WITH DISABILITIES~~].

SECTION 3.14. Section 29.010, Education Code, is amended to read as follows:

Sec. 29.010. GENERAL SUPERVISION AND COMPLIANCE. (a) The agency shall develop [~~adopt~~] and implement a comprehensive system for monitoring school district compliance with federal and state laws relating to special education. The monitoring system must include a comprehensive cyclical process and a targeted risk-based process [~~provide for ongoing analysis of district special education data and of complaints filed with the agency concerning special education services and for inspections of school districts at district facilities~~]. The agency shall establish criteria and instruments for use in determining district compliance under this section [~~use the information obtained through analysis of district data and from the complaints management system to determine the appropriate schedule for and extent of the inspection~~].

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

1 services.

2 (b) As part of the monitoring process ~~[To complete the~~
3 ~~inspection]~~, the agency must obtain information from parents and
4 teachers of students in special education programs in the district.

5 (c) The agency shall develop and implement a system of
6 interventions and sanctions for school districts the agency
7 identifies as being in noncompliance with ~~[whose most recent~~
8 ~~monitoring visit shows a failure to comply with major requirements~~
9 ~~of]~~ the Individuals with Disabilities Education Act (20 U.S.C.
10 Section 1400 et seq.), federal regulations, state statutes, or
11 agency requirements necessary to carry out federal law or
12 regulations or state law relating to special education.

13 (d) The agency shall establish a system of progressive
14 sanctions and enforcement provisions to apply to ~~[For]~~ districts
15 that remain in noncompliance for more than one year~~[, the first~~
16 ~~stage of sanctions shall begin with annual or more frequent~~
17 ~~monitoring visits]~~. The ~~[Subsequent]~~ sanctions must ~~[may]~~ range in
18 severity and may include ~~[up to]~~ the withholding of funds. If funds
19 are withheld, the agency may use the funds, or direct the funds to
20 be used, to provide, through alternative arrangements, services to
21 students and staff members in the district from which the funds are
22 withheld.

23 (e) The agency's complaint management division shall
24 develop a system for expedited investigation and resolution of
25 complaints concerning a district's failure to provide special
26 education or related services to a student eligible to participate
27 in the district's special education program.

1 ~~[(f) This section does not create an obligation for or~~
2 ~~impose a requirement on a school district or open-enrollment~~
3 ~~charter school that is not also created or imposed under another~~
4 ~~state law or a federal law.]~~

5 SECTION 3.15. Section 29.012(d), Education Code, is amended
6 to read as follows:

7 (d) The Texas Education Agency, the Health and Human
8 Services Commission, the Department of Family and Protective
9 Services, and the Texas Juvenile Justice Department by a
10 cooperative effort shall develop and ~~[by rule]~~ adopt a memorandum
11 of understanding. The memorandum must:

12 (1) establish the respective responsibilities of
13 school districts and of residential facilities for the provision of
14 a free, appropriate public education, as required by the
15 Individuals with Disabilities Education Act (20 U.S.C. Section 1400
16 et seq.) and its subsequent amendments, including each requirement
17 for children with disabilities who reside in those facilities;

18 (2) coordinate regulatory and planning functions of
19 the parties to the memorandum;

20 (3) establish criteria for determining when a public
21 school will provide educational services;

22 (4) provide for appropriate educational space when
23 education services will be provided at the residential facility;

24 (5) establish measures designed to ensure the safety
25 of students and teachers; and

26 (6) provide for binding arbitration consistent with
27 Chapter 2009, Government Code, and Section 154.027, Civil Practice

1 and Remedies Code.

2 SECTION 3.16. Section 29.013, Education Code, is amended to
3 read as follows:

4 Sec. 29.013. NONEDUCATIONAL COMMUNITY-BASED SUPPORT
5 SERVICES GRANTS FOR CERTAIN STUDENTS WITH DISABILITIES. (a) The
6 commissioner [~~agency~~] shall adopt rules establishing [~~establish~~]
7 procedures and criteria for the allocation of grants [~~funds~~
8 ~~appropriated~~] under this section, using money appropriated or
9 otherwise available for the purpose, to students who are eligible
10 under Subsection (b) and the students' families [~~school districts~~]
11 for the provision of noneducational community-based support
12 services [~~to certain students with disabilities and their families~~
13 ~~so that those students may receive an appropriate free public~~
14 ~~education in the least restrictive environment~~].

15 (b) A grant [~~The funds~~] may be awarded under this section
16 [~~used~~] only to a student with a disability [~~for eligible students~~
17 ~~with disabilities~~] who is [~~would remain or would have to be~~] placed
18 by the student's admission, review, and dismissal committee in:

19 (1) a residential program approved under Section
20 29.008; or

21 (2) a day placement program and is at risk of being
22 placed in a residential program approved under Section 29.008
23 [~~facilities primarily for educational reasons without the~~
24 ~~provision of noneducational community-based support services~~].

25 (c) The support services may not be related to the provision
26 of a free appropriate public education to the student and may
27 include in-home family support, behavioral and other

1 disability-related supports for the student's family, respite
2 care, and case management for the student's family [~~families with a~~
3 ~~student who otherwise would have been placed by a district in a~~
4 ~~private residential facility~~].

5 (d) A school district shall:

6 (1) notify the parent of a student described by
7 Subsection (b) of the availability of grants under this section;
8 and

9 (2) designate a campus or district staff member to
10 assist families of students described by Subsection (b) in
11 accessing grants under this section.

12 (e) On request by the parent of a student described by
13 Subsection (b), the commissioner shall create an account for the
14 student to access a grant under this section through which the
15 parent may request payment for approved support services.

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

20 (g) The provision of services under this section does not
21 supersede or limit the responsibility of a school district or other
22 agencies to provide or pay for costs [~~of noneducational~~
23 ~~community-based support services~~] to enable any student with
24 disabilities to receive a free appropriate public education in the
25 least restrictive environment. [~~Specifically, services provided~~
26 ~~under this section may not be used for a student with disabilities~~
27 ~~who is currently placed or who needs to be placed in a residential~~

~~facility primarily for noneducational reasons.]~~

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

SECTION 3.17. Sections 29.014(c) and (d), Education Code, are amended to read as follows:

(c) Notwithstanding any other provision of this code, a student whose appropriate education program is a general ~~[regular]~~ education program may receive services and be counted for attendance purposes for the number of hours per week appropriate for the student's condition if the student:

(1) is temporarily classified as eligible for participation in a special education program because of the student's confinement in a hospital; and

(2) the student's education is provided by a district to which this section applies.

(d) The basic allotment for a student enrolled in a district to which this section applies is adjusted by the tier of intensity of service defined in accordance with ~~[weight for a homebound student under]~~ Section 48.102 and designated by commissioner rule for use under this section ~~[48.102(a)]~~.

SECTION 3.18. Section 29.0162(b), Education Code, is amended to read as follows:

(b) The commissioner by rule shall adopt additional qualifications and requirements for a representative for purposes of Subsection (a)(2). The rules must:

(1) prohibit an individual from being a representative under Subsection (a)(2) opposing a school district if:

(A) the individual has prior employment experience with the district; and

(B) the district raises an objection to the individual serving as a representative;

(2) include requirements that the representative have knowledge of:

(A) all special education dispute resolution options available to parents, including due process and due process rules, hearings, and procedure; and

(B) federal and state special education laws;

(3) require, if the representative receives monetary compensation from a person for representation in an impartial due process hearing, that the representative agree to abide by a voluntary code of ethics and professional conduct during the period of representation; and

(4) require, if the representative receives monetary compensation from a person for representation in an impartial due process hearing, that the representative enter into a written agreement for representation with the person who is the subject of the special education due process hearing that includes a process for resolving any disputes between the representative and the person.

SECTION 3.19. Section 29.018(b), Education Code, is amended to read as follows:

(b) A school district is eligible to apply for a grant under this section if:

(1) the district does not receive sufficient funds,

1 including state funds provided under Sections [~~Section~~] 48.102 and
2 48.1021 and federal funds, for a student with disabilities to pay
3 for the special education services provided to the student; or

4 (2) the district does not receive sufficient funds,
5 including state funds provided under Sections [~~Section~~] 48.102 and
6 48.1021 and federal funds, for all students with disabilities in
7 the district to pay for the special education services provided to
8 the students.

9 SECTION 3.20. The heading to Section 29.020, Education
10 Code, is amended to read as follows:

11 Sec. 29.020. STATE-ADMINISTERED INDIVIDUALIZED EDUCATION
12 PROGRAM FACILITATION [~~PROJECT~~].

13 SECTION 3.21. Sections 29.020(a) and (c), Education Code,
14 are amended to read as follows:

15 (a) The agency shall develop rules in accordance with this
16 section applicable to state-administered [~~the administration of a~~
17 ~~state~~] individualized education program facilitation [~~project~~].
18 The program shall include the provision of an independent
19 individualized education program facilitator as a dispute
20 resolution method that may be used to avoid a potential dispute
21 between a school district and a parent of a student with a
22 disability or to facilitate an admission, review, and dismissal
23 committee meeting with parties who are in a dispute about decisions
24 relating to the provision of a free appropriate public education to
25 a student with a disability. Facilitation [~~implemented under the~~
26 ~~project~~] must comply with rules developed under this subsection.

27 (c) If the commissioner determines that adequate funding is

1 available, the commissioner may authorize the use of federal funds
 2 to implement ~~[the]~~ individualized education program facilitation
 3 ~~[project]~~ in accordance with this section.

4 SECTION 3.22. Sections 29.022(a), (a-1), (b), (c), (c-1),
 5 (d), (f), (h), (k), (l), (q), (s), and (t), Education Code, are
 6 amended to read as follows:

7 (a) In order to promote student safety, on receipt of a
 8 written request authorized under Subsection (a-1), a school
 9 district or open-enrollment charter school shall provide
 10 equipment, including a video camera, to the school or schools in the
 11 district or the charter school campus or campuses specified in the
 12 request. A school or campus that receives equipment as provided by
 13 this subsection shall place, operate, and maintain one or more
 14 video cameras in special education ~~[self-contained]~~ classrooms and
 15 other special education settings ~~[in which a majority of the~~
 16 ~~students in regular attendance are provided special education and~~
 17 ~~related services and are assigned to one or more self-contained~~
 18 ~~classrooms or other special education settings for at least 50~~
 19 ~~percent of the instructional day]~~, provided that:

20 (1) a school or campus that receives equipment as a
 21 result of the request by a parent or staff member is required to
 22 place equipment only in classrooms or settings in which the
 23 parent's child is in regular attendance or to which the staff member
 24 is assigned, as applicable; and

25 (2) a school or campus that receives equipment as a
 26 result of the request by a board of trustees, governing body,
 27 principal, or assistant principal is required to place equipment

1 only in classrooms or settings identified by the requestor, if the
2 requestor limits the request to specific classrooms or settings
3 subject to this subsection.

4 (a-1) For purposes of Subsection (a):

5 (1) a parent of a child who receives special education
6 services in one or more special education [~~self-contained~~]
7 classrooms or other special education settings may request in
8 writing that equipment be provided to the school or campus at which
9 the child receives those services;

10 (2) a board of trustees or governing body may request
11 in writing that equipment be provided to one or more specified
12 schools or campuses at which one or more children receive special
13 education services in special education [~~self-contained~~]
14 classrooms or other special education settings;

15 (3) the principal or assistant principal of a school
16 or campus at which one or more children receive special education
17 services in special education [~~self-contained~~] classrooms or other
18 special education settings may request in writing that equipment be
19 provided to the principal's or assistant principal's school or
20 campus; and

21 (4) a staff member assigned to work with one or more
22 children receiving special education services in special education
23 [~~self-contained~~] classrooms or other special education settings
24 may request in writing that equipment be provided to the school or
25 campus at which the staff member works.

26 (b) A school or campus that places a video camera in a
27 special education classroom or other special education setting in

1 accordance with Subsection (a) shall operate and maintain the video
2 camera in the classroom or setting, as long as the classroom or
3 setting continues to satisfy the requirements under Subsection (a),
4 for the remainder of the school year in which the school or campus
5 received the request, unless the requestor withdraws the request in
6 writing. If for any reason a school or campus will discontinue
7 operation of a video camera during a school year, not later than the
8 fifth school day before the date the operation of the video camera
9 will be discontinued, the school or campus must notify the parents
10 of each student in regular attendance in the classroom or setting
11 that operation of the video camera will not continue unless
12 requested by a person eligible to make a request under Subsection
13 (a-1). Not later than the 10th school day before the end of each
14 school year, the school or campus must notify the parents of each
15 student in regular attendance in the classroom or setting that
16 operation of the video camera will not continue during the
17 following school year unless a person eligible to make a request for
18 the next school year under Subsection (a-1) submits a new request.

19 (c) Except as provided by Subsection (c-1), video cameras
20 placed under this section must be capable of:

21 (1) covering all areas of the special education
22 classroom or other special education setting, including a room
23 attached to the classroom or setting used for time-out; and

24 (2) recording audio from all areas of the special
25 education classroom or other special education setting, including a
26 room attached to the classroom or setting used for time-out.

27 (c-1) The inside of a bathroom or any area in the special

1 education classroom or other special education setting in which a
2 student's clothes are changed may not be visually monitored, except
3 for incidental coverage of a minor portion of a bathroom or changing
4 area because of the layout of the classroom or setting.

5 (d) Before a school or campus activates a video camera in a
6 special education classroom or other special education setting
7 under this section, the school or campus shall provide written
8 notice of the placement to all school or campus staff and to the
9 parents of each student attending class or engaging in school
10 activities in the classroom or setting.

11 (f) A school district or open-enrollment charter school may
12 solicit and accept gifts, grants, and donations from any person for
13 use in placing video cameras in special education classrooms or
14 other special education settings under this section.

15 (h) A school district or open-enrollment charter school may
16 not:

17 (1) allow regular or continual monitoring of video
18 recorded under this section; or

19 (2) use video recorded under this section for teacher
20 evaluation or for any other purpose other than the promotion of
21 safety of students receiving special education services in a
22 special education [~~self-contained~~] classroom or other special
23 education setting.

24 (k) The commissioner may adopt rules to implement and
25 administer this section, including rules regarding the special
26 education classrooms and other special education settings to which
27 this section applies.

1 (1) A school district or open-enrollment charter school
2 policy relating to the placement, operation, or maintenance of
3 video cameras under this section must:

4 (1) include information on how a person may appeal an
5 action by the district or school that the person believes to be in
6 violation of this section or a policy adopted in accordance with
7 this section, including the appeals process under Section 7.057;

8 (2) require that the district or school provide a
9 response to a request made under this section not later than the
10 seventh school business day after receipt of the request by the
11 person to whom it must be submitted under Subsection (a-3) that
12 authorizes the request or states the reason for denying the
13 request;

14 (3) except as provided by Subdivision (5), require
15 that a school or a campus begin operation of a video camera in
16 compliance with this section not later than the 45th school
17 business day, or the first school day after the 45th school business
18 day if that day is not a school day, after the request is authorized
19 unless the agency grants an extension of time;

20 (4) permit the parent of a student whose admission,
21 review, and dismissal committee has determined that the student's
22 placement for the following school year will be in a special
23 education classroom or other special education setting in which a
24 video camera may be placed under this section to make a request for
25 the video camera by the later of:

26 (A) the date on which the current school year
27 ends; or

(B) the 10th school business day after the date of the placement determination by the admission, review, and dismissal committee; and

(5) if a request is made by a parent in compliance with Subdivision (4), unless the agency grants an extension of time, require that a school or campus begin operation of a video camera in compliance with this section not later than the later of:

(A) the 10th school day of the fall semester; or

(B) the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the date the request is made.

(q) The agency shall collect through the Public Education Information Management System (PEIMS) data relating to requests made under this section and actions taken by a school district or open-enrollment charter school in response to a request, including the number of requests made, authorized, and denied.

(s) This section applies to the placement, operation, and maintenance of a video camera in a special education ~~[self-contained]~~ classroom or other special education setting during the regular school year and extended school year services.

(t) A video camera placed under this section is not required to be in operation for the time during which students are not present in the special education classroom or other special education setting.

SECTION 3.23. Sections 29.022(u)(3) and (4), Education Code, are amended to read as follows:

(3) "Special education classroom or other special

education setting" means a classroom or setting primarily used for delivering special education services to students who spend on average less than 50 percent of an instructional day in a general education classroom or setting [~~"Self-contained classroom" does not include a classroom that is a resource room instructional arrangement under Section 48.102~~].

(4) "Staff member" means a teacher, related service provider, paraprofessional, counselor, or educational aide assigned to work in a special education [~~self-contained~~] classroom or other special education setting.

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

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

(b) A school district, including a school district acting through a district charter issued under Subchapter C, Chapter 12, and an open-enrollment charter school, including a charter school that primarily serves students with disabilities, as provided under Section 12.1014, may apply for a grant under this section.

(c) A program is eligible for a grant under this section if the program:

(1) incorporates:

(A) evidence-based and research-based design;

1 (B) the use of empirical data on student
2 achievement and improvement;

3 (C) parental support and collaboration;

4 (D) the use of technology;

5 (E) meaningful inclusion; and

6 (F) the ability to replicate the program for
7 students statewide; and

8 (2) gives priority for enrollment to students with
9 autism.

10 (d) A school district or open-enrollment charter school may
11 not:

12 (1) charge a fee for the program, other than those
13 authorized by law for students in public schools;

14 (2) require a parent to enroll a child in the program;

15 (3) allow an admission, review, and dismissal
16 committee to place a student in the program without the written
17 consent of the student's parent or guardian; or

18 (4) continue the placement of a student in the program
19 after the student's parent or guardian revokes consent, in writing,
20 to the student's placement in the program.

21 (e) A program under this section may:

22 (1) alter the length of the school day or school year
23 or the number of minutes of instruction received by students;

24 (2) coordinate services with private or
25 community-based providers;

26 (3) allow the enrollment of students without
27 disabilities or with other disabilities, if approved by the

1 commissioner; and

2 (4) adopt staff qualifications and staff-to-student
3 ratios that differ from the applicable requirements of this title.

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

8 (g) In selecting programs to receive a grant under this
9 section, the commissioner shall prioritize programs that are
10 collaborations between multiple school districts, multiple charter
11 schools, or school districts and charter schools. The selected
12 programs must reflect the diversity of this state.

13 (h) A program selected to receive a grant under this section
14 is to be funded for two years.

15 (i) A grant awarded to a school district or open-enrollment
16 charter school under this section is in addition to the Foundation
17 School Program money that the district or charter school is
18 otherwise entitled to receive. A grant awarded under this section
19 may not come out of Foundation School Program money.

20 (j) The commissioner and any program selected under this
21 section may accept gifts, grants, and donations from any public or
22 private source, person, or group to implement and administer the
23 program. The commissioner and any program selected under this
24 section may not require any financial contribution from parents to
25 implement and administer the program.

26 (k) A regional education service center may administer
27 grants awarded under this section.

1 Sec. 29.024. GRANT PROGRAM PROVIDING TRAINING IN DYSLEXIA
2 FOR TEACHERS, STAFF, AND OTHER PERSONNEL. (a) From money
3 appropriated or otherwise available for the purpose, the
4 commissioner shall establish a program to award grants each school
5 year to school districts, open-enrollment charter schools, the
6 Texas Juvenile Justice Department, juvenile boards, and juvenile
7 probation departments to increase local capacity to appropriately
8 serve students with dyslexia.

9 (b) A school district, including a school district acting
10 through a district charter issued under Subchapter C, Chapter 12,
11 an open-enrollment charter school, including a charter school that
12 primarily serves students with disabilities, as provided under
13 Section 12.1014, the Texas Juvenile Justice Department, a juvenile
14 board, or a juvenile probation department is eligible to apply for a
15 grant under this section if the district, school, department, or
16 board submits to the commissioner a proposal on the use of grant
17 funds that:

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

20 (2) increases local capacity to appropriately serve
21 students with dyslexia by providing:

22 (A) high-quality training to classroom teachers,
23 administrators, and other relevant personnel in meeting the needs
24 of students with dyslexia; or

25 (B) training to intervention staff resulting in
26 appropriate credentialing related to dyslexia, with priority for
27 training staff to earn the credentials necessary to become a

licensed dyslexia therapist or certified academic language therapist.

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

(d) A grant awarded under this section is in addition to the Foundation School Program money that the grant recipient is otherwise entitled to receive. A grant awarded under this section may not come out of Foundation School Program money.

(e) The commissioner and any grant recipient selected under this section may accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the grant. The commissioner and any grant recipient selected under this section may not require any financial contribution from parents to implement and administer the grant.

(f) A regional education service center may administer grants awarded under this section.

Sec. 29.025. SUPPORTS FOR RECRUITING AND RETAINING SPECIAL EDUCATION STAFF. (a) From money appropriated or otherwise available for the purpose, the agency shall provide grants each school year to school districts and open-enrollment charter schools to increase the number of qualified and appropriately credentialed special education staff, including special education teachers, special education paraprofessionals, evaluation personnel, ancillary instruction personnel, certified interpreters, board-certified behavior analysts, registered behavior

technicians, and related service personnel.

(b) A school district or open-enrollment charter school that receives a grant under this section shall require each person the district or school uses the grant money to assist in becoming licensed, certified, or otherwise credentialed as described by Subsection (a) to work at the district or school for a period established by commissioner rule.

(c) A regional education service center may administer grants awarded under this section.

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

Sec. 29.026. RULES. The commissioner may adopt rules as necessary to implement this subchapter.

SECTION 3.25. The heading to Subchapter A-1, Chapter 29, Education Code, is amended to read as follows:

SUBCHAPTER A-1. PARENT-DIRECTED [~~SUPPLEMENTAL SPECIAL EDUCATION~~]
SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES
[~~PROGRAM~~]

SECTION 3.26. Sections 29.041(2) and (3), Education Code, are amended to read as follows:

(2) "Supplemental [~~special education~~] instructional materials" includes textbooks, computer hardware or software, other technological devices, and other materials suitable for addressing an educational need of a student receiving special education services under Subchapter A.

(3) "Supplemental [~~special education~~] services" means

1 an additive service that provides an educational benefit to a
2 student receiving special education services under Subchapter A,
3 including:

4 (A) occupational therapy, physical therapy, and
5 speech therapy; and

6 (B) private tutoring and other supplemental
7 private instruction or programs.

8 SECTION 3.27. Section 29.042, Education Code, is amended by
9 amending Subsections (a) and (c) and adding Subsection (e) to read
10 as follows:

11 (a) The agency by rule shall establish and administer a
12 parent-directed ~~[supplemental special education services and~~
13 ~~instructional materials]~~ program for students receiving special
14 education services through which a parent may direct supplemental
15 services and supplemental instructional materials for the parent's
16 student ~~[students]~~ who meets ~~[meet]~~ the eligibility requirements
17 for participation in the program. Subject to Subsection (c), the
18 agency shall provide each student approved as provided by this
19 subchapter a grant in the amount provided under Section 48.306 ~~[of~~
20 ~~not more than \$1,500]~~ to purchase supplemental ~~[special education]~~
21 services and supplemental ~~[special education]~~ instructional
22 materials.

23 (c) A student may receive one grant under this subchapter
24 unless the legislature appropriates money for an additional grant
25 in the General Appropriations Act ~~[The commissioner shall set aside~~
26 ~~an amount set by appropriation for each state fiscal year to fund~~
27 ~~the program under this section. For each state fiscal year, the~~

1 ~~total amount provided for student grants under Subsection (a) may~~
2 ~~not exceed the amount set aside by the commissioner under this~~
3 ~~subsection].~~

4 (e) The agency shall maintain an online user-friendly
5 application system for parents to apply for a grant described by
6 Subsection (a).

7 SECTION 3.28. Section 29.045, Education Code, is amended to
8 read as follows:

9 Sec. 29.045. APPROVAL OF APPLICATION; ASSIGNMENT OF
10 ACCOUNT. The ~~[Subject to available funding the]~~ agency shall
11 approve each student who meets the program eligibility criteria
12 established under Section 29.044 and assign to the student an
13 account maintained under Section 29.042(b). The account may only
14 be used by the student's parent to purchase supplemental ~~[special~~
15 ~~education]~~ services or supplemental ~~[special—education]~~
16 instructional materials for the student, subject to Sections 29.046
17 and 29.047.

18 SECTION 3.29. Sections 29.046(a) and (b), Education Code,
19 are amended to read as follows:

20 (a) Money in an account assigned to a student under Section
21 29.045 may be used only for supplemental ~~[special—education]~~
22 services and supplemental ~~[special—education]~~ instructional
23 materials.

24 (b) Supplemental ~~[special—education]~~ services must be
25 provided by an agency-approved provider.

26 SECTION 3.30. Sections 29.047(a), (c), (d), and (e),
27 Education Code, are amended to read as follows:

1 (a) The agency shall establish criteria necessary for
2 agency approval for each category of provider of a professional
3 service that is a supplemental [~~special education~~] service, as
4 identified by the agency.

5 (c) The agency shall provide a procedure for providers of
6 supplemental [~~special education~~] services to apply to the agency to
7 become an agency-approved provider.

8 (d) The agency may establish criteria for agency approval of
9 vendors for each category of supplemental [~~special education~~]
10 instructional materials identified by the agency.

11 (e) If the agency establishes criteria for agency approval
12 for a vendor of a category of supplemental [~~special education~~]
13 instructional materials, the agency shall provide a procedure for
14 vendors of that category to apply to the agency to become an
15 agency-approved vendor.

16 SECTION 3.31. Section 29.048, Education Code, is amended to
17 read as follows:

18 Sec. 29.048. ADMISSION, REVIEW, AND DISMISSAL COMMITTEE
19 DUTIES. (a) A student's admission, review, and dismissal
20 committee shall develop a student's individualized education
21 program under Section 29.005, in compliance with the Individuals
22 with Disabilities Education Act (20 U.S.C. Section 1400 et seq.),
23 without consideration of any supplemental [~~special education~~]
24 services or supplemental instructional materials that may be
25 provided under the program under this subchapter.

26 (b) Unless the district first verifies that an account has
27 been assigned to the student under Section 29.045, the [~~The~~]

admission, review, and dismissal committee of a student approved for participation in the program shall provide to the student's parent at an admission, review, and dismissal committee meeting for the student:

(1) information regarding the types of supplemental ~~[special education]~~ services or supplemental instructional materials available under the program and provided by agency-approved providers for which an account maintained under Section 29.042(b) for the student may be used; and

(2) instructions regarding accessing an account described by Subdivision (1).

SECTION 3.32. Subchapter A-1, Chapter 29, Education Code, is amended by adding Section 29.0485 to read as follows:

Sec. 29.0485. DETERMINATION OF COMMISSIONER FINAL. Notwithstanding Section 7.057, a determination of the commissioner under this subchapter is final and may not be appealed.

SECTION 3.33. Section 29.049, Education Code, is amended to read as follows:

Sec. 29.049. RULES. The commissioner shall adopt rules as necessary to administer the supplemental ~~[special education]~~ services and supplemental instructional materials program under this subchapter.

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

(b) A child is eligible for enrollment in a prekindergarten class under this section if the child is at least three years of age

1 and:

2 (1) is unable to speak and comprehend the English
3 language;

4 (2) is educationally disadvantaged;

5 (3) is homeless, regardless of the residence of the
6 child, of either parent of the child, or of the child's guardian or
7 other person having lawful control of the child;

8 (4) is the child of an active duty member of the armed
9 forces of the United States, including the state military forces or
10 a reserve component of the armed forces, who is ordered to active
11 duty by proper authority;

12 (5) is the child of a member of the armed forces of the
13 United States, including the state military forces or a reserve
14 component of the armed forces, who was injured or killed while
15 serving on active duty;

16 (6) is or ever has been in:

17 (A) the conservatorship of the Department of
18 Family and Protective Services following an adversary hearing held
19 as provided by Section 262.201, Family Code; or

20 (B) foster care in another state or territory, if
21 the child resides in this state; ~~or~~

22 (7) is the child of a person eligible for the Star of
23 Texas Award as:

24 (A) a peace officer under Section 3106.002,
25 Government Code;

26 (B) a firefighter under Section 3106.003,
27 Government Code; or

(C) an emergency medical first responder under Section 3106.004, Government Code; or

(8) is a child eligible for special education services under Subchapter A and the child's admission, review, and dismissal committee determines the prekindergarten class to be the most appropriate placement for the child under the child's individualized education program.

(b-2) A child described by Subsection (b)(8) who is at least three years of age but younger than four years of age may be enrolled in a prekindergarten class offered to children who are at least four years of age if:

(1) the school district does not offer a prekindergarten program for children who are at least three years of age; and

(2) the child's admission, review, and dismissal committee determines the prekindergarten class to be the most appropriate placement for the child under the child's individualized education program.

SECTION 3.35. Section 29.301(1), Education Code, is amended to read as follows:

(1) "Admission, review, and dismissal committee" means the committee required by ~~[State Board of Education rules to develop the individualized education program required by]~~ the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.) for any student needing special education.

SECTION 3.36. Sections 29.304(a) and (c), Education Code, are amended to read as follows:

(a) A student who is deaf or hard of hearing must have an education in which teachers, psychologists, speech language pathologists [~~therapists~~], progress assessors, administrators, and others involved in education understand the unique nature of deafness and the hard-of-hearing condition. A teacher of students who are deaf or hard of hearing either must be proficient in appropriate language modes or use an interpreter certified in appropriate language modes if certification is available.

(c) General [~~Regular~~] and special education personnel who work with students who are deaf or hard of hearing must be adequately prepared to provide educational instruction and services to those students.

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

(c) The procedures and materials for the assessment and placement of a student who is deaf or hard of hearing shall be in the student's preferred mode of communication. All other procedures and materials used with any student who is deaf or hard of hearing and who is an emergent bilingual student as defined by Section 29.052 [~~has limited English proficiency~~] shall be in the student's preferred mode of communication.

(d) In recognizing the need for development of language and communication abilities in students who are deaf or hard of hearing but also calling for the use of methods of communication that will meet the needs of each individual student, each student who is deaf or hard of hearing must be thoroughly assessed to ascertain the

1 student's potential for communicating through a variety of means.

2 SECTION 3.38. Section 29.313, Education Code, is amended to
3 read as follows:

4 Sec. 29.313. EVALUATION OF DEAF AND HARD OF HEARING
5 SERVICES [~~PROGRAMS~~]. (a) Each school district must provide
6 continuous evaluation of the effectiveness of the district's
7 services [~~programs of the district~~] for students who are deaf or
8 hard of hearing. The [~~If practicable,~~] evaluations shall follow
9 program excellence indicators established by the agency.

10 (b) Each school district shall submit the evaluations under
11 this section to the agency on a schedule set by the agency.

12 SECTION 3.39. Section 29.314, Education Code, is amended to
13 read as follows:

14 Sec. 29.314. TRANSITION INTO GENERAL EDUCATION [~~REGULAR~~]
15 CLASS. In addition to satisfying requirements of the admission,
16 review, and dismissal committee and to satisfying requirements
17 under state and federal law for vocational training, each school
18 district shall develop and implement a transition plan for the
19 transition of a student who is deaf or hard of hearing into a
20 general education [~~regular~~] class [~~program~~] if the student is to be
21 transferred from a special class or center or nonpublic,
22 nonsectarian school into a general education [~~regular~~] class in a
23 public school for any part of the school day. The transition plan
24 must provide for activities:

25 (1) to integrate the student into the general
26 [~~regular~~] education program and specify the nature of each activity
27 and the time spent on the activity each day; and

1 (2) to support the transition of the student from the
2 special education program into the general [~~regular~~] education
3 program.

4 SECTION 3.40. Section 29.315, Education Code, is amended to
5 read as follows:

6 Sec. 29.315. TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF
7 UNDERSTANDING. The Texas Education Agency and the Texas School for
8 the Deaf shall develop~~[, agree to, and by commissioner rule adopt no~~
9 ~~later than September 1, 1998,]~~ a memorandum of understanding to
10 establish:

11 (1) the method for developing and reevaluating a set
12 of indicators of the quality of learning at the Texas School for the
13 Deaf;

14 (2) the process for the agency to conduct and report on
15 an annual evaluation of the school's performance on the indicators;

16 (3) the requirements for the school's board to
17 publish, discuss, and disseminate an annual report describing the
18 educational performance of the school; and

19 (4) ~~[the process for the agency to assign an~~
20 ~~accreditation status to the school, to reevaluate the status on an~~
21 ~~annual basis, and, if necessary, to conduct monitoring reviews, and~~

22 ~~[(5)]~~ the type of information the school shall be
23 required to provide through the Public Education Information
24 Management System (PEIMS).

25 SECTION 3.41. Section 29.316, Education Code, is amended to
26 read as follows:

27 Sec. 29.316. LANGUAGE ACQUISITION. (a) In this section,

1 "language [+

2 [~~(1) "Center" means the Educational Resource Center on~~
3 ~~Deafness at the Texas School for the Deaf.~~

4 [~~(2) "Division" means the Division for Early Childhood~~
5 ~~Intervention Services of the Health and Human Services Commission.~~

6 [~~(3) "Language~~] acquisition" includes expressive and
7 receptive language acquisition and literacy development in
8 English, American Sign Language, or both, or, if applicable, in
9 another language primarily used by a child's parent or guardian,
10 and is separate from any modality used to communicate in the
11 applicable language or languages.

12 (b) Each school district [~~The commissioner and the~~
13 ~~executive commissioner of the Health and Human Services Commission~~
14 ~~jointly]~~ shall ensure that the language acquisition of each child
15 eight years of age or younger who is deaf or hard of hearing is
16 regularly assessed using a tool or assessment approved by the
17 commissioner [~~determined to be valid and reliable as provided by~~
18 ~~Subsection (d)]~~.

19 (c) On a schedule determined by the commissioner, each
20 school district shall report to the commissioner through the Public
21 Education Information Management System (PEIMS) or another method
22 set by commissioner rule the assessment data collected under
23 Subsection (b) [~~Not later than August 31 of each year, the agency,~~
24 ~~the division, and the center jointly shall prepare and post on the~~
25 ~~agency's, the division's, and the center's respective Internet~~
26 ~~websites a report on the language acquisition of children eight~~
27 ~~years of age or younger who are deaf or hard of hearing. The report~~

1 ~~must:~~

2 ~~[(1) include:~~

3 ~~[(A) existing data reported in compliance with~~
4 ~~federal law regarding children with disabilities; and~~

5 ~~[(B) information relating to the language~~
6 ~~acquisition of children who are deaf or hard of hearing and also~~
7 ~~have other disabilities;~~

8 ~~[(2) state for each child:~~

9 ~~[(A) the instructional arrangement used with the~~
10 ~~child, as described by Section 48.102, including the time the child~~
11 ~~spends in a mainstream instructional arrangement;~~

12 ~~[(B) the specific language acquisition services~~
13 ~~provided to the child, including:~~

14 ~~[(i) the time spent providing those~~
15 ~~services; and~~

16 ~~[(ii) a description of any hearing~~
17 ~~amplification used in the delivery of those services, including:~~

18 ~~[(a) the type of hearing~~
19 ~~amplification used;~~

20 ~~[(b) the period of time in which the~~
21 ~~child has had access to the hearing amplification; and~~

22 ~~[(c) the average amount of time the~~
23 ~~child uses the hearing amplification each day;~~

24 ~~[(C) the tools or assessments used to assess the~~
25 ~~child's language acquisition and the results obtained;~~

26 ~~[(D) the preferred unique communication mode~~
27 ~~used by the child at home; and~~

1 ~~[(E) the child's age, race, and gender, the age~~
2 ~~at which the child was identified as being deaf or hard of hearing,~~
3 ~~and any other relevant demographic information the commissioner~~
4 ~~determines to likely be correlated with or have an impact on the~~
5 ~~child's language acquisition;~~

6 ~~[(3) compare progress in English literacy made by~~
7 ~~children who are deaf or hard of hearing to progress in that subject~~
8 ~~made by children of the same age who are not deaf or hard of hearing,~~
9 ~~by appropriate age range; and~~

10 ~~[(4) be redacted as necessary to comply with state and~~
11 ~~federal law regarding the confidentiality of student medical or~~
12 ~~educational information].~~

13 (d) The commissioner~~[, the executive commissioner of the~~
14 ~~Health and Human Services Commission, and the center]~~ shall adopt
15 rules establishing the assessment data required to be reported
16 under Subsection (c) ~~[enter into a memorandum of understanding~~
17 ~~regarding;~~

18 ~~[(1) the identification of experts in deaf education,~~
19 ~~and~~

20 ~~[(2) the determination, in consultation with those~~
21 ~~experts, of the tools and assessments that are valid and reliable,~~
22 ~~in both content and administration, for use in assessing the~~
23 ~~language acquisition of children eight years of age or younger who~~
24 ~~are deaf or hard of hearing].~~

25 (e) The commissioner shall annually post on the agency's
26 Internet website a report on the language acquisition of children
27 eight years of age or younger who are deaf or hard of hearing using

~~the assessment data reported under Subsection (c) [agency shall use existing collected data and data collected and transferred from the Department of State Health Services and the Health and Human Services Commission, as agreed upon in the memorandum of understanding, for the report under this section].~~

(f) The commissioner shall use the assessment data reported under Subsection (c) in determining whether to award a grant under Section 29.018 or in seeking federal money available for projects aimed at improving outcomes for students with disabilities ~~[and the executive commissioner of the Health and Human Services Commission jointly shall adopt rules as necessary to implement this section, including rules for:~~

~~[(1) assigning each child eight years of age or younger who is deaf or hard of hearing a unique identification number for purposes of the report required under Subsection (c) and to enable the tracking of the child's language acquisition, and factors affecting the child's language acquisition, over time, and~~

~~[(2) implementing this section in a manner that complies with federal law regarding confidentiality of student medical or educational information, including the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.) and the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), and any state law relating to the privacy of student information].~~

SECTION 3.42. The heading to Section 30.002, Education Code, is amended to read as follows:

Sec. 30.002. STATE PLAN ~~[EDUCATION]~~ FOR CHILDREN WITH

1 VISUAL IMPAIRMENTS, WHO ARE DEAF OR HARD OF HEARING, OR WHO ARE
2 DEAF-BLIND.

3 SECTION 3.43. Sections 30.002(a), (b), (c), and (e),
4 Education Code, are amended to read as follows:

5 (a) The agency shall develop and administer a comprehensive
6 statewide plan for the education of children ~~[with visual~~
7 ~~impairments]~~ who are under 22 ~~[21]~~ years of age and who have visual
8 impairments, are deaf or hard of hearing, or are deaf-blind that
9 will ensure that the children have an opportunity for achievement
10 equal to the opportunities afforded their peers who do not have
11 visual impairments, are not deaf or hard of hearing, or are not
12 deaf-blind ~~[with normal vision]~~.

13 (b) The agency shall:

14 (1) develop standards and guidelines for all special
15 education and related services for children who have visual
16 impairments, are deaf or hard of hearing, or are deaf-blind ~~[with~~
17 ~~visual impairments]~~ that it is authorized to provide or support
18 under this code and federal law;

19 (2) supervise regional education service centers and
20 other entities in assisting school districts in serving children
21 who have visual impairments, are deaf or hard of hearing, or are
22 deaf-blind ~~[with visual impairments]~~ more effectively; and

23 ~~(3) [develop and administer special education~~
24 ~~services for students with both serious visual and auditory~~
25 ~~impairments,~~

26 ~~[(4) evaluate special education services provided for~~
27 ~~children with visual impairments by school districts and approve or~~

~~disapprove state funding of those services; and~~

~~[(5)]~~ maintain an effective liaison between special education programs provided for children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ by school districts and related initiatives of the Health and Human Services Commission, ~~[the Department of State Health Services Mental Health and Substance Abuse Division,]~~ the Texas Workforce Commission, and other related programs, agencies, or facilities as appropriate.

(c) The comprehensive statewide plan for the education of children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ must:

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

(2) include the procedures, format, and content of the individualized education program for each child who has a visual impairment, is deaf or hard of hearing, or is deaf-blind ~~[with a visual impairment]~~;

(3) emphasize providing educational services to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ in their home communities whenever possible;

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

the parameters of those programs ~~[methods to ensure that children with visual impairments receiving special education services in school districts receive, before being placed in a classroom setting or within a reasonable time after placement:]~~

~~[(A) evaluation of the impairment, and~~

~~[(B) instruction in an expanded core curriculum,~~

~~which is required for students with visual impairments to succeed in classroom settings and to derive lasting, practical benefits from the education provided by school districts, including instruction in:]~~

~~[(i) compensatory skills, such as braille and concept development, and other skills needed to access the rest of the curriculum,~~

~~[(ii) orientation and mobility,~~

~~[(iii) social interaction skills,~~

~~[(iv) career planning,~~

~~[(v) assistive technology, including optical devices,~~

~~[(vi) independent living skills,~~

~~[(vii) recreation and leisure enjoyment,~~

~~[(viii) self-determination, and~~

~~[(ix) sensory efficiency];~~

(5) provide for flexibility on the part of school districts to meet the unique ~~[special]~~ needs of children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ through:

(A) specialty staff and resources provided by the

district;

(B) contractual arrangements with other qualified public or private agencies;

(C) supportive assistance from regional education service centers or adjacent school districts;

(D) short-term or long-term services through the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, regional day school programs for the deaf, or related facilities or programs; or

(E) other instructional and service arrangements approved by the agency;

(6) ~~[include a statewide admission, review, and dismissal process;~~

~~[(7)]~~ provide for effective interaction between the ~~[visually impaired child's]~~ classroom setting of the child who has a visual impairment, is deaf or hard of hearing, or is deaf-blind and the child's home environment, including providing for parental training and counseling either by school district staff or by representatives of other organizations directly involved in the development and implementation of the individualized education program for the child;

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

~~[(8) require the continuing education and professional development of school district staff providing special education~~

~~services to children with visual impairments];~~

(8) [(9)] provide for adequate monitoring and precise evaluation of special education services provided to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ through school districts; ~~[and]~~

(9) [(10)] require that school districts providing special education services to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ develop procedures for assuring that staff assigned to work with the children have prompt and effective access directly to resources available through:

(A) cooperating agencies in the area;

(B) the Texas School for the Blind and Visually Impaired;

(C) the Texas School for the Deaf;

(D) the statewide outreach center at the Texas School for the Deaf;

(E) the Central Media Depository for specialized instructional materials and aids made specifically for use by students with visual impairments;

(F) [(D)] sheltered workshops participating in the state program of purchases of blind-made goods and services; and

(G) [(E)] related sources; and

(10) assist in the coordination of educational programs with other public and private agencies, including:

1 (A) agencies operating early childhood
2 intervention programs;

3 (B) preschools;

4 (C) agencies operating child development
5 programs;

6 (D) private nonsectarian schools;

7 (E) agencies operating regional occupational
8 centers and programs; and

9 (F) as appropriate, postsecondary and adult
10 programs for persons who are deaf or hard of hearing.

11 (e) Each eligible [~~blind or visually impaired~~] student who
12 has a visual impairment, is deaf or hard of hearing, or is
13 deaf-blind is entitled to receive educational programs according to
14 an individualized education program that:

15 (1) is developed in accordance with federal and state
16 requirements for providing special education services;

17 (2) is developed by a committee composed as required
18 by federal law;

19 (3) reflects that the student has been provided a
20 detailed explanation of the various service resources available to
21 the student in the community and throughout the state;

22 (4) provides a detailed description of the
23 arrangements made to provide the student with the evaluation and
24 instruction required under this subchapter and Subchapter A,
25 Chapter 29 [~~Subsection (c)(4)~~]; and

26 (5) sets forth the plans and arrangements made for
27 contacts with and continuing services to the student beyond regular

1 school hours to ensure the student learns the skills and receives
 2 the instruction required under this subchapter and Subchapter A,
 3 Chapter 29 [Subsection (c)(4)(B)].

4 SECTION 3.44. Subchapter A, Chapter 30, Education Code, is
 5 amended by adding Section 30.0021 to read as follows:

6 Sec. 30.0021. REQUIREMENTS FOR CHILDREN WITH VISUAL
 7 IMPAIRMENTS. (a) Each child with a visual impairment must receive
 8 instruction in an expanded core curriculum required for children
 9 with visual impairments to succeed in classroom settings and to
 10 derive lasting, practical benefits from education in a school
 11 district, including instruction in:

- 12 (1) compensatory skills, such as braille and concept
- 13 development, and other skills necessary to access the rest of the
- 14 curriculum;
- 15 (2) orientation and mobility;
- 16 (3) social interaction skills;
- 17 (4) career education;
- 18 (5) assistive technology, including optical devices;
- 19 (6) independent living skills;
- 20 (7) recreation and leisure enjoyment;
- 21 (8) self-determination; and
- 22 (9) sensory efficiency.

23 (b) To determine a child's eligibility for a school
 24 district's special education program under Subchapter A, Chapter
 25 29, on the basis of a visual impairment, the full individual and
 26 initial evaluation of the child under Section 29.004 and any
 27 reevaluation of the child must, in accordance with commissioner

1 rule:

2 (1) include an orientation and mobility evaluation
3 conducted:

4 (A) by a person who is appropriately certified as
5 an orientation and mobility specialist, as determined by
6 commissioner rule; and

7 (B) in a variety of lighting conditions and
8 settings, including in the child's home, school, and community and
9 in settings unfamiliar to the child; and

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

15 (c) In developing an individualized education program under
16 Section 29.005 for a child with a visual impairment, proficiency in
17 reading and writing must be a significant indicator of the child's
18 satisfactory educational progress. The individualized education
19 program must include instruction in braille and the use of braille
20 unless the child's admission, review, and dismissal committee
21 documents a determination, based on an evaluation of the child's
22 appropriate literacy media and literacy skills and the child's
23 current and future instructional needs, that braille is not an
24 appropriate literacy medium for the child.

25 (d) Braille instruction:

26 (1) may be used in combination with other special
27 education services appropriate to the educational needs of a child

1 with a visual impairment; and

2 (2) must be provided by a teacher certified to teach
3 children with visual impairments under Subchapter B, Chapter 21.

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

8 (f) To facilitate implementation of this section, the
9 commissioner shall develop a system to distribute from the
10 foundation school fund to school districts or regional education
11 service centers a special supplemental allowance for each student
12 with a visual impairment. The supplemental allowance may be spent
13 only for special education services uniquely required by the nature
14 of the child's disabilities and may not be used in lieu of
15 educational funds otherwise available under this code or through
16 state or local appropriations.

17 SECTION 3.45. Section 30.003, Education Code, is amended by
18 amending Subsections (b), (d), (f-1), and (g) and adding Subsection
19 (b-1) to read as follows:

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

26 (b-1) The commissioner shall reduce the amount of
27 maintenance taxes imposed by the district that are obligated to be

1 paid under Subsection (b) for a year by the amount, if any, by which
2 the district is required to reduce the district's local revenue
3 level under Section 48.257 for that year.

4 (d) Each school district and state institution shall
5 provide to the commissioner the necessary information to determine
6 the district's share under this section. The information must be
7 reported to the commissioner on or before a date set by commissioner
8 rule [~~of the State Board of Education~~]. After determining the
9 amount of a district's share for all students for which the district
10 is responsible, the commissioner shall deduct that amount from the
11 payments of foundation school funds payable to the district. Each
12 deduction shall be in the same percentage of the total amount of the
13 district's share as the percentage of the total foundation school
14 fund entitlement being paid to the district at the time of the
15 deduction, except that the amount of any deduction may be modified
16 to make necessary adjustments or to correct errors. The
17 commissioner shall provide for remitting the amount deducted to the
18 appropriate school at the same time at which the remaining funds are
19 distributed to the district. If a district does not receive
20 foundation school funds or if a district's foundation school
21 entitlement is less than the amount of the district's share under
22 this section, the commissioner shall direct the district to remit
23 payment to the commissioner, and the commissioner shall remit the
24 district's share to the appropriate school.

25 (f-1) The commissioner shall determine the total amount
26 that the Texas School for the Blind and Visually Impaired and the
27 Texas School for the Deaf would have received from school districts

1 in accordance with this section if the following provisions had not
2 reduced the districts' share of the cost of providing education
3 services:

4 (1) H.B. No. 1, Acts of the 79th Legislature, 3rd
5 Called Session, 2006;

6 (2) Subsection (b-1) of this section;

7 (3) Section 45.0032;

8 (4) [~~(3)~~] Section 48.255; and

9 (5) [~~(4)~~] Section 48.2551.

10 (g) The commissioner [~~State Board of Education~~] may adopt
11 rules as necessary to implement this section.

12 SECTION 3.46. Section 30.004(b), Education Code, is amended
13 to read as follows:

14 (b) The commissioner [~~State Board of Education~~] shall adopt
15 rules prescribing the form and content of information required by
16 Subsection (a).

17 SECTION 3.47. Section 30.005, Education Code, is amended to
18 read as follows:

19 Sec. 30.005. TEXAS SCHOOL FOR THE BLIND AND VISUALLY
20 IMPAIRED MEMORANDUM OF UNDERSTANDING. The Texas Education Agency
21 and the Texas School for the Blind and Visually Impaired shall
22 develop[~~, agree to, and by commissioner rule adopt~~] a memorandum of
23 understanding to establish:

24 (1) the method for developing and reevaluating a set
25 of indicators of the quality of learning at the Texas School for the
26 Blind and Visually Impaired;

27 (2) the process for the agency to conduct and report on

an annual evaluation of the school's performance on the indicators;

(3) the requirements for the school's board to publish, discuss, and disseminate an annual report describing the educational performance of the school; and

(4) ~~[the process for the agency to:~~

~~[(A) assign an accreditation status to the school,~~

~~[(B) reevaluate the status on an annual basis,~~

~~and~~

~~[(C) if necessary, conduct monitoring reviews,~~

~~and~~

~~[(5)]~~ the type of information the school shall be required to provide through the Public Education Information Management System (PEIMS).

SECTION 3.48. Section 30.021(e), Education Code, is amended to read as follows:

(e) The school shall cooperate with public and private agencies and organizations serving students and other persons with visual impairments in the planning, development, and implementation of effective educational and rehabilitative service delivery systems associated with educating students with visual impairments. To maximize and make efficient use of state facilities, funding, and resources, the services provided in this area may include conducting a cooperative program with other agencies to serve students who have graduated from high school by completing all academic requirements applicable to students in general ~~[regular]~~ education, excluding satisfactory performance

1 under Section 39.025, who are younger than 22 years of age on
2 September 1 of the school year and who have identified needs related
3 to vocational training, independent living skills, orientation and
4 mobility, social and leisure skills, compensatory skills, or
5 remedial academic skills.

6 SECTION 3.49. Section 30.081, Education Code, is amended to
7 read as follows:

8 Sec. 30.081. LEGISLATIVE INTENT CONCERNING REGIONAL DAY
9 SCHOOLS FOR THE DEAF. The legislature, by this subchapter, intends
10 to continue a process of providing on a statewide basis a suitable
11 education to deaf or hard of hearing students who are under 22 [~~21~~]
12 years of age and assuring that those students have the opportunity
13 to become independent citizens.

14 SECTION 3.50. Section 30.083, Education Code, is amended to
15 read as follows:

16 Sec. 30.083. STATEWIDE PLAN. [~~(a)~~] The director of
17 services shall develop and administer a comprehensive statewide
18 plan for educational services for students who are deaf or hard of
19 hearing and receive special education and related services through
20 a regional day school program for the deaf [~~, including continuing~~
21 ~~diagnosis and evaluation, counseling, and teaching~~]. The plan
22 shall be included as part of the comprehensive state plan under
23 Section 30.002 [~~designed to accomplish the following objectives:~~

24 [~~(1) providing assistance and counseling to parents of~~
25 ~~students who are deaf or hard of hearing in regional day school~~
26 ~~programs for the deaf and admitting to the programs students who~~
27 ~~have a hearing loss that interferes with the processing of~~

1 ~~linguistic information;~~

2 ~~[(2) enabling students who are deaf or hard of hearing~~
3 ~~to reside with their parents or guardians and be provided an~~
4 ~~appropriate education in their home school districts or in regional~~
5 ~~day school programs for the deaf;~~

6 ~~[(3) enabling students who are deaf or hard of hearing~~
7 ~~who are unable to attend schools at their place of residence and~~
8 ~~whose parents or guardians live too far from facilities of regional~~
9 ~~day school programs for the deaf for daily commuting to be~~
10 ~~accommodated in foster homes or other residential school facilities~~
11 ~~provided for by the agency so that those children may attend a~~
12 ~~regional day school program for the deaf;~~

13 ~~[(4) enrolling in the Texas School for the Deaf those~~
14 ~~students who are deaf or hard of hearing whose needs can best be met~~
15 ~~in that school and designating the Texas School for the Deaf as the~~
16 ~~statewide educational resource for students who are deaf or hard of~~
17 ~~hearing;~~

18 ~~[(5) encouraging students in regional day school~~
19 ~~programs for the deaf to attend general education classes on a~~
20 ~~part-time, full-time, or trial basis; and~~

21 ~~[(6) recognizing the need for development of language~~
22 ~~and communications abilities in students who are deaf or hard of~~
23 ~~hearing, but also calling for the use of methods of communication~~
24 ~~that will meet the needs of each individual student, with each~~
25 ~~student assessed thoroughly so as to ascertain the student's~~
26 ~~potential for communications through a variety of means, including~~
27 ~~through oral or aural means, fingerspelling, or sign language].~~

1 ~~[(b) The director of services may establish separate~~
2 ~~programs to accommodate diverse communication methodologies.]~~

3 SECTION 3.51. Section 37.146(a), Education Code, is amended
4 to read as follows:

5 (a) A complaint alleging the commission of a school offense
6 must, in addition to the requirements imposed by Article 45A.101,
7 Code of Criminal Procedure:

8 (1) be sworn to by a person who has personal knowledge
9 of the underlying facts giving rise to probable cause to believe
10 that an offense has been committed; and

11 (2) be accompanied by a statement from a school
12 employee stating:

13 (A) whether the child is eligible for or receives
14 special education services under Subchapter A, Chapter 29; and

15 (B) the graduated sanctions, if required under
16 Section 37.144, that were imposed on the child before the complaint
17 was filed.

18 SECTION 3.52. Section 38.003(c-1), Education Code, is
19 amended to read as follows:

20 (c-1) The agency by rule shall develop procedures designed
21 to allow the agency to:

22 (1) effectively audit and monitor and periodically
23 conduct site visits of all school districts to ensure that
24 districts are complying with this section, including the program
25 approved by the State Board of Education under this section;

26 (2) identify any problems school districts experience
27 in complying with this section, including the program approved by

the State Board of Education under this section;

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

(4) solicit input from parents of students enrolled in a school district during the auditing and monitoring of the district under Subdivision (1) regarding the district's implementation of the program approved by the State Board of Education under this section; and

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

SECTION 3.53. Section 48.009(b), Education Code, is amended to read as follows:

(b) The commissioner by rule shall require each school district and open-enrollment charter school to report through the Public Education Information Management System information regarding:

(1) the number of students enrolled in the district or school who are identified as having dyslexia;

(2) the availability of school counselors, including the number of full-time equivalent school counselors, at each

campus;

(3) the availability of expanded learning opportunities as described by Section 33.252 at each campus;

(4) the total number of students, other than students described by Subdivision (5), enrolled in the district or school with whom the district or school, as applicable, used intervention strategies, as that term is defined by Section 26.004, at any time during the year for which the report is made;

(5) the total number of students enrolled in the district or school to whom the district or school provided aids, accommodations, or services under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), at any time during the year for which the report is made;

(6) disaggregated by campus and grade, the number of:

(A) children who are required to attend school under Section 25.085, are not exempted under Section 25.086, and fail to attend school without excuse for 10 or more days or parts of days within a six-month period in the same school year;

(B) students for whom the district initiates a truancy prevention measure under Section 25.0915(a-4); and

(C) parents of students against whom an attendance officer or other appropriate school official has filed a complaint under Section 25.093; ~~and~~

(7) the number of students who are enrolled in a high school equivalency program, a dropout recovery school, or an adult education program provided under a high school diploma and industry certification charter school program provided by the district or

1 school and who:

2 (A) are at least 18 years of age and under 26
3 years of age;

4 (B) have not previously been reported to the
5 agency as dropouts; and

6 (C) enroll in the program at the district or
7 school after not attending school for a period of at least nine
8 months; and

9 (8) students enrolled in a special education program
10 under Subchapter A, Chapter 29, as necessary for the agency to
11 adequately perform general supervision activities and determine
12 funding under Sections 48.102 and 48.1021.

13 SECTION 3.54. Subchapter A, Chapter 48, Education Code, is
14 amended by adding Section 48.011 to read as follows:

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

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

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

27 (b) Before making an adjustment under Subsection (a), the

1 commissioner shall notify and must receive approval from the
2 Legislative Budget Board and the office of the governor.

3 (c) If the commissioner makes an adjustment under
4 Subsection (a), the commissioner must provide to the legislature an
5 explanation regarding the changes necessary to resolve the
6 unintended consequences.

7 SECTION 3.55. Section 48.102, Education Code, is amended to
8 read as follows:

9 Sec. 48.102. SPECIAL EDUCATION. (a) For each student in
10 average daily attendance in a special education program under
11 Subchapter A, Chapter 29, ~~[in a mainstream instructional~~
12 ~~arrangement,~~] a school district is entitled to an annual allotment
13 equal to the basic allotment, or, if applicable, the sum of the
14 basic allotment and the allotment under Section 48.101 to which the
15 district is entitled, multiplied by a weight in an amount set by the
16 legislature in the General Appropriations Act for the highest tier
17 of intensity of service for which the student qualifies [1-15].

18 (a-1) Notwithstanding Subsection (a), for the 2025-2026 and
19 2026-2027 school years, the amount of an allotment under this
20 section shall be determined in accordance with Section 48.1022.
21 This subsection expires September 1, 2027. ~~[For each full-time~~
22 ~~equivalent student in average daily attendance in a special~~
23 ~~education program under Subchapter A, Chapter 29, in an~~
24 ~~instructional arrangement other than a mainstream instructional~~
25 ~~arrangement, a district is entitled to an annual allotment equal to~~
26 ~~the basic allotment, or, if applicable, the sum of the basic~~
27 ~~allotment and the allotment under Section 48.101 to which the~~

~~district is entitled, multiplied by a weight determined according to instructional arrangement as follows:~~

[Homebound	5.0
[Hospital class	3.0
[Speech therapy	5.0
[Resource room	3.0
[Self-contained, mild and moderate, regular campus	3.0
[Self-contained, severe, regular campus	3.0
[Off home campus	2.7
[Nonpublic day school	1.7
[Vocational adjustment class	2.3]

~~(b) The commissioner by rule shall define eight tiers of intensity of service for use in determining funding under this section. The commissioner must include one tier specifically addressing students receiving special education services in residential placement and one tier for students receiving only speech therapy [A special instructional arrangement for students with disabilities residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services shall be established by commissioner rule. The funding weight for this arrangement shall be 4.0 for those students who receive their education service on a local school district campus. A special instructional arrangement for students with disabilities residing in state schools shall be established by commissioner rule with a funding weight of 2.8].~~

~~(c) In defining the tiers of intensity of service under Subsection (b), the commissioner shall consider:~~

1 (1) the type, frequency, and nature of services
2 provided to a student;

3 (2) the required certifications, licensures, or other
4 qualifications for personnel serving the student;

5 (3) any identified or curriculum-required
6 provider-to-student ratios for the student to receive the
7 appropriate services; and

8 (4) any equipment or technology required for the
9 services [~~For funding purposes, the number of contact hours~~
10 ~~credited per day for each student in the off home campus~~
11 ~~instructional arrangement may not exceed the contact hours credited~~
12 ~~per day for the multidistrict class instructional arrangement in~~
13 ~~the 1992-1993 school year].~~

14 ~~(d) [For funding purposes the contact hours credited per day~~
15 ~~for each student in the resource room, self-contained, mild and~~
16 ~~moderate, and self-contained, severe, instructional arrangements~~
17 ~~may not exceed the average of the statewide total contact hours~~
18 ~~credited per day for those three instructional arrangements in the~~
19 ~~1992-1993 school year.~~

20 ~~[(c) The commissioner by rule shall prescribe the~~
21 ~~qualifications an instructional arrangement must meet in order to~~
22 ~~be funded as a particular instructional arrangement under this~~
23 ~~section. In prescribing the qualifications that a mainstream~~
24 ~~instructional arrangement must meet, the commissioner shall~~
25 ~~establish requirements that students with disabilities and their~~
26 ~~teachers receive the direct, indirect, and support services that~~
27 ~~are necessary to enrich the regular classroom and enable student~~

1 ~~success.~~

2 ~~[(f) In this section, "full-time equivalent student" means~~
 3 ~~30 hours of contact a week between a special education student and~~
 4 ~~special education program personnel.~~

5 ~~[(g) The commissioner shall adopt rules and procedures~~
 6 ~~governing contracts for residential placement of special education~~
 7 ~~students. The legislature shall provide by appropriation for the~~
 8 ~~state's share of the costs of those placements.~~

9 ~~[(h)]~~ At least 55 percent of the funds allocated under this
 10 section must be used in the special education program under
 11 Subchapter A, Chapter 29.

12 (e) ~~[(i)]~~ The agency shall ensure ~~[encourage]~~ the placement
 13 of students in special education programs, including students in
 14 residential placement ~~[instructional arrangements]~~, in the least
 15 restrictive environment appropriate for their educational needs.

16 (f) ~~[(j)]~~ A school district that provides an extended year
 17 program required by federal law for special education students who
 18 may regress is entitled to receive funds in an amount equal to ~~[75~~
 19 ~~percent, or a lesser percentage determined by the commissioner, of]~~
 20 the basic allotment, or, if applicable, the sum of the basic
 21 allotment and the allotment under Section 48.101 to which the
 22 district is entitled for each ~~[full-time equivalent]~~ student in
 23 average daily attendance, multiplied by the amount designated for
 24 the highest tier of intensity of service for which the student
 25 qualifies ~~[student's instructional arrangement]~~ under this
 26 section, for each day the program is provided divided by the number
 27 of days in the minimum school year. ~~[The total amount of state~~

1 ~~funding for extended year services under this section may not~~
2 ~~exceed \$10 million per year.]~~ A school district may use funds
3 received under this section only in providing an extended year
4 program.

5 (g) ~~[(k)]~~ From the total amount of funds appropriated for
6 special education under this section, the commissioner shall
7 withhold an amount specified in the General Appropriations Act, and
8 distribute that amount to school districts for programs under
9 Section 29.014. The program established under that section is
10 required only in school districts in which the program is financed
11 by funds distributed under this subsection and any other funds
12 available for the program. After deducting the amount withheld
13 under this subsection from the total amount appropriated for
14 special education, the commissioner shall reduce each district's
15 allotment proportionately and shall allocate funds to each district
16 accordingly.

17 (h) Not later than December 1 of each even-numbered year,
18 the commissioner shall submit to the Legislative Budget Board, for
19 purposes of the allotment under this section, proposed weights for
20 the tiers of intensity of service for the next state fiscal
21 biennium.

22 SECTION 3.56. Subchapter C, Chapter 48, Education Code, is
23 amended by adding Sections 48.1021 and 48.1022 to read as follows:

24 Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT.

25 (a) For each student in a special education program under
26 Subchapter A, Chapter 29, a school district is entitled to an
27 allotment in an amount set by the legislature in the General

Appropriations Act for the service group for which the student receives services.

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

(b) The commissioner by rule shall establish at least four service groups for use in determining funding under this section. In establishing the groups, the commissioner must consider:

(1) the type, frequency, and nature of services provided to a student;

(2) the required certifications, licensures, or other qualifications for personnel serving the student;

(3) any identified or curriculum-required provider-to-student ratios for the student to receive the appropriate services; and

(4) any equipment or technology required for the services.

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

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

Sec. 48.1022. SPECIAL EDUCATION TRANSITION FUNDING.

(a) For the 2025-2026 and 2026-2027 school years, the commissioner

1 may adjust weights or amounts provided under Section 48.102 or
2 48.1021 as necessary to ensure compliance with requirements
3 regarding maintenance of state financial support under 20 U.S.C.
4 Section 1412(a)(18) and maintenance of local financial support
5 under applicable federal law.

6 (b) For the 2025-2026 and 2026-2027 school years, the
7 commissioner shall determine the formulas through which school
8 districts receive funding under Sections 48.102 and 48.1021. In
9 determining the formulas, the commissioner shall ensure the
10 estimated statewide increase from the allotment under Section
11 48.102 for the 2024-2025 school year to the sum of the allotments
12 under Sections 48.102 and 48.1021 for the 2025-2026 school year is
13 approximately \$800 million.

14 (c) Each school district and open-enrollment charter school
15 shall report to the agency information necessary to implement this
16 section.

17 (d) The agency shall provide technical assistance to school
18 districts and open-enrollment charter schools to ensure a
19 successful transition in funding formulas for special education.

20 (e) This section expires September 1, 2028.

21 SECTION 3.57. Sections 48.103(b), (c), and (d), Education
22 Code, are amended to read as follows:

23 (b) A school district is entitled to an allotment under
24 Subsection (a) only for a student who:

25 (1) is receiving:

26 (A) instruction, services, or accommodations for
27 dyslexia or a related disorder in accordance with[+]

~~[(A)]~~ an individualized education program developed for the student under Section 29.005; or

(B) accommodations for dyslexia or a related disorder in accordance with a plan developed for the student under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794); or

(2) ~~[is receiving instruction that:~~

~~[(A) meets applicable dyslexia program criteria established by the State Board of Education; and~~

~~[(B) is provided by a person with specific training in providing that instruction; or~~

~~[(3)]~~ is permitted, on the basis of having dyslexia or a related disorder, to use modifications in the classroom or accommodations in the administration of assessment instruments under Section 39.023 without a program or plan described by Subdivision (1).

(c) A school district may receive funding for a student under each provision of this section, ~~[and]~~ Section 48.102, and Section 48.1021 for which ~~[if]~~ the student qualifies ~~[satisfies the requirements of both sections]~~.

(d) A school district may use ~~[an amount not to exceed 20 percent of]~~ the allotment provided for a qualifying student under this section to contract with a private provider to provide supplemental academic services to the student that are recommended under the student's program or plan described by Subsection (b). A student may not be excused from school to receive supplemental academic services provided under this subsection.

SECTION 3.58. Section 48.110(d), Education Code, is amended

to read as follows:

(d) For each annual graduate in a cohort described by Subsection (b) who demonstrates college, career, or military readiness as described by Subsection (f) in excess of the minimum number of students determined for the applicable district cohort under Subsection (c), a school district is entitled to an annual outcomes bonus of:

(1) if the annual graduate is educationally disadvantaged, \$5,000;

(2) if the annual graduate is not educationally disadvantaged, \$3,000; and

(3) if the annual graduate is enrolled in a special education program under Subchapter A, Chapter 29, \$4,000 [~~\$2,000~~], regardless of whether the annual graduate is educationally disadvantaged.

SECTION 3.59. Section 48.151(g), Education Code, is amended to read as follows:

(g) A school district or county that provides special transportation services for eligible special education students is entitled to a state allocation at a [~~paid on a previous year's cost-per-mile basis. The~~] rate per mile equal to the sum of the rate per mile set under Subsection (c) and \$0.13, or a greater amount provided [~~allowable shall be set~~] by appropriation [~~based on data gathered from the first year of each preceding biennium~~]. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner may grant an amount set by appropriation for private transportation to reimburse

parents or their agents for transporting eligible special education students. The mileage allowed shall be computed along the shortest public road from the student's home to school and back, morning and afternoon. The need for this type of transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

SECTION 3.60. Subchapter D, Chapter 48, Education Code, is amended by adding Section 48.158 to read as follows:

Sec. 48.158. SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL EVALUATION. For each child for whom a school district conducts a full individual and initial evaluation under Section 29.004 or 20 U.S.C. Section 1414(a)(1), the district is entitled to an allotment of \$1,000 or a greater amount provided by appropriation.

SECTION 3.61. Section 48.265(a), Education Code, is amended to read as follows:

(a) If ~~[Notwithstanding any other provision of law, if]~~ the commissioner determines that the amount appropriated for the purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter, the commissioner may provide ~~[by rule shall establish a grant program through which excess funds are awarded as]~~ grants using the excess money for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education classrooms or other special education settings required under Section 29.022.

SECTION 3.62. Section 48.279(e), Education Code, is amended to read as follows:

(e) After the commissioner has replaced any withheld federal funds as provided by Subsection (d), the commissioner shall distribute the remaining amount, if any, of funds described by Subsection (a) to proportionately increase funding for the special education allotment under Section 48.102 and the special education service group allotment under Section 48.1021.

SECTION 3.63. Subchapter G, Chapter 48, Education Code, is amended by adding Sections 48.304, 48.306, and 48.315 to read as follows:

Sec. 48.304. DAY PLACEMENT PROGRAM OR COOPERATIVE FUNDING.

(a) For each qualifying day placement program or cooperative that a regional education service center, school district, or open-enrollment charter school establishes, the program or cooperative is entitled to an allotment of:

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

(2) the sum of:

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

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

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

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

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

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

12 (c) The agency may not designate more than one day placement
13 program or cooperative for service per county each year.

14 (d) The agency may designate a regional education service
15 center to implement and administer this section.

16 (e) Notwithstanding any other provision of this section,
17 the agency may not provide an allotment under this section to more
18 than 20 day placement programs or cooperatives for a year.

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

24 (b) The legislature shall include in the appropriations for
25 the Foundation School Program state aid sufficient for the agency
26 to award grants under Subchapter A-1, Chapter 29, in the amount
27 provided by this section.

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

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

8 (e) Notwithstanding Section 7.057, a determination of the
9 commissioner under this section is final and may not be appealed.

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

16 (b) Notwithstanding Subsection (a), the agency shall adjust
17 the amount of an allotment under that subsection for a school year
18 to ensure the total amount of allotments provided under that
19 subsection is at least \$35 million for that school year.

20 SECTION 3.64. The following provisions of the Education
21 Code are repealed:

- 22 (1) Section 7.055(b)(24);
- 23 (2) Sections 7.102(c)(18), (19), (20), (21), and (22);
- 24 (3) Section 29.002;
- 25 (4) Section 29.0041(c);
- 26 (5) Section 29.005(f);
- 27 (6) Section 29.0161;

(7) Section 29.018(c);

(8) Sections 29.308, 29.309, 29.311, 30.001, and 30.0015;

(9) Sections 30.002(c-1), (c-2), (f), (f-1), and (g);

(10) Section 30.084;

(11) Section 30.087(b); and

(12) Section 38.003(d).

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

ARTICLE 4. TRANSITION AND EFFECTIVE DATE

SECTION 4.01. (a) Except as otherwise provided by this Act and by Subsection (b) of this section, the changes made by this Act to Chapters 7, 8, 12A, 21, 25, 28, 29, 30, 37, and 38, Education Code, apply beginning with the 2025-2026 school year.

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

SECTION 4.02. (a) Except as otherwise provided by this Act and as provided by Subsections (b) and (c) of this section, this Act takes effect September 1, 2025.

(b) The changes made by this Act to Chapters 7, 8, 12A, 21, 25, 28, 29, 30, 37, and 38, Education Code, and Section 48.283, Education Code, take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided

H.B. No. 2

1 by Section 39, Article III, Texas Constitution. If this Act does
2 not receive the vote necessary for immediate effect, those changes
3 take effect September 1, 2025.

4 (c) The changes made by this Act to Sections 48.104, 48.105,
5 and 48.112, Education Code, take effect September 1, 2026.

ADOPTED

MAY 23 2025

Latey Spaw
Secretary of the Senate

By: Creighton

H.B. No. 2

Substitute the following for H.B. No. 2:

By: Paul Bellerant

C.S. H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to public education and public school finance.

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

ARTICLE 1. TEACHER COMPENSATION

SECTION 1.01. Section 21.3521, Education Code, is amended by amending Subsections (a), (c), and (e) and adding Subsections (c-1), (d-1), (d-2), and (d-3) to read as follows:

(a) Subject to Subsection (b), a school district or open-enrollment charter school may designate a classroom teacher as a master, exemplary, ~~or~~ recognized, or acknowledged teacher for a five-year period based on the results from single year or multiyear appraisals that comply with Section 21.351 or 21.352.

(c) Notwithstanding performance standards established under Subsection (b) and subject to authorization under Section 21.3523, a classroom teacher that holds a National Board Certification issued by the National Board for Professional Teaching Standards may be designated as nationally board certified ~~[recognized]~~.

(c-1) A classroom teacher's designation under Subsection (c) is valid for a five-year period, regardless of whether the State Board for Educator Certification subsequently revokes authorization for a nationally board certified teacher designation under Section 21.3523.

(d-1) Each school year, the commissioner shall, using

1 criteria developed by the commissioner, designate as enhanced
2 teacher incentive allotment systems school districts and
3 open-enrollment charter schools that implement comprehensive
4 school evaluation and support systems. The criteria developed by
5 the commissioner must require a district or school to:

6 (1) for principals and assistant principals,
7 implement:

8 (A) a strategic evaluations system aligned with
9 the district's or school's teacher designation system; and

10 (B) a compensation system based on performance;

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

16 (3) implement for all classroom teachers a
17 compensation plan based on performance that:

18 (A) uses a salary schedule that differentiates
19 among classroom teachers based on staff appraisals; and

20 (B) does not include across-the-board salary
21 increases for classroom teachers except for periodic changes to the
22 district's or school's salary schedule to adjust for significant
23 inflation; and

24 (4) implement a locally designed plan to place highly
25 effective teachers at high needs campuses and in accordance with
26 Section 28.0062(a)(3).

27 (d-2) The commissioner may designate a school district or

open-enrollment charter school as an enhanced teacher incentive allotment system under Subsection (d-1) only if the district or school has implemented a local optional teacher designation system under this section.

(d-3) The commissioner may remove a school district's or open-enrollment charter school's designation under Subsection (d-1) if the commissioner determines the district or school no longer meets the criteria for the designation.

(e) The agency shall develop and provide technical assistance for school districts and open-enrollment charter schools that request assistance in implementing a local optional teacher designation system, including:

(1) providing assistance in prioritizing high needs campuses;

(2) providing examples or models of local optional teacher designation systems to reduce the time required for a district or school to implement a teacher designation system;

(3) providing examples or models of local optional teacher designation systems that implement a teacher designation system for teachers of special populations, including special education and bilingual education;

(4) establishing partnerships between districts and schools that request assistance and districts and schools that have implemented a teacher designation system;

(5) applying the performance and validity standards established by the commissioner under Subsection (b);

(6) providing centralized support for the analysis of

1 the results of assessment instruments administered to district
2 students; and

3 (7) facilitating effective communication on and
4 promotion of local optional teacher designation systems.

5 SECTION 1.02. Subchapter H, Chapter 21, Education Code, is
6 amended by adding Sections 21.3522 and 21.3523 to read as follows:

7 Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM
8 GRANT PROGRAM. (a) From funds appropriated or otherwise
9 available for the purpose, the agency shall establish and
10 administer a grant program to provide money and technical
11 assistance to:

12 (1) expand implementation of local optional teacher
13 designation systems under Section 21.3521; and

14 (2) increase the number of classroom teachers eligible
15 for a designation under that section.

16 (b) A grant awarded under this section must:

17 (1) meet the needs of individual school districts; and

18 (2) enable regional leadership capacity.

19 (c) The commissioner may adopt rules as necessary to
20 implement this section.

21 Sec. 21.3523. REVIEW AND AUTHORIZATION OF NATIONALLY BOARD
22 CERTIFIED TEACHER DESIGNATION. (a) The State Board for Educator
23 Certification may periodically review National Board
24 Certifications issued by the National Board for Professional
25 Teaching Standards to determine whether to reauthorize or revoke
26 authorization for the nationally board certified teacher
27 designation under Section 21.3521(c). If the board revokes

1 authorization, the board may at any time conduct a review under this
2 subsection to determine whether to reauthorize the nationally board
3 certified teacher designation.

4 (b) A review under Subsection (a) must evaluate whether the
5 components and assessments required for a National Board
6 Certification align and comply with state law, including whether:

7 (1) earning a National Board Certification would
8 interfere with the certificate holder's ability to provide:

9 (A) instruction in the essential knowledge and
10 skills without using common core state standards, as defined by
11 Section 28.002;

12 (B) phonics instruction in accordance with
13 Section 28.0062 and without using three-cueing, as prohibited by
14 Subsection (a-1) of that section; or

15 (C) instruction in accordance with:

16 (i) the instructional requirements and
17 prohibitions under Section 28.0022; or

18 (ii) any other applicable state law; and

19 (2) the components and assessments align with the
20 criteria adopted by the State Board of Education under Section
21 31.022 for the approval of instructional materials.

22 (c) Not later than December 31, 2026, the State Board for
23 Educator Certification shall conduct an initial review under
24 Subsection (a) of National Board Certifications issued by the
25 National Board for Professional Teaching Standards and reauthorize
26 or revoke the nationally board certified teacher designation under
27 Section 21.3521(c). If the board fails to reauthorize the

1 designation by that date, the authorization for the designation is
2 revoked. This subsection expires September 1, 2027.

3 SECTION 1.03. Subchapter I, Chapter 21, Education Code, is
4 amended by adding Section 21.417 to read as follows:

5 Sec. 21.417. RESOURCES, INCLUDING LIABILITY INSURANCE, FOR
6 CLASSROOM TEACHERS. (a) From funds appropriated or otherwise
7 available for the purpose, the agency shall contract with a third
8 party to provide the following services for a classroom teacher
9 employed under a probationary, continuing, or term contract:

10 (1) assistance in understanding the teacher's rights,
11 duties, and benefits; and

12 (2) liability insurance to protect a teacher against
13 liability to a third party based on conduct that the teacher
14 allegedly engaged in during the course of the teacher's duties.

15 (b) A school district may not interfere with a classroom
16 teacher's access to services provided under this section.

17 (c) A contract entered into by the agency to provide
18 services under Subsection (a) must prohibit the entity with which
19 the agency contracts from using funds received under the contract
20 to engage in:

21 (1) conduct that a state agency using appropriated
22 money is prohibited from engaging in under Chapter 556, Government
23 Code; and

24 (2) political activities or advocate for issues
25 regarding public schools, including for boards of trustees of
26 school districts or school districts.

27 (d) This section may not be interpreted to interfere with a

1 classroom teacher's or other school district employee's exercise of
2 a right protected by the First Amendment to the United States
3 Constitution.

4 SECTION 1.04. The heading to Section 22.001, Education
5 Code, is amended to read as follows:

6 Sec. 22.001. SALARY DEDUCTIONS FOR PROFESSIONAL OR OTHER
7 DUES.

8 SECTION 1.05. Sections 22.001(a) and (b), Education Code,
9 are amended to read as follows:

10 (a) A school district employee is entitled to have an amount
11 deducted from the employee's salary for membership fees or dues to a
12 professional organization or an entity providing services to
13 classroom teachers under Section 21.417. The employee must:

14 (1) file with the district a signed written request
15 identifying the organization or entity [~~and specifying the number~~
16 ~~of pay periods per year the deductions are to be made~~]; and

17 (2) inform the district of the total amount of the fees
18 and dues for each year or have the organization or entity notify the
19 district of the amount.

20 (b) The district shall deduct the total amount of the fees
21 or dues for a year in equal amounts per pay period [~~for the number of~~
22 ~~periods specified by the employee~~]. The district shall notify the
23 employee not later than the 45th day after the district receives a
24 request under Subsection (a) of the number of pay periods annually
25 from which the district will deduct the fees or dues. The
26 deductions shall be made until the employee requests in writing
27 that the deductions be discontinued.

SECTION 1.06. Section 48.112, Education Code, is amended by amending Subsections (c), (d), and (i) and adding Subsection (g-1) to read as follows:

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

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

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

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

(4) \$3,000, or an increased amount not to exceed \$9,000 as determined under Subsection (d), for each:

(A) acknowledged teacher; or

(B) nationally board certified teacher.

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

(1) \$6,000 [~~\$5,000~~] for each master teacher;

(2) \$4,000 [~~\$3,000~~] for each exemplary teacher; ~~and~~

1 (3) \$2,500 [~~\$1,500~~] for each recognized teacher; and

2 (4) \$1,500 for each:

3 (A) acknowledged teacher; or

4 (B) nationally board certified teacher.

5 (g-1) For a district that is designated as an enhanced
6 teacher incentive allotment system under Section 21.3521(d-1); the
7 commissioner shall increase the amount to which the district is
8 entitled under this section by multiplying that amount by 1.1.

9 (i) A district shall annually certify that:

10 (1) funds received under this section were used as
11 follows:

12 (A) at least 90 percent of each allotment
13 received under Subsection (c) was used for the compensation of
14 teachers employed at the campus at which the teacher for whom the
15 district received the allotment is employed; ~~and~~

16 (B) for a district whose allotment was increased
17 under Subsection (g-1), the amount by which the allotment was
18 increased under that subsection was used to meet the criteria to
19 maintain a designation as an enhanced teacher incentive allotment
20 system under Section 21.3521(d-1); and

21 (C) any other funds received under this section
22 were used for costs associated with implementing Section 21.3521,
23 including efforts to support teachers in obtaining designations;
24 and

25 (2) the district prioritized high needs campuses in
26 the district in using funds received under this section.

27 SECTION 1.07. Subchapter D, Chapter 48, Education Code, is

1 amended by adding Section 48.158 to read as follows:

2 Sec. 48.158. TEACHER RETENTION ALLOTMENT. (a) In this
3 section, "classroom teacher" has the meaning assigned by Section
4 5.001, except that the term also includes:

5 (1) a person who is not required to hold a certificate
6 issued under Subchapter B, Chapter 21, who otherwise meets the
7 definition of a classroom teacher under Section 5.001; and

8 (2) a person, including a person described by
9 Subdivision (1), employed by an entity with which a school district
10 has entered into a contract who otherwise meets the definition of a
11 classroom teacher under Section 5.001.

12 (b) A school district is entitled to an annual allotment for
13 each classroom teacher who is employed by or contracts with the
14 district for which the allotment is provided as follows:

15 (1) if the district has 5,000 or fewer students
16 enrolled for the school year:

17 (A) \$5,000 for each classroom teacher who has at
18 least three but less than five years of teaching experience; and

19 (B) \$10,000 for each classroom teacher who has
20 five or more years of teaching experience; and

21 (2) if the district has more than 5,000 students
22 enrolled for the school year:

23 (A) \$2,500 for each classroom teacher who has at
24 least three but less than five years of teaching experience; and

25 (B) \$5,500 for each classroom teacher who has
26 five or more years of teaching experience.

27 (b-1) Instead of the allotment under Subsection (b)(2), a

1 school district described by that subdivision is entitled to
2 funding under Subsection (b)(1) if the school district received an
3 allotment under Subsection (b)(1) in a previous school year.

4 (c) For the 2025-2026 school year, a school district shall
5 use money received under Subsection (b) to:

6 (1) increase the salary provided to each classroom
7 teacher for which the district is entitled to funding under
8 Subsection (b) for that year over the salary the teacher received or
9 would have received if the teacher was employed by or contracted
10 with the district in the 2024-2025 school year by at least the
11 amount received per classroom teacher under Subsection (b); or

12 (2) if the school district is applying to be
13 designated as an enhanced teacher incentive allotment system,
14 increase the salaries of classroom teachers for that year based on
15 performance.

16 (d) Except as provided by Subsection (e), for the 2026-2027
17 and each subsequent school year, a school district shall use money
18 received under Subsection (b) to maintain the salary increases for
19 classroom teachers provided under Subsection (c). Any additional
20 funding generated for a school district under this section may only
21 be used for the compensation of classroom teachers who are employed
22 by or contract with the district and who have three or more years of
23 experience.

24 (e) A school district that has been designated as an
25 enhanced teacher incentive allotment system for the applicable
26 school year may use money received under Subsection (b) to provide
27 salaries to classroom teachers in accordance with the district's

1 compensation plan.

2 (f) A school district that increases classroom teacher
3 compensation in the 2025-2026 school year to comply with Subsection
4 (c), as added by H.B. 2, 89th Legislature, Regular Session, 2025, is
5 providing compensation for services rendered independently of an
6 existing employment contract applicable to that school year and is
7 not in violation of Section 53, Article III, Texas Constitution.
8 This subsection expires September 1, 2027.

9 SECTION 1.08. Section 48.257, Education Code, is amended by
10 adding Subsection (b-1) to read as follows:

11 (b-1) If for any school year a school district receives an
12 adjustment under Subsection (b) and, after that adjustment, is no
13 longer subject to Subsection (a), the district is entitled to
14 additional state aid for that school year in an amount equal to the
15 lesser of:

16 (1) the difference, if the difference is greater than
17 zero, between:

18 (A) the amount to which the district is entitled
19 under Subchapters B, C, and D less the district's distribution from
20 the available school fund for that school year; and

21 (B) the district's tier one maintenance and
22 operations tax collections for that school year; or

23 (2) the district's allotment under Section 48.158 for
24 that school year.

25 SECTION 1.09. Sections 48.051(c), (c-1), (c-2), and (d),
26 Education Code, are repealed.

27 SECTION 1.10. Not later than September 1, 2026, a school

1 district or open-enrollment charter school shall redesignate a
2 teacher who holds a recognized teacher designation under Section
3 21.3521(c), Education Code, on the basis of the teacher's national
4 board certification, before the effective date of this article, to
5 reflect the teacher's nationally board certified designation under
6 Section 21.3521(c), Education Code, as amended by this article. A
7 redesignation under this section is effective beginning September
8 1, 2026.

9 SECTION 1.11. (a) Except as provided by Subsections (b) and
10 (c) of this section, this article takes effect immediately if this
11 Act receives a vote of two-thirds of all the members elected to each
12 house, as provided by Section 39, Article III, Texas Constitution.
13 If this Act does not receive the vote necessary for immediate
14 effect, this article takes effect September 1, 2025.

15 (b) Sections 48.158 and 48.257(b-1), Education Code, as
16 added by this article, take effect September 1, 2025.

17 (c) Section 48.112, Education Code, as amended by this
18 article, takes effect September 1, 2026.

19 ARTICLE 2. EDUCATOR PREPARATION AND TEACHER RIGHTS

20 SECTION 2.01. Section 12A.004(a), Education Code, is
21 amended to read as follows:

22 (a) A local innovation plan may not provide for the
23 exemption of a district designated as a district of innovation from
24 the following provisions of this title:

25 (1) a state or federal requirement applicable to an
26 open-enrollment charter school operating under Subchapter D,
27 Chapter 12;

(2) Subchapters A, C, D, and E, Chapter 11, except that a district may be exempt from Sections 11.1511(b)(5) and (14) and Section 11.162;

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

(4) parental notification requirements under Section 21.057;

(5) state curriculum and graduation requirements adopted under Chapter 28; and

(6) ~~[(4)]~~ academic and financial accountability and sanctions under Chapters 39 and 39A.

SECTION 2.02. Section 19.007(g), Education Code, is amended to read as follows:

(g) In addition to other amounts received by the district under this section, the district is entitled to:

(1) state aid in the amount necessary to fund the salary increases required by Section 19.009(d-2); and

(2) the preparing and retaining educators through partnership program allotment under Section 48.157.

SECTION 2.03. Section 21.001, Education Code, is amended by adding Subdivision (3-b) to read as follows:

(3-b) "Teacher of record" means a person employed by a school district who teaches the majority of the instructional day in an academic instructional setting and is responsible for evaluating student achievement and assigning grades.

SECTION 2.04. Subchapter A, Chapter 21, Education Code, is amended by adding Sections 21.0032 and 21.0033 to read as follows:

1 Sec. 21.0032. EMPLOYMENT OF UNCERTIFIED CLASSROOM
2 TEACHERS. (a) A school district may not employ as a teacher of
3 record for a course in the foundation curriculum under Section
4 28.002 a person who does not hold an appropriate certificate or
5 permit required by the State Board for Educator Certification under
6 Subchapter B.

7 (a-1) Notwithstanding Subsection (a), on the receipt and
8 approval of a plan submitted by a school district to the
9 commissioner that provides a reasonable timeline and strategy to
10 comply with that subsection before the beginning of the 2029-2030
11 school year, the commissioner may allow the district to delay
12 implementation of the requirement of that subsection. This
13 subsection expires September 1, 2030.

14 (a-2) Notwithstanding Subsection (a) and Section 12A.004, a
15 school district that has adopted a local innovation plan under
16 Chapter 12A for the 2026-2027 school year that exempts the district
17 from the applicable teacher certification requirements under
18 Section 21.003 may employ as a teacher of record for a course other
19 than a reading language arts or mathematics course in a grade level
20 above grade five a person who does not hold an appropriate
21 certificate or permit required by the State Board for Educator
22 Certification under Subchapter B. This subsection expires
23 September 1, 2027.

24 (b) This section does not preclude a school district from:
25 (1) receiving a waiver under Section 7.056; or
26 (2) issuing a school district teaching permit under
27 Section 21.055.

1 Sec. 21.0033. TEACHER CERTIFICATION INCENTIVE. (a) From
2 money appropriated or otherwise available for the purpose, the
3 agency shall provide to each school district a one-time payment of
4 \$1,000 for each classroom teacher employed by the district who:
5 (1) was hired for the 2022-2023 or 2023-2024 school
6 year as a first-year teacher;
7 (2) was uncertified on January 1, 2025;
8 (3) earned a standard certificate under Subchapter B
9 by the end of the 2026-2027 school year; and
10 (4) was continuously employed by the district since
11 the school year described by Subdivision (1).
12 (b) This section expires September 1, 2028.
13 SECTION 2.05. Section 21.041, Education Code, is amended by
14 adding Subsection (e) to read as follows:
15 (e) A rule proposed by the board under this section relating
16 to educator preparation is not subject to Section 2001.0045,
17 Government Code.
18 SECTION 2.06. Subchapter B, Chapter 21, Education Code, is
19 amended by adding Section 21.0412 to read as follows:
20 Sec. 21.0412. TYPES OF TEACHING CERTIFICATES. (a) In
21 proposing rules specifying the types of teaching certificates to be
22 issued under this subchapter, the board shall provide for a
23 candidate to be issued:
24 (1) a standard certificate if the candidate satisfies:
25 (A) all traditional teacher preparation
26 requirements under Section 21.04421; or
27 (B) the applicable alternative teacher

1 preparation requirements under Section 21.04423;

2 (2) an enhanced standard certificate if the candidate
3 satisfies all requirements of the teacher residency preparation
4 route established under Section 21.04422;

5 (3) an intern with preservice experience certificate,
6 which expires one year after issuance unless modified by the board,
7 if the candidate has yet to satisfy all requirements for
8 certification for a preservice alternative teacher preparation
9 route established under Section 21.04423(1) but has completed a
10 sufficient number of preservice practice hours to serve as a
11 teacher of record; and

12 (4) an intern certificate, which expires two years
13 after issuance unless modified by the board, if the candidate has
14 yet to satisfy all requirements for certification for an
15 alternative teacher preparation route established under Section
16 21.04423(2) but has met all board requirements to serve as a teacher
17 of record.

18 (b) Rules proposed under Subsection (a)(2) may not require a
19 candidate to pass a pedagogy examination unless the examination
20 tests subject-specific content appropriate for the grade level and
21 subject area for which the candidate seeks certification.

22 (c) A candidate for a certification described by Subsection
23 (a) must meet all other requirements imposed under this subchapter
24 or board rule applicable to the candidate's certification.

25 (d) This section does not prohibit the board from proposing
26 rules that provide for certifications other than the certifications
27 described by Subsection (a), including specialized certifications

1 and other types and classes of certifications.

2 SECTION 2.07. Section 21.044, Education Code, is amended by
3 adding Subsections (i) and (j) to read as follows:

4 (i) An educator preparation program participating in a
5 Preparing and Retaining Educators through Partnership Preservice
6 Program under Subchapter R shall:

7 (1) incorporate the applicable instructional
8 materials and training developed under Section 21.067, as
9 determined by the board;

10 (2) if applicable for the grade and subject area for
11 which a teacher candidate enrolled in the educator preparation
12 program is seeking certification, incorporate the literacy
13 achievement academies and mathematics achievement academies
14 established under Sections 21.4552 and 21.4553; and

15 (3) ensure that instruction and training described by
16 Subdivisions (1) and (2) are delivered by a person with appropriate
17 training who has successfully completed a certification related to
18 that training offered by the agency.

19 (j) For purposes of Subsection (i)(2), the board by rule
20 shall designate the components of a literacy achievement academy or
21 mathematics achievement academy under Section 21.4552 or 21.4553,
22 as applicable, that may be completed after receiving an intern with
23 preservice experience certificate under Section 21.0412.

24 SECTION 2.08. Subchapter B, Chapter 21, Education Code, is
25 amended by adding Sections 21.04421, 21.04422, and 21.04423 to read
26 as follows:

27 Sec. 21.04421. TRADITIONAL TEACHER PREPARATION. (a) In

1 proposing rules under this subchapter regarding training
2 requirements for a candidate seeking certification through a
3 traditional teacher preparation route in which a candidate may
4 concurrently receive an undergraduate or master's degree and a
5 certification to teach a subject area at a particular grade level,
6 the board shall require the candidate to complete substantial
7 preservice practice in a prekindergarten through grade 12
8 classroom.

9 **(b) The rules proposed under Subsection (a) must require**
10 **training to be provided synchronously. The board may approve**
11 **components of the training to be delivered asynchronously on**
12 **application by an educator preparation program.**

13 **Sec. 21.04422. TEACHER RESIDENCY PREPARATION. (a) The**
14 **board shall propose rules under this subchapter to create a teacher**
15 **residency preparation route.**

16 **(b) In proposing rules for a teacher residency preparation**
17 **route under this section, the board must require that the program:**

18 **(1) use research-based best practices for recruiting**
19 **and admitting candidates into the program;**

20 **(2) integrate course work, classroom practice, formal**
21 **observation, and feedback;**

22 **(3) require a candidate to receive preservice practice**
23 **in a prekindergarten through grade 12 classroom for at least one**
24 **full school year;**

25 **(4) use multiple assessments to measure a candidate's**
26 **progress; and**

27 **(5) provide training synchronously, unless the**

1 educator preparation program applies to and receives approval from
2 the board for an exception allowing the program to provide training
3 asynchronously.

4 - Sec. 21.04423. ALTERNATIVE TEACHER PREPARATION. In
5 proposing rules under this subchapter regarding training
6 requirements for a candidate who has previously earned a degree and
7 is seeking certification through an alternative teacher
8 preparation route, the board shall establish:

9 (1) a preservice alternative teacher preparation
10 route that:

11 (A) requires the candidate to complete
12 substantial preservice practice in a prekindergarten through grade
13 12 classroom, which may include time spent serving as a
14 paraprofessional; and

15 (B) provides training synchronously, unless the
16 educator preparation program applies to and receives approval from
17 the board for an exception allowing the program to provide training
18 asynchronously; and

19 (2) an alternative teacher preparation route that
20 allows for flexibility in how a candidate may demonstrate
21 proficiency for certification.

22 SECTION 2.09. Section 21.0443, Education Code, is amended
23 to read as follows:

24 Sec. 21.0443. EDUCATOR PREPARATION PROGRAM APPROVAL AND
25 RENEWAL. (a) The board shall propose rules to establish standards
26 to govern the approval or renewal of approval of:

27 (1) educator preparation programs; [~~and~~]

1 (2) the teacher preparation routes established under
2 Sections 21.04421, 21.04422, and 21.04423; and

3 (3) certification fields authorized to be offered by
4 an educator preparation program.

5 (a-1) The board may review an educator preparation
6 program's curriculum:

7 (1) before the approval or renewal of approval of the
8 program; and

9 (2) at any time after the approval or renewal of the
10 approval of the program to ensure the program remains eligible for
11 approval by demonstrating that any changes to curriculum
12 requirements proposed by the board since the most recent review
13 have been incorporated into the curriculum.

14 (b) To be eligible for approval or renewal of approval, an
15 educator preparation program must:

16 (1) incorporate proactive instructional planning
17 techniques throughout coursework [~~course-work~~] and across content
18 areas using a framework that:

19 (A) provides flexibility in the ways:

20 (i) information is presented;

21 (ii) students respond or demonstrate
22 knowledge and skills; and

23 (iii) students are engaged;

24 (B) reduces barriers in instruction;

25 (C) provides appropriate accommodations,
26 supports, and challenges; and

27 (D) maintains high achievement expectations for

1 all students, including students with disabilities and students of
2 limited English proficiency;

3 (2) integrate inclusive practices for all students,
4 including students with disabilities, and evidence-based
5 instruction and intervention strategies throughout coursework
6 [~~course work~~], clinical experience, and student teaching;

7 (3) ensure that the program complies in the same
8 manner as if the program were a school district with:

9 (A) the prohibitions and requirements under
10 Sections 28.0022(a)(1)-(4) regarding program instructional
11 personnel and coursework;

12 (B) the prohibitions under Section 28.0022(c)
13 regarding the acceptance of private funds; and

14 (C) the prohibitions under Section 28.0022(d)
15 regarding the punishment of students;

16 (4) if applicable, meet the requirements of Section
17 21.044(i);

18 (5) adequately prepare candidates for educator
19 certification; and

20 (6) [~~4~~] meet the standards and requirements of the
21 board.

22 (b-1) Nothing in Subsection (b)(3) may be construed as
23 limiting instruction in the essential knowledge and skills adopted
24 under Subchapter A, Chapter 28.

25 (b-2) Subsection (b)(3) applies only to coursework offered
26 by an educator preparation program for purposes of preparing a
27 candidate to meet educator preparation and certification

1 requirements. Subsection (b)(3) does not apply to other coursework
2 offered by an entity providing an educator preparation program that
3 is not included in the educator preparation program's requirements.

4 (c) The board shall require that each educator preparation
5 program be reviewed for renewal of approval at least every five
6 years. The board may require each educator preparation program to
7 be reviewed for renewal of approval at least annually. The board
8 shall adopt an evaluation process to be used in reviewing an
9 educator preparation program for renewal of approval.

10 (d) In adopting the evaluation process under Subsection
11 (c), the board shall consider including:

12 (1) quality indicators that reflect effective program
13 practices; and

14 (2) measures that provide for the observation of
15 program practices to ensure program quality.

16 SECTION 2.10. Subchapter B, Chapter 21, Education Code, is
17 amended by adding Section 21.0456 to read as follows:

18 Sec. 21.0456. NOTICE OF ACTION AGAINST INSTITUTION OF
19 HIGHER EDUCATION. The board shall notify the governing board and
20 the president or other chief executive officer of an institution of
21 higher education, as defined by Section 61.003, and the Texas
22 Higher Education Coordinating Board if the board:

23 (1) sanctions the institution;

24 (2) changes the accreditation status of an educator
25 preparation program at the institution; or

26 (3) approves or authorizes a new educator preparation
27 program at the institution.

1 SECTION 2.11. Section 21.049, Education Code, is amended to
2 read as follows:

3 Sec. 21.049. ALTERNATIVE EDUCATOR PREPARATION PROGRAMS
4 ~~[CERTIFICATION]~~. (a) To provide a continuing additional source of
5 qualified educators, the board shall propose rules providing that
6 ~~[for]~~ educator certification programs may be provided by an
7 institution of higher education or another entity ~~[as an~~
8 ~~alternative to traditional educator preparation programs]~~. The
9 rules may not provide that a person may be certified under this
10 section only if there is a demonstrated shortage of educators in a
11 school district or subject area.

12 (b) The board may not require a person employed as a teacher
13 in an alternative education program under Section 37.008 or a
14 juvenile justice alternative education program under Section
15 37.011 for at least three years to complete an alternative educator
16 preparation ~~[certification]~~ program adopted under this section
17 before taking the appropriate certification examination.

18 SECTION 2.12. Sections 21.055(a), (b), and (c), Education
19 Code, are amended to read as follows:

20 (a) As provided by this section, a school district may issue
21 a school district teaching permit and employ as a teacher of record
22 a person who does not hold a teaching certificate issued by the
23 board on approval by the district's board of trustees.

24 (b) To be eligible for a school district teaching permit
25 under this section, a person must:

- 26 (1) hold a baccalaureate degree; or
27 (2) have served at or been employed by the district as

1 a paraprofessional for not less than 180 days during the preceding
2 calendar year and be:

3 (A) currently enrolled in a postsecondary
4 program that could lead to a baccalaureate degree; and

5 (B) on track to earn a baccalaureate degree and
6 receive a probationary certificate not later than the third
7 anniversary of the date the person receives a school district
8 teaching permit under this section.

9 (c) Promptly after employing a person described by
10 Subsection (b)(1) under this section, a school district shall send
11 to the commissioner a written statement identifying the person, the
12 person's qualifications as a teacher, and the subject or class the
13 person will teach. The person may teach the subject or class
14 pending action by the commissioner.

15 SECTION 2.13. Section 21.057, Education Code, is amended by
16 adding Subsection (f) to read as follows:

17 (f) If the agency has developed a model notice for purposes
18 of this section, the superintendent must use that model to provide
19 the notice required under this section.

20 SECTION 2.14. Subchapter B, Chapter 21, Education Code, is
21 amended by adding Section 21.067 to read as follows:

22 Sec. 21.067. EDUCATOR PREPARATION MATERIALS AND TRAINING.

23 (a) The commissioner shall develop and make available:

24 (1) instructional materials for use in educator
25 preparation programs under this subchapter; and

26 (2) training for faculty responsible for preparing
27 educator candidates.

(b) The materials and training developed under Subsection (a) must:

(1) be research-based;

(2) support the development of proficiency in the knowledge and skills specified by rules proposed under Section 21.044(a)(1); and

(3) allow for an educator candidate to demonstrate the candidate's proficiency, including proficiency in the knowledge and skills described by Subdivision (2).

SECTION 2.15. Section 21.402, Education Code, is amended by adding Subsections (f-1), (f-2), (f-3), and (f-4) to read as follows:

(f-1) A school district must pay to a classroom teacher with zero years of experience who holds a certificate under Section 21.0412(a)(1), (2), or (3) a minimum salary that is greater than the minimum salary paid to a classroom teacher with zero years of experience who does not hold a certificate under Section 21.0412(a)(1), (2), or (3).

(f-2) The board of trustees of a school district may adopt minimum salaries to satisfy the requirements of Subsection (f-1) as follows:

(1) for a classroom teacher who holds a standard certificate or intern with preservice experience certificate under Section 21.0412(a)(1) or (3), \$3,000; and

(2) for a classroom teacher who holds an enhanced standard certificate under Section 21.0412(a)(2), \$6,000.

(f-3) Subsection (f-1) does not apply to a stipend or other

form of compensation not included in a classroom teacher's minimum salary under this section.

(f-4) A school district may not adopt a salary schedule that differentiates classroom teacher salaries based solely on a teacher's certification pathway for teachers who have five or more years of teaching experience.

SECTION 2.16. Section 21.4552(f), Education Code, is amended to read as follows:

(f) From money appropriated or otherwise available for the purpose, including an allotment under Section 48.108, a school district shall provide to an educator preparation program for each teacher enrolled in the educator preparation program who holds an intern with preservice experience certificate under Section 21.0412(a)(3) and completes a literacy achievement academy under this section while employed by the district a one-time payment of \$1,000 or another amount set by the agency [This section expires September 1, 2027].

SECTION 2.17. Section 21.4553(f), Education Code, is amended to read as follows:

(f) From money appropriated or otherwise available for the purpose, including an allotment under Section 48.108, a school district shall provide to an educator preparation program for each teacher enrolled in the educator preparation program who holds an intern with preservice experience certificate under Section 21.0412(a)(3) and completes a mathematics achievement academy under this section while employed by the district a one-time payment of \$500 or another amount set by the agency [This section

1 ~~expires September 1, 2027]~~.

2 SECTION 2.18. Chapter 21, Education Code, is amended by
3 adding Subchapter R to read as follows:

4 SUBCHAPTER R. PREPARING AND RETAINING EDUCATORS THROUGH
5 PARTNERSHIP PROGRAMS

6 Sec. 21.901. DEFINITIONS. In this subchapter:

7 (1) "Alternative partnership preservice program"
8 means the Preparing and Retaining Educators through Partnership
9 Alternative Preservice Program established under Section 21.905.

10 (2) "Board" means the State Board for Educator
11 Certification.

12 (3) "Cooperating teacher" means a classroom teacher
13 who:

14 (A) has at least three full school years of
15 teaching experience with a superior record of assisting students in
16 achieving improvement in student performance;

17 (B) is employed as a teacher of record by a school
18 district or open-enrollment charter school participating in a
19 partnership preservice program or grow your own partnership program
20 under this subchapter and paired with one or more teacher
21 candidates, students, or employees who are participating in a
22 program under this subchapter; and

23 (C) provides coaching in the teacher's classroom
24 to one or more teacher candidates, students, or employees
25 participating in a program under this subchapter.

26 (4) "Grow your own partnership program" means the
27 Preparing and Retaining Educators through Partnership Grow Your Own

1 Partnership Program established under Section 21.906.

2 (5) "Mentor teacher" means a mentor teacher as
3 described by Section 21.458.

4 (6) "Partnership preservice program" means a
5 Preparing and Retaining Educators through Partnership Preservice
6 Program established under Section 21.902.

7 (7) "Residency partnership preservice program" means
8 the Preparing and Retaining Educators through Partnership
9 Residency Preservice Program established under Section 21.904.

10 (8) "Teacher candidate" means a person enrolled in an
11 educator preparation program participating in a partnership
12 preservice program.

13 (9) "Traditional partnership preservice program"
14 means the Preparing and Retaining Educators through Partnership
15 Traditional Preservice Program established under Section 21.903.

16 Sec. 21.902. PREPARING AND RETAINING EDUCATORS THROUGH
17 PARTNERSHIP PRESERVICE PROGRAMS. (a) The commissioner shall
18 establish Preparing and Retaining Educators through Partnership
19 Preservice Programs to enable qualified educator preparation
20 programs, as determined by the commissioner, to form partnerships
21 with school districts and open-enrollment charter schools to
22 provide preservice practice opportunities in a prekindergarten
23 through grade 12 classroom for teacher candidates at the district
24 or school through the traditional partnership preservice program,
25 the residency partnership preservice program, or the alternative
26 partnership preservice program.

27 (b) A partnership preservice program must be designed to:

1 (1) allow teacher candidates to receive field-based
2 experience working with cooperating teachers in prekindergarten
3 through grade 12 classrooms; and

4 (2) gradually increase the amount of time a teacher
5 candidate spends engaging in instructional responsibilities,
6 including observation, co-teaching, and lead-teaching
7 responsibilities.

8 (c) A school district or open-enrollment charter school
9 participating in a partnership preservice program shall:

10 (1) enter into a written agreement with an approved
11 educator preparation program to:

12 (A) provide a teacher candidate with clinical
13 teaching opportunities at the district or school in the subject
14 area and grade level for which the candidate seeks certification;
15 and

16 (B) pair the teacher candidate with a cooperating
17 teacher who has successfully completed a training program for
18 cooperating teachers that, if required by the agency, must be
19 established or adopted by the agency;

20 (2) use money received under Section 48.157 only to
21 implement the partnership preservice program;

22 (3) ensure that a teacher candidate is mentored by a
23 mentor teacher who has completed mentorship training under Section
24 21.907 for the candidate's first two years as a teacher of record
25 after completing a partnership preservice program; and

26 (4) provide any information required by the agency
27 regarding the district's or school's implementation of a

1 partnership preservice program.

2 (d) A school district or open-enrollment charter school may
3 only pair a teacher candidate with a cooperating teacher who agrees
4 to participate in that role in a partnership preservice program at
5 the district or school.

6 (e) A teacher candidate participating in a partnership
7 preservice program may not serve:

8 (1) as a teacher of record; or

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

13 (f) A teacher candidate participating in a partnership
14 preservice program may serve in a position described by Subsection
15 (e)(2) for the limited purpose of gaining experience in the
16 position. The teacher candidate's amount of time serving in that
17 position may not exceed the amount of time during which the teacher
18 of record for the students has the primary or sole responsibility of
19 providing instruction or supervision to those students.

20 (g) To be qualified to participate in a partnership
21 preservice program, an educator preparation program must meet the
22 requirements under Section 21.044(i).

23 Sec. 21.903. PREPARING AND RETAINING EDUCATORS THROUGH
24 PARTNERSHIP TRADITIONAL PRESERVICE PROGRAM. (a) The commissioner
25 shall establish the Preparing and Retaining Educators through
26 Partnership Traditional Preservice Program as a partnership
27 preservice program to enable qualified educator preparation

1 programs, as determined by the commissioner, that meet the
2 traditional teacher preparation requirements under Section
3 21.04421 to form partnerships with school districts or
4 open-enrollment charter schools to help prepare candidates for a
5 standard certificate.

6 (b) The program must be designed to:

7 (1) meet the requirements of a partnership preservice
8 program under Section 21.902; and

9 (2) allow a teacher candidate to satisfy the
10 traditional teacher preparation requirements under Section
11 21.04421.

12 (c) A school district or open-enrollment charter school
13 participating in the traditional partnership preservice program
14 shall use money received under Section 48.157(b)(1) to provide
15 compensation to:

16 (1) teacher candidates for preservice practice hours
17 at the district or school in an amount of at least \$3,000 for
18 salary; and

19 (2) cooperating teachers who are paired with teacher
20 candidates at the district or school in an amount of at least
21 \$1,000.

22 (d) In addition to the amount provided by Subsection (c)(1),
23 a school district or open-enrollment charter school shall provide
24 compensation to teacher candidates in any amount above the amount
25 provided by that subdivision for salary using money received under
26 Section 48.157 or from any other available source.

27 Sec. 21.904. PREPARING AND RETAINING EDUCATORS THROUGH

1 PARTNERSHIP RESIDENCY PRESERVICE PROGRAM. (a) The commissioner
2 shall establish the Preparing and Retaining Educators through
3 Partnership Residency Preservice Program as a partnership
4 preservice program to enable qualified educator preparation
5 programs, as determined by the commissioner, that meet the teacher
6 residency preparation requirements under Section 21.04422 to form
7 partnerships with school districts or open-enrollment charter
8 schools to help prepare candidates for an enhanced standard
9 certificate.

10 (b) The program must be designed to:

11 (1) meet the requirements of a partnership preservice
12 program under Section 21.902; and

13 (2) allow a teacher candidate to satisfy the teacher
14 residency preparation requirements under Section 21.04422.

15 (c) A school district or open-enrollment charter school
16 participating in the residency partnership preservice program
17 shall use money received under Section 48.157(b)(2) to provide
18 compensation to:

19 (1) teacher candidates for preservice practice hours
20 at the district or school in an amount of at least \$10,000 for
21 salary; and

22 (2) cooperating teachers who are paired with teacher
23 candidates at the district or school in an amount of at least
24 \$2,000.

25 (d) In addition to the amount provided by Subsection (c)(1),
26 a school district or open-enrollment charter school shall provide
27 compensation to teacher candidates in an amount of at least \$10,000

1 for salary using money received under Section 48.157 or from any
2 other available source.

3 (e) An educator preparation program is not required to
4 incorporate the instruction described by Section 21.044(i) to be
5 eligible to participate in a residency partnership preservice
6 program until the date on which rules proposed by the State Board
7 for Educator Certification to implement that subsection take
8 effect. This subsection expires September 1, 2028.

9 Sec. 21.905. PREPARING AND RETAINING EDUCATORS THROUGH
10 PARTNERSHIP ALTERNATIVE PRESERVICE PROGRAM. (a) The commissioner
11 shall establish the Preparing and Retaining Educators through
12 Partnership Alternative Preservice Program as a partnership
13 preservice program to enable qualified educator preparation
14 programs, as determined by the commissioner, that meet the
15 preservice alternative teacher preparation requirements under
16 Section 21.04423 to form partnerships with school districts or
17 open-enrollment charter schools to help prepare candidates for an
18 intern with preservice experience certificate or standard
19 certificate.

20 (b) The program must be designed to:

21 (1) meet the requirements of a partnership preservice
22 program under Section 21.902; and

23 (2) allow a teacher candidate to satisfy the
24 preservice alternative teacher preparation requirements under
25 Section 21.04423(1).

26 (c) A school district or open-enrollment charter school
27 participating in the alternative partnership preservice program

1 shall use money received under Section 48.157(b)(3) to provide
2 compensation to:

3 (1) teacher candidates for preservice practice hours
4 at the district or school in an amount of at least \$3,000 for
5 salary; and

6 (2) cooperating teachers who are paired with teacher
7 candidates at the district or school in an amount of at least
8 \$1,000.

9 (d) In addition to the amount provided by Subsection (c)(1),
10 a school district or open-enrollment charter school shall provide
11 compensation to teacher candidates in any amount above the amount
12 provided by that subdivision for salary using money received under
13 Section 48.157 or from any other available source.

14 Sec. 21.906. PREPARING AND RETAINING EDUCATORS THROUGH
15 PARTNERSHIP GROW YOUR OWN PARTNERSHIP PROGRAM. (a) The
16 commissioner shall establish the Preparing and Retaining Educators
17 through Partnership Grow Your Own Partnership Program to enable
18 qualified institutions of higher education and educator
19 preparation programs, as determined by the commissioner, to form
20 partnerships with school districts or open-enrollment charter
21 schools to establish innovative staffing pipelines to ensure the
22 availability of high-quality classroom teachers to benefit future
23 district or school students.

24 (b) The grow your own partnership program must be designed
25 to form partnerships that support:

26 (1) high school students in completing career and
27 technical education courses that help prepare the students to

1 become classroom teachers; or

2 (2) district or school employees who do not hold a
3 teaching certificate in completing a bachelor's degree to enable
4 the person to become a classroom teacher while employed by the
5 district or school.

6 (c) A school district or open-enrollment charter school may
7 participate in a grow your own partnership program only if the
8 district or school has been approved to participate in a
9 partnership preservice program.

10 (d) A school district or open-enrollment charter school
11 participating in the grow your own partnership program shall:

12 (1) for a partnership described by Subsection (b)(1),
13 provide:

14 (A) authentic opportunities, which may be paid or
15 unpaid, for students to practice teaching under the supervision of
16 one or more cooperating teachers; and

17 (B) guidance and other transition supports as a
18 student begins an undergraduate degree program that offers a route
19 to teacher preparation;

20 (2) for a partnership described by Subsection (b)(2),
21 provide for a district or school employee:

22 (A) scheduled release time to support the
23 completion of a bachelor's degree;

24 (B) authentic opportunities to practice teaching
25 under the supervision of one or more cooperating teachers;

26 (C) on-the-job training aligned with the
27 standards for educator certification established by the board;

1 (D) a job assignment that includes instructional
2 support for students enrolled in the district or school; and

3 (E) guidance and other transition supports as the
4 employee begins a program to satisfy the teacher preparation
5 requirements under Section 21.04421, 21.04422, or 21.04423;

6 (3) enter into a written agreement with an institution
7 of higher education or educator preparation program;

8 (4) require an employee participating in a partnership
9 described by Subsection (b)(2) to, as a condition for
10 participation, earn a bachelor's degree and enroll in an educator
11 preparation program within three years of beginning participation
12 in the partnership; and

13 (5) provide any information required by the agency
14 regarding the district's or school's implementation of the grow
15 your own partnership program.

16 (e) A school district or open-enrollment charter school may
17 use money received under Section 48.157 to implement the grow your
18 own partnership program and pay tuition and fees for students or
19 employees participating in the program.

20 (f) A school district or open-enrollment charter school may
21 only pair a student or employee participating in the program with a
22 cooperating teacher who agrees to participate in that role in a grow
23 your own partnership program at the district or school.

24 (g) A student or employee participating in the program may
25 not serve:

26 (1) as a teacher of record; or

27 (2) except as provided by Subsection (h), in a

1 position in which the student or employee has the primary or sole
2 responsibility of providing instruction or supervision to
3 students.

4 (h) A student or employee participating in the program may
5 serve in a position described by Subsection (g)(2) for the limited
6 purpose of gaining experience in the position. The student's or
7 employee's amount of time serving in that position may not exceed
8 the amount of time during which the teacher of record for the
9 students has the primary or sole responsibility of providing
10 instruction or supervision to those students.

11 Sec. 21.907. PREPARING AND RETAINING EDUCATORS THROUGH
12 PARTNERSHIP MENTORSHIP PROGRAM. (a) The commissioner shall
13 establish a preparing and retaining educators through partnership
14 mentorship program through which participating school districts or
15 open-enrollment charter schools implement a mentoring program that
16 meets the requirements of Section 21.458 for classroom teachers who
17 have less than two years of teaching experience.

18 (b) A school district or open-enrollment charter school
19 participating in the program must require a classroom teacher who
20 serves as a mentor teacher to annually complete a training program
21 for mentor teachers established or adopted by the agency.

22 (c) A school district or open-enrollment charter school
23 shall use money received under Section 48.157(b)(5) to provide
24 stipends for mentor teachers in an amount of at least \$1,000.

25 (d) If any money remains after providing a stipend to mentor
26 teachers in accordance with Subsection (c), the district may use
27 that money to provide:

1 (1) scheduled release time for mentor teachers and
2 classroom teachers being mentored to meet and engage in mentoring
3 activities; and

4 (2) support for mentor teachers through mentor
5 training and strategic staffing training.

6 Sec. 21.908. AGENCY SUPPORT. The agency shall provide
7 technical assistance, planning, and support to school districts,
8 open-enrollment charter schools, and educator preparation
9 programs, which must include:

10 (1) providing model forms and agreements a district,
11 school, or educator preparation program may use to comply with the
12 requirements of this subchapter;

13 (2) support for district and school strategic staffing
14 and compensation models to incentivize participation in a
15 partnership program under this subchapter;

16 (3) support for district, school, and educator
17 preparation program partners in implementing strong partnership
18 practices, including through participation in the grow your own
19 partnership program, and providing high-quality mentorship as
20 required under this subchapter; and

21 (4) support for educator preparation programs in
22 implementing the partnership programs under this subchapter.

23 Sec. 21.909. PROGRAM STANDARDS AND PERFORMANCE GOALS. (a)
24 The commissioner shall adopt rules establishing:

25 (1) standards for partnership programs established
26 under this subchapter, including eligibility criteria for educator
27 preparation programs and institutions of higher education to

1 participate in the partnership programs; and

2 (2) performance goals for partnership programs
3 established under this subchapter.

4 (b) The commissioner shall periodically review the
5 performance of each partnership program established under this
6 subchapter to ensure the program meets the standards and
7 performance goals established under Subsection (a).

8 (c) If, in reviewing a partnership program under Subsection
9 (b), the commissioner determines that the program has failed to
10 meet a performance goal established under Subsection (a), the
11 commissioner shall prohibit the entity that failed to meet the
12 performance goal from participating in a partnership program under
13 this subchapter for a period not to exceed five years.

14 Sec. 21.910. AUTHORITY TO ACCEPT CERTAIN MONEY. The
15 commissioner may solicit and accept gifts, grants, and donations
16 from public and private entities to use for the purposes of this
17 subchapter.

18 Sec. 21.911. RULES. The commissioner shall adopt rules as
19 necessary to implement this subchapter.

20 SECTION 2.19. Subchapter D, Chapter 48, Education Code, is
21 amended by adding Section 48.157 to read as follows:

22 Sec. 48.157. PREPARING AND RETAINING EDUCATORS THROUGH
23 PARTNERSHIP PROGRAM ALLOTMENT. (a) In this section, "teacher
24 candidate" has the meaning assigned by Section 21.901.

25 (b) Subject to Subsections (f) and (g), a school district is
26 entitled to an annual allotment equal to each of the following
27 applicable amounts:

1 (1) for each teacher candidate completing preservice
2 practice hours at the district under Section 21.903, the sum of:

3 (A) \$10,000; and

4 (B) the high needs and rural factor, as
5 determined under Subsection (c), multiplied by \$2,000;

6 (2) for each teacher candidate completing preservice
7 practice hours at the district under Section 21.904, the sum of:

8 (A) \$24,000; and

9 (B) the high needs and rural factor, as
10 determined under Subsection (c), multiplied by \$3,000;

11 (3) for each teacher candidate completing preservice
12 practice hours at the district under Section 21.905, the sum of:

13 (A) \$10,000; and

14 (B) the high needs and rural factor, as
15 determined under Subsection (c), multiplied by \$2,000;

16 (4) for each district employee participating in a
17 partnership described by Section 21.906(b)(2), the sum of:

18 (A) \$8,000; and

19 (B) the high needs and rural factor, as
20 determined under Subsection (c), multiplied by \$1,000; and

21 (5) for each classroom teacher being mentored under
22 the preparing and retaining educators through partnership
23 mentorship program established under Section 21.907, \$3,000.

24 (c) The high needs and rural factor is the lesser of:

25 (1) the average of the point value assigned to each
26 student at a district campus under Sections 48.112(e) and (f); or

27 (2) 4.0.

1 (d) In addition to the funding under Subsection (b), a
2 district is entitled to an additional \$2,000 for each teacher
3 candidate described by Subsection (b)(1), (2), or (3) who is a
4 candidate for certification in bilingual education or special
5 education.

6 (e) The Texas School for the Deaf and the Texas School for
7 the Blind and Visually Impaired are entitled to an allotment under
8 this section. If the commissioner determines that assigning point
9 values under Subsection (c) to students enrolled in the Texas
10 School for the Deaf or the Texas School for the Blind and Visually
11 Impaired is impractical, the commissioner may use the average point
12 value assigned for those students' home districts for purposes of
13 calculating the high needs and rural factor.

14 (f) Unless a greater number of individuals is provided for
15 by appropriation for that school year, a school district may
16 receive an allotment for a school year for not more than:

17 (1) except as provided by Subsection (g), 40
18 individuals under each of Subsections (b)(2), (4), and (5); and

19 (2) a total of 80 individuals under Subsections (b)(1)
20 and (3).

21 (g) If more than 40 individuals are eligible to receive an
22 allotment under Subsection (b)(2) for a school district, the
23 district is entitled to an allotment under Subsection (b)(1) for
24 those individuals, subject to the limitation under Subsection
25 (f)(2).

26 (h) For purposes of offsetting tuition, fees, and
27 administrative costs, using money to which a school district is

1 otherwise entitled under Subsection (b), the commissioner shall
2 provide to a teacher candidate's educator preparation program each
3 of the following applicable amounts and reduce the district's
4 allotment under that subsection accordingly:

5 (1) \$5,000 for each teacher candidate who completed a
6 partnership preservice program under Section 21.903 who obtains a
7 standard certificate and has completed one year of employment with
8 the district;

9 (2) \$10,000 for each teacher candidate who completed a
10 partnership preservice program under Section 21.904 who obtains an
11 enhanced standard certificate and has completed one year of
12 employment with the district; and

13 (3) \$2,500 for each teacher candidate participating in
14 the alternative partnership preservice program under Section
15 21.905 who holds an intern with preservice experience certificate,
16 and an additional \$2,500 for each teacher candidate who completes
17 the alternative partnership preservice program and obtains a
18 standard certificate under Section 21.0412.

19 (i) An institution of higher education that operates an
20 educator preparation program that receives money under Subsection
21 (h) must spend not less than 85 percent of the money received on the
22 educator preparation program for which the money was received.

23 (j) The agency shall only provide:

24 (1) an initial payment of \$4,000 of the money the
25 school district is entitled to receive under Subsection (b)(1) for
26 a teacher candidate until the teacher candidate successfully
27 completes the requirements of a partnership preservice program

1 under Section 21.903 by the deadline established by the agency;

2 (2) an initial payment of \$12,000 of the money the
3 school district is entitled to receive under Subsection (b)(2) for
4 a teacher candidate until the teacher candidate successfully
5 completes the requirements of a partnership preservice program
6 under Section 21.904 by the deadline established by the agency;

7 (3) an initial payment of \$4,000 of the money the
8 school district is entitled to receive under Subsection (b)(3) for
9 a teacher candidate until the teacher candidate successfully
10 completes the requirements of an alternative partnership
11 preservice program under Section 21.905 by the deadline established
12 by the agency and issuance of an intern with preservice experience
13 certificate; and

14 (4) 50 percent of the money the school district is
15 entitled to receive under Subsection (b)(4) for a district employee
16 on the employee's successful completion of a bachelor's degree by
17 the deadline established by the agency.

18 SECTION 2.20. Subchapter G, Chapter 48, Education Code, is
19 amended by adding Section 48.310 to read as follows:

20 Sec. 48.310. ALLOTMENT FOR COMPLETION OF TEACHER LITERACY
21 OR MATHEMATICS ACHIEVEMENT ACADEMIES. An educator preparation
22 program participating in a Preparing and Retaining Educators
23 through Partnership Preservice Program under Section 21.902,
24 21.903, 21.904, or 21.905 is entitled to an annual allotment for
25 each teacher candidate who completes a literacy achievement academy
26 or mathematics achievement academy under Section 21.4552 or 21.4553
27 approved by the agency for the purpose in the amount of:

1 (1) \$1,000, or a greater amount set by appropriation
2 for that school year, for the completion of a literacy achievement
3 academy; or

4 (2) \$500, or a greater amount set by appropriation for
5 that school year, for the completion of a mathematics achievement
6 academy.

7 SECTION 2.21. (a) The following provisions of the
8 Education Code are repealed:

9 (1) Section 21.051(a);

10 (2) Subchapter Q, Chapter 21; and

11 (3) Section 48.114.

12 (b) Section 825.4092(f), Government Code, is repealed.

13 SECTION 2.22. Section 12A.004(a), Education Code, as
14 amended by this article, applies to each local innovation plan
15 adopted under Chapter 12A, Education Code, regardless of whether
16 the plan was adopted before, on, or after the effective date of this
17 article. A local innovation plan adopted or renewed before the
18 effective date of this article must comply with Section 12A.004(a),
19 Education Code, as amended by this article, not later than
20 September 1, 2026.

21 SECTION 2.23. (a) Except as otherwise provided by
22 Subsection (b) of this section, this article applies beginning with
23 the 2025-2026 school year.

24 (b) Section 21.0032, Education Code, as added by this
25 article, and Section 21.402, Education Code, as amended by this
26 article, apply beginning with the 2026-2027 school year.

27 SECTION 2.24. (a) Sections 48.157 and 48.310, Education

1 Code, as added by this article, take effect September 1, 2025.

2 (b) Except as provided by Subsection (a) of this section,
3 this article takes effect immediately if this Act receives a vote of
4 two-thirds of all the members elected to each house, as provided by
5 Section 39, Article III, Texas Constitution. If this Act does not
6 receive the vote necessary for immediate effect, this article takes
7 effect September 1, 2025.

8 ARTICLE 3. RIGHTS OF PUBLIC SCHOOL EDUCATORS

9 SECTION 3.01. Section 11.1513, Education Code, is amended
10 by amending Subsections (d) and (e) and adding Subsection (l) to
11 read as follows:

12 (d) The employment policy must provide that not later than
13 the fifth [~~10th~~] school day before the date on which a district
14 fills a vacant position for which a certificate or license is
15 required as provided by Section 21.003, other than a position that
16 affects the safety and security of students as determined by the
17 board of trustees, the district must provide to each current
18 district employee:

19 (1) notice of the position by posting the position on:

20 (A) a bulletin board at:

21 (i) a place convenient to the public in the
22 district's central administrative office; and

23 (ii) the central administrative office of
24 each campus in the district during any time the office is open; or

25 (B) the district's Internet website, if the
26 district has a website; and

27 (2) a reasonable opportunity to apply for the

1 position.

2 (e) If, during the school year, the district must fill a
3 vacant position held by a teacher, as defined by Section 21.201, in
4 less than five ~~[10]~~ school days, the district:

5 (1) must provide notice of the position in the manner
6 described by Subsection (d)(1) as soon as possible after the
7 vacancy occurs;

8 (2) is not required to provide the notice for five ~~[10]~~
9 school days before filling the position; and

10 (3) is not required to comply with Subsection (d)(2).

11 (1) The employment policy must provide that for purposes of
12 determining the amount of a reduction in the salary of a classroom
13 teacher, full-time counselor, or full-time librarian for unpaid
14 leave, the employee's daily rate of pay is computed by dividing the
15 employee's annual salary by the number of days the employee is
16 expected to work for that school year.

17 SECTION 3.02. Subchapter B, Chapter 21, Education Code, is
18 amended by adding Sections 21.0411 and 21.04893 to read as follows:

19 Sec. 21.0411. WAIVER OR PAYMENT OF CERTAIN EXAMINATION AND
20 CERTIFICATION FEES. (a) Notwithstanding a rule adopted under
21 Section 21.041(c), the board shall, for a person applying for a
22 certification in special education, bilingual education, or
23 another area specified by the General Appropriations Act, waive:

24 (1) a certification examination fee imposed by the
25 board for the first administration of the examination to the
26 person; and

27 (2) a fee associated with the application for

1 certification by the person.

2 (b) The board shall pay to a vendor that administers a
3 certification examination described by Subsection (a) a fee
4 assessed by that vendor for the examination of a person applying for
5 a certification described by Subsection (a) for the first
6 administration of the examination to the person.

7 Sec. 21.04893. BILINGUAL TARGET LANGUAGE PROFICIENCY
8 TEST. The board shall propose rules to allow a person seeking
9 certification under this subchapter who fails to perform
10 satisfactorily on the Bilingual Target Language Proficiency Test
11 to:

12 (1) retake only the sections of the test that include
13 the domains on which the person failed to perform satisfactorily;
14 and

15 (2) during a retake of the test described by
16 Subdivision (1), demonstrate the person's language proficiency
17 through the completion of fewer components, including eliminating a
18 component that requires the preparation of a lesson plan for a
19 person who fails to perform satisfactorily on a domain requiring
20 completion of that component.

21 SECTION 3.03. Section 21.105, Education Code, is amended by
22 amending Subsection (c) and adding Subsection (g) to read as
23 follows:

24 (c) Subject to Subsections (e), ~~[and]~~ (f), and (g), on
25 written complaint by the employing district, the State Board for
26 Educator Certification may impose sanctions against a teacher
27 employed under a probationary contract who:

1 (1) resigns;

2 (2) fails without good cause to comply with Subsection
3 (a) or (b); and

4 (3) fails to perform the contract.

5 (g) The State Board for Educator Certification may not
6 impose a sanction under Subsection (c) against a teacher who
7 relinquishes a position under a probationary contract and leaves
8 the employment of the district after the 45th day before the first
9 day of instruction for the upcoming school year in violation of
10 Subsection (a) and without the consent of the board of trustees
11 under Subsection (b) if the teacher's failure to comply with
12 Subsection (a) was due to:

13 (1) a serious illness or health condition of the
14 teacher or a close family member of the teacher;

15 (2) the teacher's relocation because the teacher's
16 spouse or a partner who resides with the teacher changes employers
17 or location of employment;

18 (3) a significant change in the needs of the teacher's
19 family in a manner that requires the teacher to:

20 (A) relocate; or

21 (B) forgo employment during a period of required
22 employment under the teacher's contract; or

23 (4) the teacher's reasonable belief that the teacher
24 had written permission from the school district's administration to
25 resign.

26 SECTION 3.04. Section 21.160, Education Code, is amended by
27 amending Subsection (c) and adding Subsection (g) to read as

1 follows:

2 (c) Subject to Subsections (e), ~~[and]~~ (f), and (g), on
3 written complaint by the employing district, the State Board for
4 Educator Certification may impose sanctions against a teacher who
5 is employed under a continuing contract that obligates the district
6 to employ the person for the following school year and who:

7 (1) resigns;

8 (2) fails without good cause to comply with Subsection
9 (a) or (b); and

10 (3) fails to perform the contract.

11 (g) The State Board for Educator Certification may not
12 impose a sanction under Subsection (c) against a teacher who
13 relinquishes a position under a continuing contract and leaves the
14 employment of the district after the 45th day before the first day
15 of instruction of the upcoming school year in violation of
16 Subsection (a) and without the consent of the board of trustees
17 under Subsection (b) if the teacher's failure to comply with
18 Subsection (a) was due to:

19 (1) a serious illness or health condition of the
20 teacher or a close family member of the teacher;

21 (2) the teacher's relocation because the teacher's
22 spouse or a partner who resides with the teacher changes employers
23 or location of employment;

24 (3) a significant change in the needs of the teacher's
25 family in a manner that requires the teacher to:

26 (A) relocate; or

27 (B) forgo employment during a period of required

1 employment under the teacher's contract; or

2 (4) the teacher's reasonable belief that the teacher
3 had written permission from the school district's administration to
4 resign.

5 SECTION 3.05. Section 21.210, Education Code, is amended by
6 amending Subsection (c) and adding Subsection (g) to read as
7 follows:

8 (c) Subject to Subsections (e), ~~[and]~~ (f), and (g), on
9 written complaint by the employing district, the State Board for
10 Educator Certification may impose sanctions against a teacher who
11 is employed under a term contract that obligates the district to
12 employ the person for the following school year and who:

13 (1) resigns;

14 (2) fails without good cause to comply with Subsection
15 (a) or (b); and

16 (3) fails to perform the contract.

17 (g) The State Board for Educator Certification may not
18 impose a sanction under Subsection (c) against a teacher who
19 relinquishes a position under a term contract and leaves the
20 employment of the district after the 45th day before the first day
21 of instruction of the upcoming school year in violation of
22 Subsection (a) and without the consent of the board of trustees
23 under Subsection (b) if the teacher's failure to comply with
24 Subsection (a) was due to:

25 (1) a serious illness or health condition of the
26 teacher or a close family member of the teacher;

27 (2) the teacher's relocation because the teacher's

1 spouse or a partner who resides with the teacher changes employers
2 or location of employment;

3 (3) a significant change in the needs of the teacher's
4 family in a manner that requires the teacher to:

5 (A) relocate; or

6 (B) forgo employment during a period of required
7 employment under the teacher's contract; or

8 (4) the teacher's reasonable belief that the teacher
9 had written permission from the school district's administration to
10 resign.

11 SECTION 3.06. Section 21.257, Education Code, is amended by
12 amending Subsection (a) and adding Subsection (f) to read as
13 follows:

14 (a) Except as provided by Subsection (f), not ~~[Not]~~ later
15 than the 60th day after the date on which the commissioner receives
16 a teacher's written request for a hearing, the hearing examiner
17 shall complete the hearing and make a written recommendation that:

18 (1) includes proposed findings of fact and conclusions
19 of law; and

20 (2) may include a proposal for granting relief.

21 (f) The hearing examiner may dismiss a hearing before
22 completing the hearing or making a written recommendation if:

23 (1) the teacher requests the dismissal;

24 (2) the school district withdraws the proposed
25 decision that is the basis of the hearing; or

26 (3) the teacher and school district request the
27 dismissal after reaching a settlement regarding the proposed

1 decision that is the basis of the hearing.

2 SECTION 3.07. Subchapter I, Chapter 21, Education Code, is
3 amended by adding Sections 21.416 and 21.418 to read as follows:

4 Sec. 21.416. EMPLOYED RETIREE TEACHER REIMBURSEMENT GRANT
5 PROGRAM. (a) From money appropriated or otherwise available, the
6 commissioner shall establish and administer a grant program to
7 award money to reimburse a school district, an open-enrollment
8 charter school, the Windham School District, the Texas School for
9 the Deaf, or the Texas School for the Blind and Visually Impaired
10 that hires a teacher who retired before September 1, 2024, for the
11 increased contributions to the Teacher Retirement System
12 associated with hiring the retired teacher.

13 (b) In appropriating money for grants awarded under this
14 section, the legislature may provide for, modify, or limit amounts
15 appropriated for that purpose in the General Appropriations Act,
16 including by:

17 (1) providing, notwithstanding Subsection (a), a date
18 or date range other than September 1, 2024, before which a teacher
19 must have retired for a school district, an open-enrollment charter
20 school, the Windham School District, the Texas School for the Deaf,
21 or the Texas School for the Blind and Visually Impaired that hires
22 the teacher to be eligible; or

23 (2) limiting eligibility to a district or school
24 described by Subdivision (1) that hires a retired teacher:

25 (A) who holds a certain certification;

26 (B) to teach a certain subject or grade;

27 (C) in a certain geographical area; or

1 (D) to provide instruction to certain students,
2 including to students with disabilities.

3 (c) The commissioner shall proportionally reduce the amount
4 of money awarded to school districts, open-enrollment charter
5 schools, the Windham School District, the Texas School for the
6 Deaf, and the Texas School for the Blind and Visually Impaired under
7 this section if the number of grant applications by eligible
8 districts or schools exceeds the number of grants the commissioner
9 could award with the money appropriated or otherwise available for
10 the purpose.

11 (d) A school district, an open-enrollment charter school,
12 the Windham School District, the Texas School for the Deaf, or the
13 Texas School for the Blind and Visually Impaired may use money
14 received under this section to make required payments under Section
15 825.4092, Government Code.

16 Sec. 21.418. ELECTION BY TEACHER TO USE UNPAID LEAVE. The
17 board of trustees of a school district shall adopt a policy that
18 provides a classroom teacher employed by the district the option to
19 elect not to take the teacher's paid personal leave concurrently
20 with unpaid leave the teacher is entitled to take under the Family
21 and Medical Leave Act of 1993 (29 U.S.C. Section 2601 et seq.) for
22 an absence due to pregnancy or the birth or adoption of a child.

23 SECTION 3.08. Subchapter J, Chapter 21, Education Code, is
24 amended by adding Sections 21.466, 21.467, and 21.468 to read as
25 follows:

26 Sec. 21.466. TEACHER QUALITY ASSISTANCE. (a) From money
27 appropriated or otherwise available for the purpose, the agency

1 shall develop training for and provide technical assistance to
2 school districts and open-enrollment charter schools regarding:

3 (1) strategic compensation, staffing, and scheduling
4 efforts that improve professional growth, teacher leadership
5 opportunities, and staff retention;

6 (2) programs that encourage high school students or
7 other members of the community in the area served by the district to
8 become teachers, including available teacher apprenticeship
9 programs; and

10 (3) programs or strategies that school leaders may use
11 to establish clear and attainable behavior expectations while
12 proactively supporting students.

13 (b) From money appropriated or otherwise available, the
14 agency shall provide grants to school districts and open-enrollment
15 charter schools to implement initiatives developed under this
16 section.

17 Sec. 21.467. TEACHER TIME STUDY. (a) From money
18 appropriated or otherwise available for the purpose, the agency
19 shall develop and maintain a technical assistance program to
20 support school districts and open-enrollment charter schools in:

21 (1) studying how the district's or school's staff and
22 student schedules, required noninstructional duties for classroom
23 teachers, and professional development requirements for educators
24 are affecting the amount of time classroom teachers work each week;

25 (2) refining the schedules for students or staff as
26 necessary to ensure teachers have sufficient time during normal
27 work hours to fulfill all job duties, including addressing the

1 needs of students; and

2 (3) studying how to reduce and streamline the tasks
3 and duties a teacher is required to perform.

4 (b) The agency shall periodically make findings and
5 recommendations for best practices publicly available using
6 information from participating school districts and
7 open-enrollment charter schools.

8 Sec. 21.468. TEACHER POSITION INFORMATION. The agency
9 shall collect data from school districts and open-enrollment
10 charter schools to address teacher retention and recruitment,
11 including the classifications, grade levels, subject areas,
12 duration, and other relevant information regarding vacant teaching
13 positions at districts and schools. The data may be collected
14 through the Public Education Information Management System (PEIMS)
15 or another electronic reporting mechanism specified by the agency.

16 SECTION 3.09. Section 26.011, Education Code, is amended by
17 adding Subsection (c) to read as follows:

18 (c) A grievance procedure adopted under Subsection (a) must
19 require that, for a complaint filed against a teacher or other
20 employee, the school district provide:

21 (1) notice of the complaint to the teacher or employee
22 against whom the complaint was filed; and

23 (2) sufficient opportunity for the teacher or employee
24 against whom the complaint was filed to submit a written response to
25 the complaint to be included in the record.

26 SECTION 3.10. Section 37.002, Education Code, is amended by
27 amending Subsections (b), (c), and (d) and adding Subsections

1 (b-2), (b-3), (c-1), (c-2), (e-1), (e-2), and (f) to read as
2 follows:

3 (b) A teacher may remove from class a student who: -

4 (1) repeatedly interferes [~~who has been documented by~~
5 ~~the teacher to repeatedly interfere~~] with the teacher's ability to
6 communicate effectively with the students in the class or with the
7 ability of the student's classmates to learn; [~~or~~]

8 (2) demonstrates [~~whose~~] behavior that is unruly,
9 disruptive, or abusive toward the teacher, another adult, or
10 another student; or

11 (3) engages in conduct that constitutes bullying, as
12 defined by Section 37.0832 [~~determines is so unruly, disruptive, or~~
13 ~~abusive that it seriously interferes with the teacher's ability to~~
14 ~~communicate effectively with the students in the class or with the~~
15 ~~ability of the student's classmates to learn~~].

16 (b-2) A teacher, campus behavior coordinator, or other
17 appropriate administrator shall notify a parent or person standing
18 in parental relation to a student of the removal of a student under
19 this section.

20 (b-3) Subject to Sections 28.0022(a)(2) and (d), a teacher
21 may remove a student from class under Subsection (b) of this section
22 based on a single incident of behavior described by Subsection
23 (b)(1), (2), or (3).

24 (c) If a teacher removes a student from class under
25 Subsection (b), the principal may place the student into another
26 appropriate classroom, into in-school suspension, or into a
27 disciplinary alternative education program as provided by Section

1 37.008. The principal may not return the student to that teacher's
2 class without the teacher's written consent unless the committee
3 established under Section 37.003 determines that such placement is
4 the best or only alternative available and, not later than the third
5 class day after the day on which the student was removed from class,
6 a conference in which the teacher has been provided an opportunity
7 to participate has been held in accordance with Section 37.009(a).
8 The principal may not return the student to that teacher's class
9 unless the teacher provides written consent for the student's
10 return or a return to class plan has been prepared for that student.
11 The principal may only designate an employee of the school whose
12 primary duties do not include classroom instruction to create a
13 return to class plan. The terms of the removal may prohibit the
14 student from attending or participating in school-sponsored or
15 school-related activity.

16 (c-1) A return to class plan required under Subsection (c)
17 must be created before or at the conference described by that
18 subsection. A plan created before the conference must be discussed
19 at the conference.

20 (c-2) The commissioner shall adopt a model return to class
21 plan for use by a school district in creating a return to class plan
22 for a student under Subsection (c).

23 (d) A teacher shall remove from class and send to the
24 principal for placement in a disciplinary alternative education
25 program or for expulsion, as appropriate, a student who engages in
26 conduct described under Section 37.006 or 37.007. The student may
27 not be returned to that teacher's class without the teacher's

1 written consent unless the committee established under Section
2 37.003 determines that such placement is the best or only
3 alternative available and a conference in which the teacher has
4 been provided an opportunity to participate has been held in
5 accordance with Section 37.009(a). If the teacher removed the
6 student from class because the student has engaged in the elements
7 of any offense listed in Section 37.006(a)(2)(B) or Section
8 37.007(a)(2)(A) or (b)(2)(C) against the teacher, the student may
9 not be returned to the teacher's class without the teacher's written
10 consent. The teacher may not be coerced to consent.

11 (e-1) A student may appeal the student's removal from class
12 under this section to:

13 (1) the school's placement review committee
14 established under Section 37.003; or

15 (2) the safe and supportive school team established
16 under Section 37.115, in accordance with a district policy
17 providing for such an appeal to be made to the team.

18 (e-2) The principal, campus behavior coordinator, or other
19 appropriate administrator shall, at the conference required under
20 Section 37.009(a), notify a student who has been removed from class
21 under this section and the parent of or person standing in parental
22 relation to the student of the student's right to appeal under
23 Subsection (e-1).

24 (f) Section 37.004 applies to the removal or placement under
25 this section of a student with a disability who receives special
26 education services.

27 SECTION 3.11. Section 37.115(c), Education Code, as amended

1 by Chapters 896 (H.B. 3) and 948 (S.B. 1720), Acts of the 88th
2 Legislature, Regular Session, 2023, is reenacted and amended to
3 read as follows:

4 (c) The board of trustees of each school district shall
5 establish a threat assessment and safe and supportive school team
6 to serve at each campus of the district and shall adopt policies and
7 procedures for the teams. The team is responsible for developing
8 and implementing the safe and supportive school program under
9 Subsection (b) at the district campus served by the team. The
10 policies and procedures adopted under this section must:

11 (1) be consistent with the model policies and
12 procedures developed by the Texas School Safety Center;

13 (2) require each team to complete training provided by
14 the Texas School Safety Center or a regional education service
15 center regarding evidence-based threat assessment programs;

16 (3) require each team established under this section
17 to report the information required under Subsection (k) regarding
18 the team's activities to the agency; ~~and~~

19 (4) provide for:

20 (A) a district employee who reports a potential
21 threat to a team to elect for the employee's identity to be
22 confidential and not subject to disclosure under Chapter 552,
23 Government Code, except as necessary for the team, the district, or
24 law enforcement to investigate the potential threat; and

25 (B) the district to maintain a record of the
26 identity of a district employee who elects for the employee's
27 identity to be confidential under Paragraph (A);

1 (5) [~~4~~] require each district campus to establish a
2 clear procedure for a student to report concerning behavior
3 exhibited by another student for assessment by the team or other
4 appropriate school employee; and

5 (6) require that, as soon as safe and practicable
6 after an administrator or team for a district campus receives
7 information regarding a threat made against that campus, including
8 through social media, the administrator or team immediately provide
9 to each member of the teaching staff, including teacher's aides,
10 who may be directly affected by the threat notice that includes:

11 (A) a statement of the existence of the threat;
12 (B) the nature of the threat; and
13 (C) any other pertinent details to ensure student
14 and staff safety.

15 SECTION 3.12. Section 21.257(f), Education Code, as added
16 by this article, applies only to a hearing before a hearing examiner
17 commenced on or after the effective date of this article.

18 SECTION 3.13. Sections 11.1513(d) and (e), Education Code,
19 as amended by this article, and Section 21.418, Education Code, as
20 added by this article, apply beginning with the 2025-2026 school
21 year.

22 SECTION 3.14. To the extent of any conflict between the
23 changes made to the Education Code by this article and the changes
24 made to the Education Code by another Act of the 89th Legislature,
25 Regular Session, 2025, the changes made by this article prevail.

26 SECTION 3.15. This article takes effect immediately if this
27 Act receives a vote of two-thirds of all the members elected to each

1 house, as provided by Section 39, Article III, Texas Constitution.
2 If this Act does not receive the vote necessary for immediate
3 effect, this article takes effect September 1, 2025.

4 ARTICLE 4. SPECIAL EDUCATION

5 SECTION 4.01. Section 7.021(b)(10), Education Code, is
6 amended to read as follows:

7 (10) The agency shall carry out duties assigned under
8 Section 30.002 concerning children who have visual impairments, are
9 deaf or hard of hearing, or are deaf-blind [~~with visual~~
10 ~~impairments~~].

11 SECTION 4.02. Section 7.055(b)(25), Education Code, is
12 amended to read as follows:

13 (25) The commissioner shall develop a system to
14 distribute to school districts or regional education service
15 centers a special supplemental allowance for students with visual
16 impairments as required under Section 30.0021 [~~30.002~~].

17 SECTION 4.03. Section 8.051(d), Education Code, is amended
18 to read as follows:

19 (d) Each regional education service center shall maintain
20 core services for purchase by school districts and campuses. The
21 core services are:

22 (1) training and assistance in:

23 (A) teaching each subject area assessed under
24 Section 39.023; and

25 (B) providing instruction in personal financial
26 literacy as required under Section 28.0021;

27 (2) training and assistance in providing each program

1 that qualifies for a funding allotment under Section 48.102,
2 48.1021, 48.103, 48.104, 48.105, or 48.109;

3 (3) assistance specifically designed for a school
4 district or campus assigned an unacceptable performance rating
5 under Section 39.054;

6 (4) training and assistance to teachers,
7 administrators, members of district boards of trustees, and members
8 of site-based decision-making committees;

9 (5) assistance specifically designed for a school
10 district that is considered out of compliance with state or federal
11 special education requirements, based on the agency's most recent
12 compliance review of the district's special education programs; and

13 (6) assistance in complying with state laws and rules.

14 SECTION 4.04. Sections 28.025(c-7) and (c-8), Education
15 Code, are amended to read as follows:

16 (c-7) Subject to Subsection (c-8), a student who is enrolled
17 in a special education program under Subchapter A, Chapter 29, may
18 earn the distinguished level of achievement under Subsection (b-15)
19 or an endorsement on the student's transcript under Subsection
20 (c-1) by:

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

23 (A) the curriculum requirements identified by
24 the State Board of Education under Subsection (a); ~~and~~

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

1 (C) for an endorsement, the additional
2 ~~[endorsement]~~ curriculum requirements prescribed by the State
3 Board of Education under Subsection (c-2); and

4 (2) successfully completing all curriculum
5 requirements for the distinguished level of achievement or that
6 endorsement adopted by the State Board of Education:

7 (A) without modification of the curriculum; or

8 (B) with modification of the curriculum,
9 provided that the curriculum, as modified, is sufficiently rigorous
10 as determined by the student's admission, review, and dismissal
11 committee and documented in the student's individualized education
12 program.

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

19 SECTION 4.05. Section 29.001, Education Code, is amended to
20 read as follows:

21 Sec. 29.001. IMPLEMENTATION OF SPECIAL EDUCATION
22 LAW [STATEWIDE PLAN]. (a) As the state education agency
23 responsible for carrying out the purposes of Part B, Individuals
24 with Disabilities Education Act (20 U.S.C. Section 1411 et seq.),
25 the [The] agency shall develop, and revise [modify] as necessary, a
26 comprehensive system to ensure statewide and local compliance
27 [design, consistent] with federal and state law related to special

1 education~~[, for the delivery of services to children with~~
2 ~~disabilities in this state that includes rules for the~~
3 ~~administration and funding of the special education program so that~~
4 ~~a free appropriate public education is available to all of those~~
5 ~~children between the ages of three and 21]~~.

6 (b) The comprehensive system must ~~[statewide design shall]~~
7 include the provision of services primarily through school
8 districts and shared services arrangements, supplemented by
9 regional education service centers.

10 (c) The comprehensive system must focus on maximizing
11 student outcomes and include ~~[agency shall also develop and~~
12 ~~implement a statewide plan with programmatic content that includes~~
13 ~~procedures designed to]~~:

14 (1) rulemaking, technical assistance, guidance
15 documents, monitoring protocols, data elements necessary for
16 statewide reporting, and other resources as necessary to implement
17 and ensure compliance with federal and state law related to special
18 education ~~[ensure state compliance with requirements for~~
19 ~~supplemental federal funding for all state-administered programs~~
20 ~~involving the delivery of instructional or related services to~~
21 ~~students with disabilities]~~;

22 (2) the facilitation of ~~[facilitate]~~ interagency
23 coordination when other state agencies are involved in the delivery
24 of instructional or related services to students with disabilities;

25 (3) the pursuit of ~~[periodically assess statewide~~
26 ~~personnel needs in all areas of specialization related to special~~
27 ~~education and pursue]~~ strategies to meet statewide special

1 education and related services personnel ~~[those]~~ needs ~~[through a~~
2 ~~consortium of representatives from regional education service~~
3 ~~centers, local education agencies, and institutions of higher~~
4 ~~education and through other available alternatives]~~;

5 (4) ensuring ~~[ensure]~~ that regional education service
6 centers throughout the state maintain a regional support function,
7 which may include procedures for service centers to assist school
8 districts in identifying existing public or private educational or
9 related services in each region, cooperatively developing programs
10 for students with disabilities, providing to or obtaining for
11 school districts special equipment, delivering services, and
12 facilitating ~~[direct service delivery and a component designed to~~
13 ~~facilitate]~~ the placement of students with disabilities who cannot
14 be appropriately served in their resident districts;

15 (5) ~~[allow the agency to]~~ effectively monitoring
16 ~~[monitor]~~ and periodically conducting ~~[conduct]~~ site visits of all
17 school districts to ensure that rules adopted under this subchapter
18 ~~[section]~~ are applied in a consistent and uniform manner, to ensure
19 that districts are complying with those rules, and to ensure that
20 annual statistical reports filed by the districts and not otherwise
21 available through the Public Education Information Management
22 System under Sections 48.008 and 48.009 are accurate and complete;
23 and

24 (6) the provision of training and technical assistance
25 to ensure that:

26 (A) appropriately trained personnel are involved
27 in the diagnostic and evaluative procedures operating in all

1 districts and that those personnel routinely serve on district
2 multidisciplinary evaluation teams and admissions, review, and
3 dismissal committees;

4 (B) [~~(7) ensure that~~] an individualized
5 education program for each student with a disability is properly
6 developed, implemented, and maintained in the least restrictive
7 environment that is appropriate to meet the student's educational
8 needs;

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

17 (D) [~~(8) ensure that,~~] when appropriate, each
18 student with a disability is provided an opportunity to participate
19 in career and technology and physical education classes[~~, in~~
20 ~~addition to participating in regular or special classes~~];

21 (E) [~~(9) ensure that~~] each student with a
22 disability is provided necessary related services;

23 (F) school districts have an opportunity to
24 request technical assistance from the agency or a regional
25 education service center in establishing classroom environments
26 conducive to learning for students with disabilities, including
27 environments for students whose data indicate behavior that

1 significantly impedes the student's own learning and the learning
2 of other students;

3 (G) [~~(10)~~ ~~ensure that~~] an individual assigned
4 to act as a surrogate parent for a child with a disability, as
5 provided by 20 U.S.C. Section 1415(b), is required to:

6 (i) [~~(A)~~] complete a training program that
7 complies with minimum standards established by agency rule;

8 (ii) [~~(B)~~] visit the child and the child's
9 school;

10 (iii) [~~(C)~~] consult with persons involved
11 in the child's education, including teachers, caseworkers,
12 court-appointed volunteers, guardians ad litem, attorneys ad
13 litem, foster parents, and caretakers;

14 (iv) [~~(D)~~] review the child's educational
15 records;

16 (v) [~~(E)~~] attend meetings of the child's
17 admission, review, and dismissal committee;

18 (vi) [~~(F)~~] exercise independent judgment
19 in pursuing the child's interests; and

20 (vii) [~~(G)~~] exercise the child's due
21 process rights under applicable state and federal law; and

22 (H) [~~(11)~~ ~~ensure that~~] each district develops a
23 process to be used by a teacher who instructs a student with a
24 disability in a general education [~~regular~~] classroom setting:

25 (i) [~~(A)~~] to request a review of the
26 student's individualized education program;

27 (ii) [~~(B)~~] to provide input in the

1 development of the student's individualized education program;

2 (iii) [~~(C)~~] that provides for a timely
3 district response to the teacher's request; and

4 (iv) [~~(D)~~] that provides for notification
5 to the student's parent or legal guardian of that response.

6 SECTION 4.06. Subchapter A, Chapter 29, Education Code, is
7 amended by adding Section 29.0012 to read as follows:

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

14 (b) The agency by rule shall adopt a set of performance
15 indicators for measuring and evaluating the quality of learning and
16 achievement for students receiving special education services at
17 the school district or open-enrollment charter school to be
18 considered at a meeting held under this section. The indicators
19 must include performance on the college, career, or military
20 readiness outcomes described by Section 48.110.

21 SECTION 4.07. Section 29.003, Education Code, is amended to
22 read as follows:

23 Sec. 29.003. ELIGIBILITY CRITERIA. (a) The agency shall
24 develop specific eligibility criteria based on the general
25 classifications established by this section and in accordance with
26 federal law [~~with reference to contemporary diagnostic or~~
27 ~~evaluative terminologies and techniques~~]. Eligible students with

1 disabilities shall enjoy the right to a free appropriate public
2 education, which may include instruction in the general education
3 ~~[regular]~~ classroom, instruction through special teaching, or
4 instruction through contracts approved under this subchapter.
5 Instruction shall be supplemented by the provision of related
6 services when appropriate.

7 (b) A student is eligible to participate in a school
8 district's special education program ~~[if the student]~~:

9 (1) from birth through ~~[is not more than]~~ 21 years of
10 age if the student ~~[and]~~ has a visual ~~[or auditory]~~ impairment, is
11 deaf or hard of hearing, or is deaf-blind and that disability
12 prevents the student from being adequately or safely educated in
13 public school without the provision of special education services;
14 ~~[or]~~

15 (2) from three years of age through nine years of age
16 if the student is experiencing developmental delays as described by
17 20 U.S.C. Section 1401(3)(B) and defined by commissioner rule; or

18 (3) from 3 years of age through ~~[is at least three but~~
19 ~~not more than]~~ 21 years of age if the student ~~[and]~~ has one or more
20 of the ~~[following]~~ disabilities described by 20 U.S.C. Section
21 1401(3)(A) and that disability prevents the student from being
22 adequately or safely educated in public school without the
23 provision of special education services[+

24 ~~[(A) physical disability,~~

25 ~~[(B) intellectual or developmental disability,~~

26 ~~[(C) emotional disturbance,~~

27 ~~[(D) learning disability,~~

1 [~~(E)~~ autism,
2 [~~(F)~~ speech disability, or
3 [~~(G)~~ traumatic brain injury].

4 SECTION 4.08. Sections 29.005(a), (d), and (e), Education
5 Code, are amended to read as follows:

6 (a) Before a child is enrolled in a special education
7 program of a school district, the district shall establish a
8 committee composed of the persons required under 20 U.S.C. Section
9 1414(d) to develop the child's individualized education program.
10 If a committee is required to include a general [~~regular~~] education
11 teacher, the [~~regular education~~] teacher included must, to the
12 extent practicable, be a teacher who is responsible for
13 implementing a portion of the child's individualized education
14 program.

15 (d) If the primary language of the child's parent is a
16 language other than [~~is unable to speak~~] English, the district
17 shall:

18 (1) provide the parent with a written or audiotaped
19 copy of the child's individualized education program translated
20 into Spanish if Spanish is the parent's primary [~~native~~] language;
21 or

22 (2) if the parent's primary [~~native~~] language is a
23 language other than Spanish, make a good faith effort to provide the
24 parent with a written or audiotaped copy of the child's
25 individualized education program translated into the parent's
26 primary [~~native~~] language.

27 (e) The commissioner by rule may require a school district

1 to include in the individualized education program of a student
2 with autism [~~or another pervasive developmental disorder~~] any
3 information or requirement determined necessary to ensure the
4 student receives a free appropriate public education as required
5 under the Individuals with Disabilities Education Act (20 U.S.C.
6 Section 1400 et seq.).

7 SECTION 4.09. Section 29.0051, Education Code, is amended
8 by adding Subsection (d) to read as follows:

9 (d) From federal money appropriated or otherwise available
10 for the purpose, the commissioner may develop or procure the model
11 form developed under Subsection (a) in a digital format. If the
12 commissioner develops or procures the model form in a digital
13 format, the commissioner shall adopt rules regarding school
14 district use of the form in that format.

15 SECTION 4.10. Subchapter A, Chapter 29, Education Code, is
16 amended by adding Section 29.0056 to read as follows:

17 Sec. 29.0056. INFORMATION REGARDING STATE SUPPORTED LIVING
18 CENTERS. (a) In this section, "state supported living center" has
19 the meaning assigned by Section 531.002, Health and Safety Code.

20 (b) The Health and Human Services Commission, in
21 collaboration with the agency and stakeholders who represent the
22 full continuum of educational residential placement options, shall
23 develop and provide to the agency materials regarding educational
24 residential placement options for children who may qualify for
25 placement in a state supported living center. The agency shall make
26 the materials developed under this subsection available to school
27 districts.

1 (c) At a meeting of a child's admission, review, and
2 dismissal committee at which residential placement is discussed,
3 the school district shall provide to the child's parent the
4 materials developed under Subsection (b).

5 SECTION 4.11. Sections 29.006(a) and (c), Education Code,
6 are amended to read as follows:

7 (a) The governor shall appoint a continuing advisory
8 committee consistent with~~[, composed of 17 members, under]~~ 20
9 U.S.C. Section 1412(a)(21). At least one member appointed under
10 this subsection must be a director of special education programs
11 for a school district.

12 (c) Members of the committee are appointed for staggered
13 terms of four years with the terms of half of the ~~[eight or nine]~~
14 members or, for an odd number of members, half of the members
15 rounded down or half of the members rounded up expiring on February
16 1 of each odd-numbered year.

17 SECTION 4.12. Section 29.008, Education Code, is amended to
18 read as follows:

19 Sec. 29.008. CONTRACTS FOR SERVICES; RESIDENTIAL AND DAY
20 PLACEMENT PROGRAMS. (a) The commissioner shall set minimum
21 standards for and develop and update as necessary a list of approved
22 public or private facilities, institutions, agencies, or
23 businesses inside or outside of this state that a [A] school
24 district, shared services arrangement unit, or regional education
25 service center may contract with ~~[a public or private facility,~~
26 ~~institution, or agency inside or outside of this state]~~ for the
27 provision of services to students with disabilities in a

1 residential or day placement program.

2 (a-1) ~~[Each contract for residential placement must be~~
3 ~~approved by the commissioner.]~~ The commissioner may approve a
4 facility, institution, agency, or business under Subsection (a)
5 ~~[residential placement contract]~~ only after at least a programmatic
6 evaluation of personnel qualifications, costs, adequacy of
7 physical plant and equipment, and curriculum content. ~~[The~~
8 ~~commissioner may approve either the whole or a part of a facility or~~
9 ~~program.]~~

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

17 (b) Except as provided by Subsection (c), costs of an
18 approved contract for residential placement may be paid from a
19 combination of federal, state, and local funds. The local share of
20 the total contract cost for each student is that portion of the
21 local tax effort that exceeds the district's local fund assignment
22 under Section 48.256, divided by the average daily attendance in
23 the district. If the contract involves a private facility, the
24 state share of the total contract cost is that amount remaining
25 after subtracting the local share. If the contract involves a
26 public facility, the state share is that amount remaining after
27 subtracting the local share from the portion of the contract that

1 involves the costs of instructional and related services. For
2 purposes of this subsection, "local tax effort" means the total
3 amount of money generated by taxes imposed for debt service and
4 maintenance and operation less any amounts paid into a tax
5 increment fund under Chapter 311, Tax Code. This subsection
6 expires September 1, 2027.

7 (c) When a student, including one for whom the state is
8 managing conservator, is placed primarily for care or treatment
9 reasons in a private [~~residential~~] facility that operates its own
10 private education program, none of the costs may be paid from public
11 education funds. If a [~~residential~~] placement primarily for care
12 or treatment reasons involves a private [~~residential~~] facility in
13 which the education program is provided by the school district, the
14 portion of the costs that includes appropriate education services,
15 as determined by the school district's admission, review, and
16 dismissal committee, shall be paid from state and federal education
17 funds.

18 (d) A district that contracts for the provision of education
19 services rather than providing the services itself shall oversee
20 the implementation of the student's individualized education
21 program and shall annually reevaluate the appropriateness of the
22 arrangement. The reevaluation must include standards and
23 expectations that must be met to reintegrate the student to the
24 general education setting. An approved facility, institution, [~~or~~]
25 agency, or business with whom the district contracts shall
26 periodically report to the district and the agency on the services
27 the student has received or will receive in accordance with the

1 contract as well as diagnostic or other evaluative information that
2 the district or agency requires in order to fulfill its obligations
3 under this subchapter.

4 (e) The commissioner shall adopt rules for residential and
5 day placement of students receiving special education services.

6 SECTION 4.13. The heading to Section 29.009, Education
7 Code, is amended to read as follows:

8 Sec. 29.009. PUBLIC NOTICE CONCERNING EARLY CHILDHOOD
9 SPECIAL EDUCATION [~~PRESCHOOL~~] PROGRAMS [~~FOR STUDENTS WITH~~
10 ~~DISABILITIES~~].

11 SECTION 4.14. Section 29.010, Education Code, is amended to
12 read as follows:

13 Sec. 29.010. GENERAL SUPERVISION AND COMPLIANCE. (a) The
14 agency shall develop [~~adopt~~] and implement a comprehensive system
15 for monitoring school district compliance with federal and state
16 laws relating to special education. The monitoring system must
17 include a comprehensive cyclical process and a targeted risk-based
18 process [~~provide for ongoing analysis of district special education~~
19 ~~data and of complaints filed with the agency concerning special~~
20 ~~education services and for inspections of school districts at~~
21 ~~district facilities~~]. The agency shall establish criteria and
22 instruments for use in determining district compliance under this
23 section [~~use the information obtained through analysis of district~~
24 ~~data and from the complaints management system to determine the~~
25 ~~appropriate schedule for and extent of the inspection~~].

26 (a-1) As part of the monitoring system, the agency may
27 require a school district to obtain specialized technical

1 assistance for a documented noncompliance issue or if data
2 indicates that technical assistance is needed, such as an incident
3 involving injury to staff or students by a student receiving
4 special education services or data indicating an excessive number
5 of restraints are used on students receiving special education
6 services.

7 (b) As part of the monitoring process [~~To complete the~~
8 ~~inspection~~], the agency must obtain information from parents and
9 teachers of students in special education programs in the district.

10 (c) The agency shall develop and implement a system of
11 interventions and sanctions for school districts the agency
12 identifies as being in noncompliance with [~~whose most recent~~
13 ~~monitoring visit shows a failure to comply with major requirements~~
14 ~~of~~] the Individuals with Disabilities Education Act (20 U.S.C.
15 Section 1400 et seq.), federal regulations, state statutes, or
16 agency requirements necessary to carry out federal law or
17 regulations or state law relating to special education.

18 (d) The agency shall establish a system of progressive
19 sanctions and enforcement provisions to apply to [~~For~~] districts
20 that remain in noncompliance for more than one year[, ~~the first~~
21 ~~stage of sanctions shall begin with annual or more frequent~~
22 ~~monitoring visits~~]. The [~~Subsequent~~] sanctions must [~~may~~] range in
23 severity and may include [~~up to~~] the withholding of funds. If funds
24 are withheld, the agency may use the funds, or direct the funds to
25 be used, to provide, through alternative arrangements, services to
26 students and staff members in the district from which the funds are
27 withheld.

(e) The agency's complaint management division shall develop a system for expedited investigation and resolution of complaints concerning a district's failure to provide special education or related services to a student eligible to participate in the district's special education program.

~~[(f) This section does not create an obligation for or impose a requirement on a school district or open-enrollment charter school that is not also created or imposed under another state law or a federal law.]~~

SECTION 4.15. Section 29.012(d), Education Code, is amended to read as follows:

(d) The Texas Education Agency, the Health and Human Services Commission, the Department of Family and Protective Services, and the Texas Juvenile Justice Department by a cooperative effort shall develop and ~~[by rule]~~ adopt a memorandum of understanding. The memorandum must:

(1) establish the respective responsibilities of school districts and of residential facilities for the provision of a free, appropriate public education, as required by the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.) and its subsequent amendments, including each requirement for children with disabilities who reside in those facilities;

(2) coordinate regulatory and planning functions of the parties to the memorandum;

(3) establish criteria for determining when a public school will provide educational services;

(4) provide for appropriate educational space when

1 education services will be provided at the residential facility;

2 (5) establish measures designed to ensure the safety
3 of students and teachers; and

4 (6) provide for binding arbitration consistent with
5 Chapter 2009, Government Code, and Section 154.027, Civil Practice
6 and Remedies Code.

7 SECTION 4.16. Section 29.013, Education Code, is amended to
8 read as follows:

9 Sec. 29.013. NONEDUCATIONAL COMMUNITY-BASED SUPPORT
10 SERVICES GRANTS FOR CERTAIN STUDENTS WITH DISABILITIES. (a) The
11 commissioner [~~agency~~] shall adopt rules establishing [~~establish~~]
12 procedures and criteria for the allocation of grants [~~funds~~
13 ~~appropriated~~] under this section to students who are eligible under
14 Subsection (b) and the students' families [~~school districts~~] for
15 the provision of noneducational community-based support services
16 [~~to certain students with disabilities and their families so that~~
17 ~~those students may receive an appropriate free public education in~~
18 ~~the least restrictive environment~~].

19 (b) A grant [~~The funds~~] may be awarded under this section
20 [~~used~~] only to a student with a disability [~~for eligible students~~
21 ~~with disabilities~~] who is [~~would remain or would have to be~~] placed
22 by the student's admission, review, and dismissal committee in:

23 (1) a residential program approved under Section
24 29.008; or

25 (2) a day placement program and is at risk of being
26 placed in a residential program approved under Section 29.008
27 [~~facilities primarily for educational reasons without the~~]

1 ~~provision of noneducational community-based support services~~].

2 (c) The support services may not be related to the provision
3 of a free appropriate public education to the student and may
4 include in-home family support, behavioral and other
5 disability-related supports for the student's family, respite
6 care, and case management for the student's family [~~families with a~~
7 ~~student who otherwise would have been placed by a district in a~~
8 ~~private residential facility~~].

9 (d) A school district shall:

10 (1) notify the parent of a student described by
11 Subsection (b) of the availability of grants under this section;
12 and

13 (2) designate a campus or district staff member to
14 assist families of students described by Subsection (b) in
15 accessing grants under this section.

16 (e) On request by the parent of a student described by
17 Subsection (b), the commissioner shall create an account for the
18 student to access a grant under this section through which the
19 parent may request payment for approved support services.

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

24 (g) The provision of services under this section does not
25 supersede or limit the responsibility of a school district or other
26 agencies to provide or pay for costs [~~of noneducational~~
27 ~~community-based support services~~] to enable any student with

1 disabilities to receive a free appropriate public education in the
2 least restrictive environment. [~~Specifically, services provided~~
3 ~~under this section may not be used for a student with disabilities~~
4 ~~who is currently placed or who needs to be placed in a residential~~
5 ~~facility primarily for noneducational reasons.~~]

6 (h) The commissioner may designate a regional education
7 service center to administer grants under this section.

8 SECTION 4.17. Sections 29.014(c) and (d), Education Code,
9 are amended to read as follows:

10 (c) Notwithstanding any other provision of this code, a
11 student whose appropriate education program is a general [~~regular~~]
12 education program may receive services and be counted for
13 attendance purposes for the number of hours per week appropriate
14 for the student's condition if the student:

15 (1) is temporarily classified as eligible for
16 participation in a special education program because of the
17 student's confinement in a hospital; and

18 (2) the student's education is provided by a district
19 to which this section applies.

20 (d) The basic allotment for a student enrolled in a district
21 to which this section applies is adjusted by the tier of intensity
22 of service defined in accordance with [~~weight for a homebound~~
23 ~~student under~~] Section 48.102 and designated by commissioner rule
24 for use under this section [~~48.102(a)~~].

25 SECTION 4.18. Section 29.0162(b), Education Code, is
26 amended to read as follows:

27 (b) The commissioner by rule shall adopt additional

1 qualifications and requirements for a representative for purposes
2 of Subsection (a)(2). The rules must:

3 (1) prohibit an individual from being a representative
4 under Subsection (a)(2) opposing a school district if:

5 (A) the individual has prior employment
6 experience with the district; and

7 (B) the district raises an objection to the
8 individual serving as a representative;

9 (2) include requirements that the representative have
10 knowledge of:

11 (A) all special education dispute resolution
12 options available to parents, including due process and due process
13 rules, hearings, and procedure; and

14 (B) federal and state special education laws;

15 (3) require, if the representative receives monetary
16 compensation from a person for representation in an impartial due
17 process hearing, that the representative agree to abide by a
18 voluntary code of ethics and professional conduct during the period
19 of representation; and

20 (4) require, if the representative receives monetary
21 compensation from a person for representation in an impartial due
22 process hearing, that the representative enter into a written
23 agreement for representation with the person who is the subject of
24 the special education due process hearing that includes a process
25 for resolving any disputes between the representative and the
26 person.

27 SECTION 4.19. Section 29.018(b), Education Code, is amended

1 to read as follows:

2 (b) A school district is eligible to apply for a grant under
3 this section if:

4 (1) the district does not receive sufficient funds,
5 including state funds provided under Sections ~~[Section]~~ 48.102 and
6 48.1021 and federal funds, for a student with disabilities to pay
7 for the special education services provided to the student; or

8 (2) the district does not receive sufficient funds,
9 including state funds provided under Sections ~~[Section]~~ 48.102 and
10 48.1021 and federal funds, for all students with disabilities in
11 the district to pay for the special education services provided to
12 the students.

13 SECTION 4.20. The heading to Section 29.020, Education
14 Code, is amended to read as follows:

15 Sec. 29.020. STATE-ADMINISTERED INDIVIDUALIZED EDUCATION
16 PROGRAM FACILITATION ~~[PROJECT]~~.

17 SECTION 4.21. Sections 29.020(a) and (c), Education Code,
18 are amended to read as follows:

19 (a) The agency shall develop rules in accordance with this
20 section applicable to state-administered ~~[the administration of a~~
21 ~~state]~~ individualized education program facilitation ~~[project]~~.
22 The program shall include the provision of an independent
23 individualized education program facilitator as a dispute
24 resolution method that may be used to avoid a potential dispute
25 between a school district and a parent of a student with a
26 disability or to facilitate an admission, review, and dismissal
27 committee meeting with parties who are in a dispute about decisions

1 relating to the provision of a free appropriate public education to
2 a student with a disability. Facilitation [~~implemented under the~~
3 ~~project~~] must comply with rules developed under this subsection.

4 (c) If the commissioner determines that adequate funding is
5 available, the commissioner may authorize the use of federal funds
6 to implement [~~the~~] individualized education program facilitation
7 [~~project~~] in accordance with this section.

8 SECTION 4.22. Sections 29.022(a), (a-1), (b), (c), (c-1),
9 (d), (f), (h), (k), (l), (q), (s), and (t), Education Code, are
10 amended to read as follows:

11 (a) In order to promote student safety, on receipt of a
12 written request authorized under Subsection (a-1), a school
13 district or open-enrollment charter school shall provide
14 equipment, including a video camera, to the school or schools in the
15 district or the charter school campus or campuses specified in the
16 request. A school or campus that receives equipment as provided by
17 this subsection shall place, operate, and maintain one or more
18 video cameras in special education [~~self-contained~~] classrooms and
19 other special education settings [~~in which a majority of the~~
20 ~~students in regular attendance are provided special education and~~
21 ~~related services and are assigned to one or more self-contained~~
22 ~~classrooms or other special education settings for at least 50~~
23 ~~percent of the instructional day~~], provided that:

24 (1) a school or campus that receives equipment as a
25 result of the request by a parent or staff member is required to
26 place equipment only in classrooms or settings in which the
27 parent's child is in regular attendance or to which the staff member

1 is assigned, as applicable; and

2 (2) a school or campus that receives equipment as a
3 result of the request by a board of trustees, governing body,
4 principal, or assistant principal is required to place equipment
5 only in classrooms or settings identified by the requestor, if the
6 requestor limits the request to specific classrooms or settings
7 subject to this subsection.

8 (a-1) For purposes of Subsection (a):

9 (1) a parent of a child who receives special education
10 services in one or more special education [~~self-contained~~]
11 classrooms or other special education settings may request in
12 writing that equipment be provided to the school or campus at which
13 the child receives those services;

14 (2) a board of trustees or governing body may request
15 in writing that equipment be provided to one or more specified
16 schools or campuses at which one or more children receive special
17 education services in special education [~~self-contained~~]
18 classrooms or other special education settings;

19 (3) the principal or assistant principal of a school
20 or campus at which one or more children receive special education
21 services in special education [~~self-contained~~] classrooms or other
22 special education settings may request in writing that equipment be
23 provided to the principal's or assistant principal's school or
24 campus; and

25 (4) a staff member assigned to work with one or more
26 children receiving special education services in special education
27 [~~self-contained~~] classrooms or other special education settings

1 may request in writing that equipment be provided to the school or
2 campus at which the staff member works.

3 (b) A school or campus that places a video camera in a
4 special education classroom or other special education setting in
5 accordance with Subsection (a) shall operate and maintain the video
6 camera in the classroom or setting, as long as the classroom or
7 setting continues to satisfy the requirements under Subsection (a),
8 for the remainder of the school year in which the school or campus
9 received the request, unless the requestor withdraws the request in
10 writing. If for any reason a school or campus will discontinue
11 operation of a video camera during a school year, not later than the
12 fifth school day before the date the operation of the video camera
13 will be discontinued, the school or campus must notify the parents
14 of each student in regular attendance in the classroom or setting
15 that operation of the video camera will not continue unless
16 requested by a person eligible to make a request under Subsection
17 (a-1). Not later than the 10th school day before the end of each
18 school year, the school or campus must notify the parents of each
19 student in regular attendance in the classroom or setting that
20 operation of the video camera will not continue during the
21 following school year unless a person eligible to make a request for
22 the next school year under Subsection (a-1) submits a new request.

23 (c) Except as provided by Subsection (c-1), video cameras
24 placed under this section must be capable of:

25 (1) covering all areas of the special education
26 classroom or other special education setting, including a room
27 attached to the classroom or setting used for time-out; and

1 (2) recording audio from all areas of the special
2 education classroom or other special education setting, including a
3 room attached to the classroom or setting used for time-out.

4 (c-1) The inside of a bathroom or any area in the special
5 education classroom or other special education setting in which a
6 student's clothes are changed may not be visually monitored, except
7 for incidental coverage of a minor portion of a bathroom or changing
8 area because of the layout of the classroom or setting.

9 (d) Before a school or campus activates a video camera in a
10 special education classroom or other special education setting
11 under this section, the school or campus shall provide written
12 notice of the placement to all school or campus staff and to the
13 parents of each student attending class or engaging in school
14 activities in the classroom or setting.

15 (f) A school district or open-enrollment charter school may
16 solicit and accept gifts, grants, and donations from any person for
17 use in placing video cameras in special education classrooms or
18 other special education settings under this section.

19 (h) A school district or open-enrollment charter school may
20 not:

21 (1) allow regular or continual monitoring of video
22 recorded under this section; or

23 (2) use video recorded under this section for teacher
24 evaluation or for any other purpose other than the promotion of
25 safety of students receiving special education services in a
26 special education [~~self-contained~~] classroom or other special
27 education setting.

(k) The commissioner may adopt rules to implement and administer this section, including rules regarding the special education classrooms and other special education settings to which this section applies.

(1) A school district or open-enrollment charter school policy relating to the placement, operation, or maintenance of video cameras under this section must:

(1) include information on how a person may appeal an action by the district or school that the person believes to be in violation of this section or a policy adopted in accordance with this section, including the appeals process under Section 7.057;

(2) require that the district or school provide a response to a request made under this section not later than the seventh school business day after receipt of the request by the person to whom it must be submitted under Subsection (a-3) that authorizes the request or states the reason for denying the request;

(3) except as provided by Subdivision (5), require that a school or a campus begin operation of a video camera in compliance with this section not later than the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the request is authorized unless the agency grants an extension of time;

(4) permit the parent of a student whose admission, review, and dismissal committee has determined that the student's placement for the following school year will be in a special education classroom or other special education setting in which a

1 video camera may be placed under this section to make a request for
2 the video camera by the later of:

3 (A) the date on which the current school year
4 ends; or

5 (B) the 10th school business day after the date
6 of the placement determination by the admission, review, and
7 dismissal committee; and

8 (5) if a request is made by a parent in compliance with
9 Subdivision (4), unless the agency grants an extension of time,
10 require that a school or campus begin operation of a video camera in
11 compliance with this section not later than the later of:

12 (A) the 10th school day of the fall semester; or

13 (B) the 45th school business day, or the first
14 school day after the 45th school business day if that day is not a
15 school day, after the date the request is made.

16 (q) The agency shall collect through the Public Education
17 Information Management System (PEIMS) data relating to requests
18 made under this section and actions taken by a school district or
19 open-enrollment charter school in response to a request, including
20 the number of requests made, authorized, and denied.

21 (s) This section applies to the placement, operation, and
22 maintenance of a video camera in a special education
23 [~~self-contained~~] classroom or other special education setting
24 during the regular school year and extended school year services.

25 (t) A video camera placed under this section is not required
26 to be in operation for the time during which students are not
27 present in the special education classroom or other special

1 education setting.

2 SECTION 4.23. Sections 29.022(u)(3) and (4), Education
3 Code, are amended to read as follows:

4 (3) "Special education classroom or other special
5 education setting" means a classroom or setting primarily used for
6 delivering special education services to students who spend on
7 average less than 50 percent of an instructional day in a general
8 education classroom or setting [~~"Self-contained classroom" does~~
9 ~~not include a classroom that is a resource room instructional~~
10 ~~arrangement under Section 48.102]~~.

11 (4) "Staff member" means a teacher, related service
12 provider, paraprofessional, counselor, or educational aide
13 assigned to work in a special education [~~self-contained~~] classroom
14 or other special education setting.

15 SECTION 4.24. Subchapter A, Chapter 29, Education Code, is
16 amended by adding Sections 29.024 and 29.026 to read as follows:

17 Sec. 29.024. GRANT PROGRAM PROVIDING TRAINING IN DYSLEXIA
18 FOR TEACHERS AND STAFF. (a) From money appropriated or otherwise
19 available for the purpose, the commissioner shall establish a
20 program to award grants each school year to school districts and
21 open-enrollment charter schools to increase local capacity to
22 appropriately serve students with dyslexia.

23 (b) A school district, including a school district acting
24 through a district charter issued under Subchapter C, Chapter 12,
25 or an open-enrollment charter school, including a charter school
26 that primarily serves students with disabilities, as provided under
27 Section 12.1014, is eligible to apply for a grant under this section

1 if the district or school submits to the commissioner a proposal on
2 the use of grant funds that:

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

5 (2) increases local capacity to appropriately serve
6 students with dyslexia by providing:

7 (A) high-quality training to classroom teachers
8 and administrators in meeting the needs of students with dyslexia;
9 or

10 (B) training to intervention staff resulting in
11 appropriate credentialing related to dyslexia, with priority for
12 training staff to earn the credentials necessary to become a
13 licensed dyslexia therapist or certified academic language
14 therapist.

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

19 (d) A grant awarded to a school district or open-enrollment
20 charter school under this section is in addition to the Foundation
21 School Program money that the district or charter school is
22 otherwise entitled to receive. A grant awarded under this section
23 may not come out of Foundation School Program money.

24 (e) The commissioner and any grant recipient selected under
25 this section may accept gifts, grants, and donations from any
26 public or private source, person, or group to implement and
27 administer the grant. The commissioner and any grant recipient

1 selected under this section may not require any financial
2 contribution from parents to implement and administer the grant.

3 (f) A regional education service center may administer
4 grants awarded under this section.

5 Sec. 29.026. RULES. The commissioner may adopt rules as
6 necessary to implement this subchapter.

7 SECTION 4.25. The heading to Subchapter A-1, Chapter 29,
8 Education Code, is amended to read as follows:

9 SUBCHAPTER A-1. PARENT-DIRECTED [~~SUPPLEMENTAL SPECIAL EDUCATION~~]
10 SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES

11 [PROGRAM]

12 SECTION 4.26. Sections 29.041(2) and (3), Education Code,
13 are amended to read as follows:

14 (2) "Supplemental [~~special education~~] instructional
15 materials" includes textbooks, computer hardware or software,
16 other technological devices, and other materials suitable for
17 addressing an educational need of a student receiving special
18 education services under Subchapter A.

19 (3) "Supplemental [~~special education~~] services" means
20 an additive service that provides an educational benefit to a
21 student receiving special education services under Subchapter A,
22 including:

23 (A) occupational therapy, physical therapy, and
24 speech therapy; and

25 (B) private tutoring and other supplemental
26 private instruction or programs.

27 SECTION 4.27. Section 29.042, Education Code, is amended by

1 amending Subsections (a) and (c) and adding Subsection (e) to read
2 as follows:

3 (a) The agency by rule shall establish and administer a
4 parent-directed ~~[supplemental special education services and~~
5 ~~instructional materials]~~ program for students receiving special
6 education services through which a parent may direct supplemental
7 services and supplemental instructional materials for the parent's
8 student ~~[students]~~ who meets ~~[meet]~~ the eligibility requirements
9 for participation in the program. Subject to Subsection (c) and
10 Section 48.306(f), the agency shall provide each student approved
11 as provided by this subchapter a grant in the amount provided under
12 Section 48.306 ~~[of not more than \$1,500]~~ to purchase supplemental
13 ~~[special education]~~ services and supplemental ~~[special education]~~
14 instructional materials. If the agency receives more acceptable
15 applications for a grant for a school year than available funding
16 for that school year, the agency shall award grants in the order in
17 which the applications were received and place remaining students
18 on a waitlist for the subsequent school year.

19 (c) A student may receive one grant under this subchapter
20 unless the legislature appropriates money for an additional grant
21 in the General Appropriations Act ~~[The commissioner shall set aside~~
22 ~~an amount set by appropriation for each state fiscal year to fund~~
23 ~~the program under this section. For each state fiscal year, the~~
24 ~~total amount provided for student grants under Subsection (a) may~~
25 ~~not exceed the amount set aside by the commissioner under this~~
26 ~~subsection].~~

27 (e) The agency shall maintain an online user-friendly

1 application system for parents to apply for a grant described by
2 Subsection (a).

3 SECTION 4.28. Section 29.045, Education Code, is amended to
4 read as follows:

5 Sec. 29.045. APPROVAL OF APPLICATION; ASSIGNMENT OF
6 ACCOUNT. The [~~Subject to available funding the~~] agency shall
7 approve each student who meets the program eligibility criteria
8 established under Section 29.044 and assign to the student an
9 account maintained under Section 29.042(b). The account may only
10 be used by the student's parent to purchase supplemental [~~special~~
11 ~~education~~] services or supplemental [~~special—education~~]
12 instructional materials for the student, subject to Sections 29.046
13 and 29.047.

14 SECTION 4.29. Sections 29.046(a) and (b), Education Code,
15 are amended to read as follows:

16 (a) Money in an account assigned to a student under Section
17 29.045 may be used only for supplemental [~~special—education~~]
18 services and supplemental [~~special—education~~] instructional
19 materials.

20 (b) Supplemental [~~special—education~~] services must be
21 provided by an agency-approved provider.

22 SECTION 4.30. Sections 29.047(a), (c), (d), and (e),
23 Education Code, are amended to read as follows:

24 (a) The agency shall establish criteria necessary for
25 agency approval for each category of provider of a professional
26 service that is a supplemental [~~special—education~~] service, as
27 identified by the agency.

1 (c) The agency shall provide a procedure for providers of
2 supplemental [~~special education~~] services to apply to the agency to
3 become an agency-approved provider.

4 (d) The agency may establish criteria for agency approval of
5 vendors for each category of supplemental [~~special education~~]
6 instructional materials identified by the agency.

7 (e) If the agency establishes criteria for agency approval
8 for a vendor of a category of supplemental [~~special education~~]
9 instructional materials, the agency shall provide a procedure for
10 vendors of that category to apply to the agency to become an
11 agency-approved vendor.

12 SECTION 4.31. Subchapter A-1, Chapter 29, Education Code,
13 is amended by adding Section 29.0475 to read as follows:

14 Sec. 29.0475. PROGRAM PARTICIPANT, PROVIDER, AND VENDOR
15 AUTONOMY. (a) A provider of supplemental services or vendor of
16 supplemental instructional materials that receives money
17 distributed under the program is not a recipient of federal
18 financial assistance on the basis of receiving that money.

19 (b) A rule adopted or action taken related to the program by
20 an individual, governmental entity, court of law, or program
21 administrator may not:

22 (1) consider the actions of a provider of supplemental
23 services, vendor of supplemental instructional materials, or
24 program participant to be the actions of an agent of state
25 government;

26 (2) limit:

27 (A) a provider of supplemental services' ability

to determine the methods used to educate the provider's students or to exercise the provider's religious or institutional values; or

(B) a program participant's ability to determine the participant's educational content or to exercise the participant's religious values;

(3) obligate a provider of supplemental services or program participant to act contrary to the provider's or participant's religious or institutional values, as applicable;

(4) impose any regulation on a provider of supplemental services, vendor of supplemental instructional materials, or program participant beyond those regulations necessary to enforce the requirements of the program; or

(5) require as a condition of receiving money distributed under the program:

(A) a provider of supplemental services to modify the provider's creed, practices, admissions policies, curriculum, performance standards, employment policies, or assessments; or

(B) a program participant to modify the participant's creed, practices, curriculum, performance standards, or assessments.

(c) In a proceeding challenging a rule adopted by a state agency or officer under this subchapter, the agency or officer has the burden of proof to establish by clear and convincing evidence that the rule:

(1) is necessary to implement or enforce the program as provided by this subchapter;

(2) does not violate this section;

1 (3) does not impose an undue burden on a program
2 participant or a provider of supplemental services or vendor of
3 supplemental instructional materials that participates or applies
4 to participate in the program; and

5 (4) is the least restrictive means of accomplishing
6 the purpose of the program while recognizing the independence of a
7 provider of supplemental services to meet the educational needs of
8 students in accordance with the provider's religious or
9 institutional values.

10 SECTION 4.32. Section 29.048, Education Code, is amended to
11 read as follows:

12 Sec. 29.048. ADMISSION, REVIEW, AND DISMISSAL COMMITTEE
13 DUTIES. (a) A student's admission, review, and dismissal
14 committee shall develop a student's individualized education
15 program under Section 29.005, in compliance with the Individuals
16 with Disabilities Education Act (20 U.S.C. Section 1400 et seq.),
17 without consideration of any supplemental ~~[special education]~~
18 services or supplemental instructional materials that may be
19 provided under the program under this subchapter.

20 (b) Unless the district first verifies that an account has
21 been assigned to the student under Section 29.045, the [The]
22 admission, review, and dismissal committee of a student approved
23 for participation in the program shall provide to the student's
24 parent at an admission, review, and dismissal committee meeting for
25 the student:

26 (1) information regarding the types of supplemental
27 ~~[special education]~~ services or supplemental instructional

1 materials available under the program and provided by
2 agency-approved providers for which an account maintained under
3 Section 29.042(b) for the student may be used; and

4 (2) instructions regarding accessing an account
5 described by Subdivision (1).

6 SECTION 4.33. Subchapter A-1, Chapter 29, Education Code,
7 is amended by adding Section 29.0485 to read as follows:

8 Sec. 29.0485. DETERMINATION OF COMMISSIONER FINAL.
9 Notwithstanding Section 7.057, a determination of the commissioner
10 under this subchapter is final and may not be appealed.

11 SECTION 4.34. Section 29.049, Education Code, is amended to
12 read as follows:

13 Sec. 29.049. RULES. The commissioner shall adopt rules as
14 necessary to administer the supplemental [~~special education~~]
15 services and supplemental instructional materials program under
16 this subchapter.

17 SECTION 4.35. Section 29.301(1), Education Code, is amended
18 to read as follows:

19 (1) "Admission, review, and dismissal committee"
20 means the committee required by [~~State Board of Education rules to~~
21 ~~develop the individualized education program required by~~] the
22 Individuals with Disabilities Education Act (20 U.S.C. Section 1400
23 et seq.) for any student needing special education.

24 SECTION 4.36. Sections 29.304(a) and (c), Education Code,
25 are amended to read as follows:

26 (a) A student who is deaf or hard of hearing must have an
27 education in which teachers, psychologists, speech language

1 pathologists [~~therapists~~], progress assessors, administrators, and
2 others involved in education understand the unique nature of
3 deafness and the hard-of-hearing condition. A teacher of students
4 who are deaf or hard of hearing either must be proficient in
5 appropriate language modes or use an interpreter certified in
6 appropriate language modes if certification is available.

7 (c) General [~~Regular~~] and special education personnel who
8 work with students who are deaf or hard of hearing must be
9 adequately prepared to provide educational instruction and
10 services to those students.

11 SECTION 4.37. Section 29.310, Education Code, is amended by
12 amending Subsection (c) and adding Subsection (d) to read as
13 follows:

14 (c) The procedures and materials for the assessment and
15 placement of a student who is deaf or hard of hearing shall be in the
16 student's preferred mode of communication. All other procedures
17 and materials used with any student who is deaf or hard of hearing
18 and who is an emergent bilingual student as defined by Section
19 29.052 [~~has limited English proficiency~~] shall be in the student's
20 preferred mode of communication.

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

27 SECTION 4.38. Section 29.313, Education Code, is amended to

1 read as follows:

2 Sec. 29.313. EVALUATION OF DEAF AND HARD OF HEARING
3 SERVICES [~~PROGRAMS~~]. (a) Each school district must provide
4 continuous evaluation of the effectiveness of the district's
5 services [~~programs of the district~~] for students who are deaf or
6 hard of hearing. The [~~If practicable,~~] evaluations shall follow
7 program excellence indicators established by the agency.

8 (b) Each school district shall submit the evaluations under
9 this section to the agency on a schedule set by the agency.

10 SECTION 4.39. Section 29.314, Education Code, is amended to
11 read as follows:

12 Sec. 29.314. TRANSITION INTO GENERAL EDUCATION [~~REGULAR~~]
13 CLASS. In addition to satisfying requirements of the admission,
14 review, and dismissal committee and to satisfying requirements
15 under state and federal law for vocational training, each school
16 district shall develop and implement a transition plan for the
17 transition of a student who is deaf or hard of hearing into a
18 general education [~~regular~~] class [~~program~~] if the student is to be
19 transferred from a special class or center or nonpublic,
20 nonsectarian school into a general education [~~regular~~] class in a
21 public school for any part of the school day. The transition plan
22 must provide for activities:

23 (1) to integrate the student into the general
24 [~~regular~~] education program and specify the nature of each activity
25 and the time spent on the activity each day; and

26 (2) to support the transition of the student from the
27 special education program into the general [~~regular~~] education

1 program.

2 SECTION 4.40. Section 29.315, Education Code, is amended to
3 read as follows:

4 Sec. 29.315. TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF
5 UNDERSTANDING. The Texas Education Agency and the Texas School for
6 the Deaf shall develop~~[, agree to, and by commissioner rule adopt no~~
7 ~~later than September 1, 1998,]~~ a memorandum of understanding to
8 establish:

9 (1) the method for developing and reevaluating a set
10 of indicators of the quality of learning at the Texas School for the
11 Deaf;

12 (2) the process for the agency to conduct and report on
13 an annual evaluation of the school's performance on the indicators;

14 (3) the requirements for the school's board to
15 publish, discuss, and disseminate an annual report describing the
16 educational performance of the school; and

17 ~~(4) [the process for the agency to assign an~~
18 ~~accreditation status to the school, to reevaluate the status on an~~
19 ~~annual basis, and, if necessary, to conduct monitoring reviews, and~~

20 ~~[(5)]~~ the type of information the school shall be
21 required to provide through the Public Education Information
22 Management System (PEIMS).

23 SECTION 4.41. Section 29.316, Education Code, is amended to
24 read as follows:

25 Sec. 29.316. LANGUAGE ACQUISITION. (a) In this section,
26 "language"

27 ~~[(1) "Center" means the Educational Resource Center on~~

1 ~~Deafness at the Texas School for the Deaf.~~

2 ~~[(2) "Division" means the Division for Early Childhood~~
3 ~~Intervention Services of the Health and Human Services Commission.~~

4 ~~[(3) "Language]~~ acquisition" includes expressive and
5 receptive language acquisition and literacy development in
6 English, American Sign Language, or both, or, if applicable, in
7 another language primarily used by a child's parent or guardian,
8 and is separate from any modality used to communicate in the
9 applicable language or languages.

10 (b) Each school district ~~[The commissioner and the~~
11 ~~executive commissioner of the Health and Human Services Commission~~
12 ~~jointly]~~ shall ensure that the language acquisition of each child
13 eight years of age or younger who is deaf or hard of hearing is
14 regularly assessed using a tool or assessment approved by the
15 commissioner ~~[determined to be valid and reliable as provided by~~
16 ~~Subsection (d)]~~.

17 (c) On a schedule determined by the commissioner, each
18 school district shall report to the commissioner through the Public
19 Education Information Management System (PEIMS) or another method
20 set by commissioner rule the assessment data collected under
21 Subsection (b) ~~[Not later than August 31 of each year, the agency,~~
22 ~~the division, and the center jointly shall prepare and post on the~~
23 ~~agency's, the division's, and the center's respective Internet~~
24 ~~websites a report on the language acquisition of children eight~~
25 ~~years of age or younger who are deaf or hard of hearing. The report~~
26 ~~must.~~

27 ~~[(1) include.~~

1 ~~[(A) existing data reported in compliance with~~
2 ~~federal law regarding children with disabilities, and~~
3 ~~[(B) information relating to the language~~
4 ~~acquisition of children who are deaf or hard of hearing and also~~
5 ~~have other disabilities,~~
6 ~~[(2) state for each child.~~
7 ~~[(A) the instructional arrangement used with the~~
8 ~~child, as described by Section 48.102, including the time the child~~
9 ~~spends in a mainstream instructional arrangement,~~
10 ~~[(B) the specific language acquisition services~~
11 ~~provided to the child, including:~~
12 ~~[(i) the time spent providing those~~
13 ~~services, and~~
14 ~~[(ii) a description of any hearing~~
15 ~~amplification used in the delivery of those services, including:~~
16 ~~[(a) the type of hearing~~
17 ~~amplification used,~~
18 ~~[(b) the period of time in which the~~
19 ~~child has had access to the hearing amplification, and~~
20 ~~[(c) the average amount of time the~~
21 ~~child uses the hearing amplification each day,~~
22 ~~[(C) the tools or assessments used to assess the~~
23 ~~child's language acquisition and the results obtained,~~
24 ~~[(D) the preferred unique communication mode~~
25 ~~used by the child at home, and~~
26 ~~[(E) the child's age, race, and gender, the age~~
27 ~~at which the child was identified as being deaf or hard of hearing,~~

1 ~~and any other relevant demographic information the commissioner~~
2 ~~determines to likely be correlated with or have an impact on the~~
3 ~~child's language acquisition,~~

4 ~~[(3) compare progress in English literacy made by~~
5 ~~children who are deaf or hard of hearing to progress in that subject~~
6 ~~made by children of the same age who are not deaf or hard of hearing,~~
7 ~~by appropriate age range, and~~

8 ~~[(4) be redacted as necessary to comply with state and~~
9 ~~federal law regarding the confidentiality of student medical or~~
10 ~~educational information].~~

11 (d) The commissioner~~[, the executive commissioner of the~~
12 ~~Health and Human Services Commission, and the center]~~ shall adopt
13 rules establishing the assessment data required to be reported
14 under Subsection (c) ~~[enter into a memorandum of understanding~~
15 ~~regarding,~~

16 ~~[(1) the identification of experts in deaf education,~~
17 ~~and~~

18 ~~[(2) the determination, in consultation with those~~
19 ~~experts, of the tools and assessments that are valid and reliable,~~
20 ~~in both content and administration, for use in assessing the~~
21 ~~language acquisition of children eight years of age or younger who~~
22 ~~are deaf or hard of hearing].~~

23 (e) The commissioner shall annually post on the agency's
24 Internet website a report on the language acquisition of children
25 eight years of age or younger who are deaf or hard of hearing using
26 the assessment data reported under Subsection (c) ~~[agency shall use~~
27 ~~existing collected data and data collected and transferred from the~~

1 ~~Department of State Health Services and the Health and Human~~
2 ~~Services Commission, as agreed upon in the memorandum of~~
3 ~~understanding, for the report under this section].~~

4 (f) The commissioner shall use the assessment data reported
5 under Subsection (c) in determining whether to award a grant under
6 Section 29.018 or in seeking federal money available for projects
7 aimed at improving outcomes for students with disabilities ~~[and the~~
8 ~~executive commissioner of the Health and Human Services Commission~~
9 ~~jointly shall adopt rules as necessary to implement this section,~~
10 ~~including rules for:~~

11 ~~[(1) assigning each child eight years of age or~~
12 ~~younger who is deaf or hard of hearing a unique identification~~
13 ~~number for purposes of the report required under Subsection (c) and~~
14 ~~to enable the tracking of the child's language acquisition, and~~
15 ~~factors affecting the child's language acquisition, over time, and~~

16 ~~[(2) implementing this section in a manner that~~
17 ~~complies with federal law regarding confidentiality of student~~
18 ~~medical or educational information, including the Health Insurance~~
19 ~~Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d~~
20 ~~et seq.) and the Family Educational Rights and Privacy Act of 1974~~
21 ~~(20 U.S.C. Section 1232g), and any state law relating to the privacy~~
22 ~~of student information].~~

23 SECTION 4.42. The heading to Section 30.002, Education
24 Code, is amended to read as follows:

25 Sec. 30.002. STATE PLAN [EDUCATION] FOR CHILDREN WITH
26 VISUAL IMPAIRMENTS, WHO ARE DEAF OR HARD OF HEARING, OR WHO ARE
27 DEAF-BLIND.

SECTION 4.43. Sections 30.002(a), (b), (c), and (e), Education Code, are amended to read as follows:

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

(b) The agency shall:

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

(2) supervise regional education service centers and other entities in assisting school districts in serving children who have visual impairments, are deaf or hard of hearing, or are deaf-blind ~~[with visual impairments]~~ more effectively; and

(3) ~~[develop and administer special education services for students with both serious visual and auditory impairments,~~

~~[-(4)- evaluate special education services provided for children with visual impairments by school districts and approve or disapprove state funding of those services, and~~

~~[-(5)-]~~ maintain an effective liaison between special

1 education programs provided for children who have visual
2 impairments, are deaf or hard of hearing, or are deaf-blind [~~with~~
3 ~~visual impairments~~] by school districts and related initiatives of
4 the Health and Human Services Commission, [~~the Department of State~~
5 ~~Health Services Mental Health and Substance Abuse Division,~~] the
6 Texas Workforce Commission, and other related programs, agencies,
7 or facilities as appropriate.

8 (c) The comprehensive statewide plan for the education of
9 children who have visual impairments, are deaf or hard of hearing,
10 or are deaf-blind [~~with visual impairments~~] must:

11 (1) adequately provide for comprehensive diagnosis
12 and evaluation of each school-age child who has a visual
13 impairment, is deaf or hard of hearing, or is deaf-blind and
14 adequately outline the expectations of a school district for such a
15 child under three years of age [~~with a serious visual impairment~~];

16 (2) include the procedures, format, and content of the
17 individualized education program for each child who has a visual
18 impairment, is deaf or hard of hearing, or is deaf-blind [~~with a~~
19 ~~visual impairment~~];

20 (3) emphasize providing educational services to
21 children who have visual impairments, are deaf or hard of hearing,
22 or are deaf-blind [~~with visual impairments~~] in their home
23 communities whenever possible;

24 (4) include information regarding the establishment
25 of regional day school programs for the deaf under Subchapter D and
26 the parameters of those programs [~~methods to ensure that children~~
27 ~~with visual impairments receiving special education services in~~

1 ~~school districts receive, before being placed in a classroom~~
2 ~~setting or within a reasonable time after placement.~~

3 ~~[(A) evaluation of the impairment, and~~

4 ~~[(B) instruction in an expanded core curriculum,~~
5 ~~which is required for students with visual impairments to succeed~~
6 ~~in classroom settings and to derive lasting, practical benefits~~
7 ~~from the education provided by school districts, including~~
8 ~~instruction in:~~

9 ~~[(i) compensatory skills, such as braille~~
10 ~~and concept development, and other skills needed to access the rest~~
11 ~~of the curriculum,~~

12 ~~[(ii) orientation and mobility,~~

13 ~~[(iii) social interaction skills,~~

14 ~~[(iv) career planning,~~

15 ~~[(v) assistive technology, including~~
16 ~~optical devices,~~

17 ~~[(vi) independent living skills,~~

18 ~~[(vii) recreation and leisure enjoyment,~~

19 ~~[(viii) self-determination, and~~

20 ~~[(ix) sensory efficiency];~~

21 (5) provide for flexibility on the part of school
22 districts to meet the unique ~~[special]~~ needs of children who have
23 visual impairments, are deaf or hard of hearing, or are deaf-blind
24 ~~[with visual impairments]~~ through:

25 (A) specialty staff and resources provided by the
26 district;

27 (B) contractual arrangements with other

1 qualified public or private agencies;

2 (C) supportive assistance from regional
3 education service centers or adjacent school districts;

4 (D) short-term or long-term services through the
5 Texas School for the Blind and Visually Impaired, the Texas School
6 for the Deaf, regional day school programs for the deaf, or related
7 facilities or programs; or

8 (E) other instructional and service arrangements
9 approved by the agency;

10 (6) ~~[include a statewide admission, review, and~~
11 ~~dismissal process,~~

12 ~~[(7)]~~ provide for effective interaction between the
13 ~~[visually impaired child's]~~ classroom setting of the child who has
14 a visual impairment, is deaf or hard of hearing, or is deaf-blind
15 and the child's home environment, including providing for parental
16 training and counseling either by school district staff or by
17 representatives of other organizations directly involved in the
18 development and implementation of the individualized education
19 program for the child;

20 (7) describe recommended and required professional
21 development activities based on the special education and related
22 services provided by school district staff to children who have
23 visual impairments, are deaf or hard of hearing, or are deaf-blind
24 ~~[(8) require the continuing education and professional~~
25 ~~development of school district staff providing special education~~
26 ~~services to children with visual impairments];~~

27 (8) ~~[(9)]~~ provide for adequate monitoring and precise

1 evaluation of special education services provided to children who
2 have visual impairments, are deaf or hard of hearing, or are
3 deaf-blind [~~with visual impairments~~] through school districts;
4 [and]

5 (9) [~~(10)~~] require that school districts providing
6 special education services to children who have visual impairments,
7 are deaf or hard of hearing, or are deaf-blind [~~with visual~~
8 ~~impairments~~] develop procedures for assuring that staff assigned to
9 work with the children have prompt and effective access directly to
10 resources available through:

11 (A) cooperating agencies in the area;

12 (B) the Texas School for the Blind and Visually
13 Impaired;

14 (C) the Texas School for the Deaf;

15 (D) the statewide outreach center at the Texas
16 School for the Deaf;

17 (E) the Central Media Depository for specialized
18 instructional materials and aids made specifically for use by
19 students with visual impairments;

20 (F) [~~(D)~~] sheltered workshops participating in
21 the state program of purchases of blind-made goods and services;
22 and

23 (G) [~~(E)~~] related sources; and

24 (10) assist in the coordination of educational
25 programs with other public and private agencies, including:

26 (A) agencies operating early childhood
27 intervention programs;

1 (B) preschools;
2 (C) agencies operating child development
3 programs;
4 (D) private nonsectarian schools;
5 (E) agencies operating regional occupational
6 centers and programs; and
7 (F) as appropriate, postsecondary and adult
8 programs for persons who are deaf or hard of hearing.

9 (e) Each eligible [~~blind or visually impaired~~] student who
10 has a visual impairment, is deaf or hard of hearing, or is
11 deaf-blind is entitled to receive educational programs according to
12 an individualized education program that:

13 (1) is developed in accordance with federal and state
14 requirements for providing special education services;

15 (2) is developed by a committee composed as required
16 by federal law;

17 (3) reflects that the student has been provided a
18 detailed explanation of the various service resources available to
19 the student in the community and throughout the state;

20 (4) provides a detailed description of the
21 arrangements made to provide the student with the evaluation and
22 instruction required under this subchapter and Subchapter A,
23 Chapter 29 [~~Subsection (c)(4)~~]; and

24 (5) sets forth the plans and arrangements made for
25 contacts with and continuing services to the student beyond regular
26 school hours to ensure the student learns the skills and receives
27 the instruction required under this subchapter and Subchapter A,

1 Chapter 29 [~~Subsection (c)(4)(B)~~].

2 SECTION 4.44. Subchapter A, Chapter 30, Education Code, is
3 amended by adding Section 30.0021 to read as follows:

4 Sec. 30.0021. REQUIREMENTS FOR CHILDREN WITH VISUAL
5 IMPAIRMENTS. (a) Each child with a visual impairment must receive
6 instruction in an expanded core curriculum required for children
7 with visual impairments to succeed in classroom settings and to
8 derive lasting, practical benefits from education in a school
9 district, including instruction in:

10 (1) compensatory skills, such as braille and concept
11 development, and other skills necessary to access the rest of the
12 curriculum;

13 (2) orientation and mobility;

14 (3) social interaction skills;

15 (4) career education;

16 (5) assistive technology, including optical devices;

17 (6) independent living skills;

18 (7) recreation and leisure enjoyment;

19 (8) self-determination; and

20 (9) sensory efficiency.

21 (b) To determine a child's eligibility for a school
22 district's special education program under Subchapter A, Chapter
23 29, on the basis of a visual impairment, the full individual and
24 initial evaluation of the child under Section 29.004 and any
25 reevaluation of the child must, in accordance with commissioner
26 rule:

27 (1) include an orientation and mobility evaluation

1 conducted:

2 (A) by a person who is appropriately certified as
3 an orientation and mobility specialist, as determined by
4 commissioner rule; and

5 (B) in a variety of lighting conditions and
6 settings, including in the child's home, school, and community and
7 in settings unfamiliar to the child; and

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

13 (c) In developing an individualized education program under
14 Section 29.005 for a child with a visual impairment, proficiency in
15 reading and writing must be a significant indicator of the child's
16 satisfactory educational progress. The individualized education
17 program must include instruction in braille and the use of braille
18 unless the child's admission, review, and dismissal committee
19 documents a determination, based on an evaluation of the child's
20 appropriate literacy media and literacy skills and the child's
21 current and future instructional needs, that braille is not an
22 appropriate literacy medium for the child.

23 (d) Braille instruction:

24 (1) may be used in combination with other special
25 education services appropriate to the educational needs of a child
26 with a visual impairment; and

27 (2) must be provided by a teacher certified to teach

1 children with visual impairments under Subchapter B, Chapter 21.

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

6 (f) To facilitate implementation of this section, the
7 commissioner shall develop a system to distribute from the
8 foundation school fund to school districts or regional education
9 service centers a special supplemental allowance for each student
10 with a visual impairment. The supplemental allowance may be spent
11 only for special education services uniquely required by the nature
12 of the child's disabilities and may not be used in lieu of
13 educational funds otherwise available under this code or through
14 state or local appropriations.

15 SECTION 4.45. Section 30.003, Education Code, is amended by
16 amending Subsections (b), (d), (f-1), and (g) and adding Subsection
17 (b-1) to read as follows:

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

24 (b-1) The commissioner shall reduce the amount of
25 maintenance taxes imposed by the district that are obligated to be
26 paid under Subsection (b) for a year by the amount, if any, by which
27 the district is required to reduce the district's local revenue

1 level under Section 48.257 for that year.

2 (d) Each school district and state institution shall
3 provide to the commissioner the necessary information to determine
4 the district's share under this section. The information must be
5 reported to the commissioner on or before a date set by commissioner
6 ~~rule [of the State Board of Education]~~. After determining the
7 amount of a district's share for all students for which the district
8 is responsible, the commissioner shall deduct that amount from the
9 payments of foundation school funds payable to the district. Each
10 deduction shall be in the same percentage of the total amount of the
11 district's share as the percentage of the total foundation school
12 fund entitlement being paid to the district at the time of the
13 deduction, except that the amount of any deduction may be modified
14 to make necessary adjustments or to correct errors. The
15 commissioner shall provide for remitting the amount deducted to the
16 appropriate school at the same time at which the remaining funds are
17 distributed to the district. If a district does not receive
18 foundation school funds or if a district's foundation school
19 entitlement is less than the amount of the district's share under
20 this section, the commissioner shall direct the district to remit
21 payment to the commissioner, and the commissioner shall remit the
22 district's share to the appropriate school.

23 (f-1) The commissioner shall determine the total amount
24 that the Texas School for the Blind and Visually Impaired and the
25 Texas School for the Deaf would have received from school districts
26 in accordance with this section if the following provisions had not
27 reduced the districts' share of the cost of providing education

1 services:

2 (1) H.B. No. 1, Acts of the 79th Legislature, 3rd
3 Called Session, 2006;

4 (2) Subsection (b-1) of this section;

5 (3) Section 45.0032;

6 (4) [~~(3)~~] Section 48.255; and

7 (5) [~~(4)~~] Section 48.2551.

8 (g) The commissioner [~~State Board of Education~~] may adopt
9 rules as necessary to implement this section.

10 SECTION 4.46. Section 30.004(b), Education Code, is amended
11 to read as follows:

12 (b) The commissioner [~~State Board of Education~~] shall adopt
13 rules prescribing the form and content of information required by
14 Subsection (a).

15 SECTION 4.47. Section 30.005, Education Code, is amended to
16 read as follows:

17 Sec. 30.005. TEXAS SCHOOL FOR THE BLIND AND VISUALLY
18 IMPAIRED MEMORANDUM OF UNDERSTANDING. The Texas Education Agency
19 and the Texas School for the Blind and Visually Impaired shall
20 develop[~~, agree to, and by commissioner rule adopt~~] a memorandum of
21 understanding to establish:

22 (1) the method for developing and reevaluating a set
23 of indicators of the quality of learning at the Texas School for the
24 .Blind and Visually Impaired;

25 (2) the process for the agency to conduct and report on
26 an annual evaluation of the school's performance on the indicators;

27 (3) the requirements for the school's board to

1 publish, discuss, and disseminate an annual report describing the
2 educational performance of the school; and

3 (4) [~~the process for the agency to:~~

4 [~~(A) assign an accreditation status to the~~
5 ~~school,~~

6 [~~(B) reevaluate the status on an annual basis,~~
7 ~~and~~

8 [~~(C) if necessary, conduct monitoring reviews,~~
9 ~~and~~

10 [~~5~~] the type of information the school shall be
11 required to provide through the Public Education Information
12 Management System (PEIMS).

13 SECTION 4.48. Section 30.021(e), Education Code, is amended
14 to read as follows:

15 (e) The school shall cooperate with public and private
16 agencies and organizations serving students and other persons with
17 visual impairments in the planning, development, and
18 implementation of effective educational and rehabilitative service
19 delivery systems associated with educating students with visual
20 impairments. To maximize and make efficient use of state
21 facilities, funding, and resources, the services provided in this
22 area may include conducting a cooperative program with other
23 agencies to serve students who have graduated from high school by
24 completing all academic requirements applicable to students in
25 general [~~regular~~] education, excluding satisfactory performance
26 under Section 39.025, who are younger than 22 years of age on
27 September 1 of the school year and who have identified needs related

1 to vocational training, independent living skills, orientation and
2 mobility, social and leisure skills, compensatory skills, or
3 remedial academic skills.

4 SECTION 4.49. Section 30.081, Education Code, is amended to
5 read as follows:

6 Sec. 30.081. LEGISLATIVE INTENT CONCERNING REGIONAL DAY
7 SCHOOLS FOR THE DEAF. The legislature, by this subchapter, intends
8 to continue a process of providing on a statewide basis a suitable
9 education to deaf or hard of hearing students who are under 22 [21]
10 years of age and assuring that those students have the opportunity
11 to become independent citizens.

12 SECTION 4.50. Section 30.083, Education Code, is amended to
13 read as follows:

14 Sec. 30.083. STATEWIDE PLAN. [~~a~~] The director of
15 services shall develop and administer a comprehensive statewide
16 plan for educational services for students who are deaf or hard of
17 hearing and receive special education and related services through
18 a regional day school program for the deaf [~~, including continuing~~
19 ~~diagnosis and evaluation, counseling, and teaching~~]. The plan
20 shall be included as part of the comprehensive statewide plan under
21 Section 30.002 [~~designed to accomplish the following objectives:~~

22 [~~(1) providing assistance and counseling to parents of~~
23 ~~students who are deaf or hard of hearing in regional day school~~
24 ~~programs for the deaf and admitting to the programs students who~~
25 ~~have a hearing loss that interferes with the processing of~~
26 ~~linguistic information,~~

27 [~~(2) enabling students who are deaf or hard of hearing~~

1 ~~to reside with their parents or guardians and be provided an~~
2 ~~appropriate education in their home school districts or in regional~~
3 ~~day school programs for the deaf,~~

4 ~~[(3) enabling students who are deaf or hard of hearing~~
5 ~~who are unable to attend schools at their place of residence and~~
6 ~~whose parents or guardians live too far from facilities of regional~~
7 ~~day school programs for the deaf for daily commuting to be~~
8 ~~accommodated in foster homes or other residential school facilities~~
9 ~~provided for by the agency so that those children may attend a~~
10 ~~regional day school program for the deaf,~~

11 ~~[(4) enrolling in the Texas School for the Deaf those~~
12 ~~students who are deaf or hard of hearing whose needs can best be met~~
13 ~~in that school and designating the Texas School for the Deaf as the~~
14 ~~statewide educational resource for students who are deaf or hard of~~
15 ~~hearing,~~

16 ~~[(5) encouraging students in regional day school~~
17 ~~programs for the deaf to attend general education classes on a~~
18 ~~part-time, full-time, or trial basis, and~~

19 ~~[(6) recognizing the need for development of language~~
20 ~~and communications abilities in students who are deaf or hard of~~
21 ~~hearing, but also calling for the use of methods of communication~~
22 ~~that will meet the needs of each individual student, with each~~
23 ~~student assessed thoroughly so as to ascertain the student's~~
24 ~~potential for communications through a variety of means, including~~
25 ~~through oral or aural means, fingerspelling, or sign language].~~

26 ~~[(b) The director of services may establish separate~~
27 ~~programs to accommodate diverse communication methodologies.]~~

1 SECTION 4.51. Section 37.146(a), Education Code, is amended
2 to read as follows:

3 (a) A complaint alleging the commission of a school offense
4 must, in addition to the requirements imposed by Article 45A.101,
5 Code of Criminal Procedure:

6 (1) be sworn to by a person who has personal knowledge
7 of the underlying facts giving rise to probable cause to believe
8 that an offense has been committed; and

9 (2) be accompanied by a statement from a school
10 employee stating:

11 (A) whether the child is eligible for or receives
12 special education services under Subchapter A, Chapter 29; and

13 (B) the graduated sanctions, if required under
14 Section 37.144, that were imposed on the child before the complaint
15 was filed.

16 SECTION 4.52. Section 38.003(c-1), Education Code, is
17 amended to read as follows:

18 (c-1) The agency by rule shall develop procedures designed
19 to allow the agency to:

20 (1) effectively audit and monitor and periodically
21 conduct site visits of all school districts to ensure that
22 districts are complying with this section, including the program
23 approved by the State Board of Education under this section;

24 (2) identify any problems school districts experience
25 in complying with this section, including the program approved by
26 the State Board of Education under this section;

27 (3) develop reasonable and appropriate remedial

1 strategies to address school district noncompliance and ensure the
2 purposes of this section are accomplished, which may include the
3 publication of a recommended evidence-based dyslexia program list;
4 ~~[and]~~

5 (4) solicit input from parents of students enrolled in
6 a school district during the auditing and monitoring of the
7 district under Subdivision (1) regarding the district's
8 implementation of the program approved by the State Board of
9 Education under this section; and

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

16 SECTION 4.53. Section 48.009(b), Education Code, is amended
17 to read as follows:

18 (b) The commissioner by rule shall require each school
19 district and open-enrollment charter school to report through the
20 Public Education Information Management System information
21 regarding:

22 (1) the number of students enrolled in the district or
23 school who are identified as having dyslexia;

24 (2) the availability of school counselors, including
25 the number of full-time equivalent school counselors, at each
26 campus;

27 (3) the availability of expanded learning

1 opportunities as described by Section 33.252 at each campus;

2 (4) the total number of students, other than students
3 described by Subdivision (5), enrolled in the district or school
4 with whom the district or school, as applicable, used intervention
5 strategies, as that term is defined by Section 26.004, at any time
6 during the year for which the report is made;

7 (5) the total number of students enrolled in the
8 district or school to whom the district or school provided aids,
9 accommodations, or services under Section 504, Rehabilitation Act
10 of 1973 (29 U.S.C. Section 794), at any time during the year for
11 which the report is made;

12 (6) disaggregated by campus and grade, the number of:

13 (A) children who are required to attend school
14 under Section 25.085, are not exempted under Section 25.086, and
15 fail to attend school without excuse for 10 or more days or parts of
16 days within a six-month period in the same school year;

17 (B) students for whom the district initiates a
18 truancy prevention measure under Section 25.0915(a-4); and

19 (C) parents of students against whom an
20 attendance officer or other appropriate school official has filed a
21 complaint under Section 25.093; ~~and~~

22 (7) the number of students who are enrolled in a high
23 school equivalency program, a dropout recovery school, or an adult
24 education program provided under a high school diploma and industry
25 certification charter school program provided by the district or
26 school and who:

27 (A) are at least 18 years of age and under 26

1 years of age;

2 (B) have not previously been reported to the
3 agency as dropouts; and

4 (C) enroll in the program at the district or
5 school after not attending school for a period of at least nine
6 months; and

7 (8) students enrolled in a special education program
8 under Subchapter A, Chapter 29, as necessary for the agency to
9 adequately perform general supervision activities and determine
10 funding under Sections 48.102 and 48.1021.

11 SECTION 4.54. Section 48.102, Education Code, is amended to
12 read as follows:

13 Sec. 48.102. SPECIAL EDUCATION. (a) For each student in
14 average daily attendance in a special education program under
15 Subchapter A, Chapter 29, ~~[in a mainstream instructional~~
16 ~~arrangement,~~] a school district is entitled to an annual allotment
17 equal to the basic allotment, or, if applicable, the sum of the
18 basic allotment and the allotment under Section 48.101 to which the
19 district is entitled, multiplied by a weight in an amount set by the
20 legislature in the General Appropriations Act for the highest tier
21 of intensity of service for which the student qualifies [1.15].

22 (a-1) Notwithstanding Subsection (a), for the 2026-2027
23 school year, the amount of an allotment under this section shall be
24 determined in accordance with Section 48.1022. This subsection
25 expires September 1, 2027. ~~[For each full-time equivalent student~~
26 ~~in average daily attendance in a special education program under~~
27 ~~Subchapter A, Chapter 29, in an instructional arrangement other~~

1 ~~than a mainstream instructional arrangement, a district is entitled~~
2 ~~to an annual allotment equal to the basic allotment, or, if~~
3 ~~applicable, the sum of the basic allotment and the allotment under~~
4 ~~Section 48.101 to which the district is entitled, multiplied by a~~
5 ~~weight determined according to instructional arrangement as~~
6 ~~follows:~~

7	[Homebound	5.0
8	[Hospital class	3.0
9	[Speech therapy	5.0
10	[Resource room	3.0
11	[Self-contained, mild and moderate, regular campus	3.0
12	[Self-contained, severe, regular campus	3.0
13	[Off home campus	2.7
14	[Nonpublic day school	1.7
15	[Vocational adjustment class	2.3]

16 (b) The commissioner by rule shall define eight tiers of
17 intensity of service for use in determining funding under this
18 section. The commissioner must include one tier specifically
19 addressing students receiving special education services in
20 residential placement and one tier for students receiving only
21 speech therapy ~~[A special instructional arrangement for students~~
22 ~~with disabilities residing in care and treatment facilities, other~~
23 ~~than state schools, whose parents or guardians do not reside in the~~
24 ~~district providing education services shall be established by~~
25 ~~commissioner rule. The funding weight for this arrangement shall~~
26 ~~be 4.0 for those students who receive their education service on a~~
27 ~~local school district campus. A special instructional arrangement~~

1 ~~for students with disabilities residing in state schools shall be~~
2 ~~established by commissioner rule with a funding weight of 2.8].~~

3 (c) In defining the tiers of intensity of service under
4 Subsection (b), the commissioner shall consider:

5 (1) the type, frequency, and nature of services
6 provided to a student;

7 (2) the required certifications, licensures, or other
8 qualifications for personnel serving the student;

9 (3) any identified or curriculum-required
10 provider-to-student ratios for the student to receive the
11 appropriate services; and

12 (4) any equipment or technology required for the
13 services [~~For funding purposes, the number of contact hours~~
14 ~~credited per day for each student in the off home campus~~
15 ~~instructional arrangement may not exceed the contact hours credited~~
16 ~~per day for the multidistrict class instructional arrangement in~~
17 ~~the 1992-1993 school year].~~

18 (d) [~~For funding purposes the contact hours credited per day~~
19 ~~for each student in the resource room, self-contained, mild and~~
20 ~~moderate, and self-contained, severe, instructional arrangements~~
21 ~~may not exceed the average of the statewide total contact hours~~
22 ~~credited per day for those three instructional arrangements in the~~
23 ~~1992-1993 school year.~~

24 [(e) ~~The commissioner by rule shall prescribe the~~
25 ~~qualifications an instructional arrangement must meet in order to~~
26 ~~be funded as a particular instructional arrangement under this~~
27 ~~section. In prescribing the qualifications that a mainstream~~

1 ~~instructional arrangement must meet, the commissioner shall~~
2 ~~establish requirements that students with disabilities and their~~
3 ~~teachers receive the direct, indirect, and support services that~~
4 ~~are necessary to enrich the regular classroom and enable student~~
5 ~~success.~~

6 ~~[(f)] In this section, "full-time equivalent student" means~~
7 ~~30 hours of contact a week between a special education student and~~
8 ~~special education program personnel.~~

9 ~~[(g)] The commissioner shall adopt rules and procedures~~
10 ~~governing contracts for residential placement of special education~~
11 ~~students. The legislature shall provide by appropriation for the~~
12 ~~state's share of the costs of those placements.~~

13 ~~[(h)]~~ At least 55 percent of the funds allocated under this
14 section must be used in the special education program under
15 Subchapter A, Chapter 29.

16 (e) ~~[(i)]~~ The agency shall ensure ~~[encourage]~~ the placement
17 of students in special education programs, including students in
18 residential placement ~~[instructional arrangements]~~, in the least
19 restrictive environment appropriate for their educational needs.

20 (f) ~~[(j)]~~ A school district that provides an extended year
21 program required by federal law for special education students who
22 may regress is entitled to receive funds in an amount equal to ~~[75~~
23 ~~percent, or a lesser percentage determined by the commissioner, of]~~
24 the basic allotment, or, if applicable, the sum of the basic
25 allotment and the allotment under Section 48.101 to which the
26 district is entitled for each ~~[full-time equivalent]~~ student in
27 average daily attendance, multiplied by the amount designated for

1 the highest tier of intensity of service for which the student
2 qualifies [~~student's instructional arrangement~~] under this
3 section, for each day the program is provided divided by the number
4 of days in the minimum school year. [~~The total amount of state~~
5 ~~funding for extended year services under this section may not~~
6 ~~exceed \$10 million per year.~~] A school district may use funds
7 received under this section only in providing an extended year
8 program.

9 (g) [~~(k)~~] From the total amount of funds appropriated for
10 special education under this section, the commissioner shall
11 withhold an amount specified in the General Appropriations Act, and
12 distribute that amount to school districts for programs under
13 Section 29.014. The program established under that section is
14 required only in school districts in which the program is financed
15 by funds distributed under this subsection and any other funds
16 available for the program. After deducting the amount withheld
17 under this subsection from the total amount appropriated for
18 special education, the commissioner shall reduce each district's
19 allotment proportionately and shall allocate funds to each district
20 accordingly.

21 (h) Not later than December 1 of each even-numbered year,
22 the commissioner shall submit to the Legislative Budget Board, for
23 purposes of the allotment under this section, proposed weights for
24 the tiers of intensity of service for the next state fiscal
25 biennium.

26 SECTION 4.55. Subchapter C, Chapter 48, Education Code, is
27 amended by adding Sections 48.1021 and 48.1022 to read as follows:

1 Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT.

2 (a) For each student in a special education program under
3 Subchapter A, Chapter 29, a school district is entitled to an
4 allotment in an amount set by the legislature in the General
5 Appropriations Act for the service group for which the student
6 receives services.

7 (a-1) Notwithstanding Subsection (a), for the 2026-2027
8 school year, the amount of an allotment under this section shall be
9 determined in accordance with Section 48.1022. This subsection
10 expires September 1, 2027.

11 (b) The commissioner by rule shall establish at least four
12 service groups for use in determining funding under this section.
13 In establishing the groups, the commissioner must consider:

14 (1) the type, frequency, and nature of services
15 provided to a student;

16 (2) the required certifications, licensures, or other
17 qualifications for personnel serving the student;

18 (3) any identified or curriculum-required
19 provider-to-student ratios for the student to receive the
20 appropriate services; and

21 (4) any equipment or technology required for the
22 services.

23 (c) At least 55 percent of the funds allocated under this
24 section must be used for a special education program under
25 Subchapter A, Chapter 29.

26 (d) Not later than December 1 of each even-numbered year,
27 the commissioner shall submit to the Legislative Budget Board, for

purposes of the allotment under this section, proposed amounts of funding for the service groups for the next state fiscal biennium.

Sec. 48.1022. SPECIAL EDUCATION TRANSITION FUNDING.

(a) For the 2026-2027 school year, the commissioner may adjust weights or amounts provided under Section 48.102 or 48.1021 as necessary to ensure compliance with requirements regarding maintenance of state financial support under 20 U.S.C. Section 1412(a)(18) and maintenance of local financial support under applicable federal law.

(b) For the 2026-2027 school year, the commissioner shall determine the formulas through which school districts receive funding under Sections 48.102 and 48.1021. In determining the formulas, the commissioner shall ensure the estimated statewide amount provided by the sum of the allotments under Sections 48.102 and 48.1021 for the 2026-2027 school year is approximately \$350 million greater than the amount that would have been provided under the allotment under Section 48.102, as that section existed on September 1, 2025, for that school year, calculating both amounts using the basic allotment in effect for the 2026-2027 school year.

(c) Each school district and open-enrollment charter school shall report to the agency information necessary to implement this section.

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

(e) This section expires September 1, 2028.

SECTION 4.56. Sections 48.103(b), (c), and (d), Education

1 Code, are amended to read as follows:

2 (b) A school district is entitled to an allotment under
3 Subsection (a) only for a student who:

4 (1) is receiving:

5 (A) instruction, services, or accommodations for
6 dyslexia or a related disorder in accordance with[+

7 ~~[(A)]~~ an individualized education program
8 developed for the student under Section 29.005; or

9 (B) accommodations for dyslexia or a related
10 disorder in accordance with a plan developed for the student under
11 Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794); or

12 (2) ~~[is receiving instruction that:~~

13 ~~[(A) meets applicable dyslexia program criteria~~
14 ~~established by the State Board of Education; and~~

15 ~~[(B) is provided by a person with specific~~
16 ~~training in providing that instruction; or~~

17 ~~[(3)]~~ is permitted, on the basis of having dyslexia or
18 a related disorder, to use modifications in the classroom or
19 accommodations in the administration of assessment instruments
20 under Section 39.023 without a program or plan described by
21 Subdivision (1).

22 (c) A school district may receive funding for a student
23 under each provision of this section, ~~[and]~~ Section 48.102, and
24 Section 48.1021 for which [if] the student qualifies ~~[satisfies the~~
25 ~~requirements of both sections]~~.

26 (d) A school district may use ~~[an amount not to exceed 20~~
27 ~~percent of]~~ the allotment provided for a qualifying student under

1 this section to contract with a private provider to provide
2 supplemental academic services to the student that are recommended
3 under the student's program or plan described by Subsection (b). A
4 student may not be excused from school to receive supplemental
5 academic services provided under this subsection.

6 SECTION 4.57. Section 48.110(d), Education Code, is amended
7 to read as follows:

8 (d) For each annual graduate in a cohort described by
9 Subsection (b) who demonstrates college, career, or military
10 readiness as described by Subsection (f) in excess of the minimum
11 number of students determined for the applicable district cohort
12 under Subsection (c), a school district is entitled to an annual
13 outcomes bonus of:

14 (1) if the annual graduate is educationally
15 disadvantaged, \$5,000;

16 (2) if the annual graduate is not educationally
17 disadvantaged, \$3,000; and

18 (3) if the annual graduate is enrolled in a special
19 education program under Subchapter A, Chapter 29, \$4,000 [~~\$2,000~~],
20 regardless of whether the annual graduate is educationally
21 disadvantaged.

22 SECTION 4.58. Section 48.151(g), Education Code, is amended
23 to read as follows:

24 (g) A school district or county that provides special
25 transportation services for eligible special education students is
26 entitled to a state allocation at a [~~paid on a previous year's~~
27 ~~cost-per-mile basis. The~~] rate per mile equal to the sum of the

1 rate per mile set under Subsection (c) and \$0.13, or a greater
2 amount provided ~~[allowable shall be set]~~ by appropriation ~~[based on~~
3 ~~data gathered from the first year of each preceding biennium]~~.
4 Districts may use a portion of their support allocation to pay
5 transportation costs, if necessary. The commissioner may grant an
6 amount set by appropriation for private transportation to reimburse
7 parents or their agents for transporting eligible special education
8 students. The mileage allowed shall be computed along the shortest
9 public road from the student's home to school and back, morning and
10 afternoon. The need for this type of transportation shall be
11 determined on an individual basis and shall be approved only in
12 extreme hardship cases.

13 SECTION 4.59. Subchapter D, Chapter 48, Education Code, is
14 amended by adding Section 48.159 to read as follows:

15 Sec. 48.159. SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL
16 EVALUATION. (a) For each child for whom a school district conducts
17 a full individual and initial evaluation under Section 29.004 or 20
18 U.S.C. Section 1414(a)(1), the district is entitled to an allotment
19 of \$1,000 or a greater amount provided by appropriation.

20 (b) Notwithstanding Subsection (a), for the 2025-2026 and
21 2026-2027 school years, the amount of an allotment under that
22 subsection is \$3,000 for each child not enrolled or seeking
23 enrollment in a public school for whom the district conducts a full
24 individual and initial evaluation as described by that subsection.
25 The total amount that may be used to provide allotments under this
26 subsection may not exceed \$67 million for a school year. If the
27 total amount of allotments to which districts are entitled under

1 this subsection for a school year exceeds the amount permitted
2 under this subsection, the commissioner shall proportionately
3 reduce each district's allotment under this subsection. This
4 subsection expires September 1, 2027.

5 SECTION 4.60. Section 48.265(a), Education Code, is amended
6 to read as follows:

7 (a) If ~~[Notwithstanding any other provision of law, if]~~ the
8 commissioner determines that the amount appropriated for the
9 purposes of the Foundation School Program exceeds the amount to
10 which school districts are entitled under this chapter, the
11 commissioner may provide ~~[by rule shall establish a grant program~~
12 ~~through which excess funds are awarded as]~~ grants using the excess
13 money for the purchase of video equipment, or for the reimbursement
14 of costs for previously purchased video equipment, used for
15 monitoring special education classrooms or other special education
16 settings required under Section 29.022.

17 SECTION 4.61. Section 48.279(e), Education Code, is amended
18 to read as follows:

19 (e) After the commissioner has replaced any withheld
20 federal funds as provided by Subsection (d), the commissioner shall
21 distribute the remaining amount, if any, of funds described by
22 Subsection (a) to proportionately increase funding for the special
23 education allotment under Section 48.102 and the special education
24 service group allotment under Section 48.1021.

25 SECTION 4.62. Subchapter G, Chapter 48, Education Code, is
26 amended by adding Sections 48.304, 48.306, and 48.315 to read as
27 follows:

Sec. 48.304. DAY PLACEMENT PROGRAM OR COOPERATIVE FUNDING.

(a) For each qualifying day placement program or cooperative that a regional education service center, school district, or open-enrollment charter school establishes, the program or cooperative is entitled to an allotment of:

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

(2) the sum of:

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

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

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

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

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

(3) the agency has designated the program or cooperative for service in the county in which the program or cooperative is offered and determined that, at the time of

1 designation, the program or cooperative increases the availability
2 of day placement services in the county.

3 (c) The agency may not designate more than one day placement
4 program or cooperative for service per county each year.

5 (d) The agency may designate a regional education service
6 center to implement and administer this section.

7 (e) Notwithstanding any other provision of this section,
8 the agency may not provide an allotment under this section to more
9 than 20 day placement programs or cooperatives for a year.

10 Sec. 48.306. PARENT-DIRECTED SERVICES FOR STUDENTS
11 RECEIVING SPECIAL EDUCATION SERVICES GRANT. (a) Subject to
12 Subsection (f), a student to whom the agency awards a grant under
13 Subchapter A-1, Chapter 29, is entitled to receive an amount of
14 \$1,500 or a greater amount provided by appropriation.

15 (b) The legislature shall include in the appropriations for
16 the Foundation School Program state aid sufficient for the agency
17 to award grants under Subchapter A-1, Chapter 29, in the amount
18 provided by this section.

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

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

26 (e) Notwithstanding Section 7.057, a determination of the
27 commissioner under this section is final and may not be appealed.

1 (f) The total amount provided under this section may not
2 exceed \$80 million per school year.

3 (g) Notwithstanding Subsection (f), the total amount
4 provided under this section for the 2025-2026 school year may not
5 exceed \$150 million. This subsection expires September 1, 2026.

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

12 (b) Notwithstanding Subsection (a), the agency shall adjust
13 the amount of an allotment under that subsection for a school year
14 to ensure the total amount of allotments provided under that
15 subsection is at least \$35 million for that school year.

16 SECTION 4.63. The following provisions of the Education
17 Code are repealed:

- 18 (1) Section 7.055(b)(24);
- 19 (2) Sections 7.102(c)(18), (19), (20), (21), and (22);
- 20 (3) Section 29.002;
- 21 (4) Section 29.0041(c);
- 22 (5) Section 29.005(f);
- 23 (6) Section 29.0161;
- 24 (7) Sections 29.308, 29.309, 29.311, 30.001, and
25 30.0015;
- 26 (8) Sections 30.002(c-1), (c-2), (f), (f-1), and (g);
- 27 (9) Section 30.084;

1 (10) Section 30.087(b); and

2 (11) Section 38.003(d).

3 SECTION 4.64. The commissioner of education shall award a
4 grant under Subchapter A-1, Chapter 29, Education Code, as amended
5 by this article, for the 2025-2026 school year to each eligible
6 applicant who applied but was not accepted for the 2024-2025 school
7 year.

8 SECTION 4.65. To the extent of any conflict between the
9 changes made to the Education Code by this article and the changes
10 made to the Education Code by another Act of the 89th Legislature,
11 Regular Session, 2025, the changes made by this article prevail.

12 SECTION 4.66. Sections 8.051(d), 29.008, 29.014(c) and-(d),
13 and 29.018(b), Education Code, as amended by this article, apply
14 beginning with the 2026-2027 school year.

15 SECTION 4.67. (a) Except as provided by Subsection (b) or
16 (c) of this section, this article takes effect immediately if this
17 Act receives a vote of two-thirds of all the members elected to each
18 house, as provided by Section 39, Article III, Texas Constitution.
19 If this Act does not receive the vote necessary for immediate
20 effect, this article takes effect September 1, 2025.

21 (b) Except as provided by Subsection (c) of this section,
22 the amendments made by this article to Chapter 48, Education Code,
23 take effect September 1, 2025.

24 (c) Sections 48.009(b), 48.102, 48.103(b), (c), and (d),
25 and 48.279(e), Education Code, as amended by this article, and
26 Sections 48.1021 and 48.1022, Education Code, as added by this
27 article, take effect September 1, 2026.

1 ARTICLE 5. MEASURES TO SUPPORT EARLY CHILDHOOD EDUCATION

2 SECTION 5.01. Section 12.104(b), Education Code, is amended
3 to read as follows:

4 (b) An open-enrollment charter school is subject to:

5 (1) a provision of this title establishing a criminal
6 offense;

7 (2) the provisions in Chapter 554, Government Code;
8 and

9 (3) a prohibition, restriction, or requirement, as
10 applicable, imposed by this title or a rule adopted under this
11 title, relating to:

12 (A) the Public Education Information Management
13 System (PEIMS) to the extent necessary to monitor compliance with
14 this subchapter as determined by the agency ~~[commissioner]~~;

15 (B) criminal history records under Subchapter C,
16 Chapter 22;

17 (C) reading and mathematics instruments and
18 reading interventions ~~[accelerated reading instruction programs]~~
19 under Sections ~~[Section]~~ 28.006, 28.0063, and 28.0064;

20 (D) accelerated instruction under Section
21 28.0211;

22 (E) high school graduation requirements under
23 Section 28.025;

24 (F) special education programs under Subchapter
25 A, Chapter 29;

26 (G) bilingual education under Subchapter B,
27 Chapter 29;

1 (H) prekindergarten programs under Subchapter E
2 or E-1, Chapter 29, except class size limits for prekindergarten
3 classes imposed under Section 25.112, which do not apply;
4 (I) extracurricular activities under Section
5 33.081;
6 (J) discipline management practices or behavior
7 management techniques under Section 37.0021;
8 (K) health and safety under Chapter 38;
9 (L) the provisions of Subchapter A, Chapter 39;
10 (M) public school accountability and special
11 investigations under Subchapters A, B, C, D, F, G, and J, Chapter
12 39, and Chapter 39A;
13 (N) the requirement under Section 21.006 to
14 report an educator's misconduct;
15 (O) intensive programs of instruction under
16 Section 28.0213;
17 (P) the right of a school employee to report a
18 crime, as provided by Section 37.148;
19 (Q) bullying prevention policies and procedures
20 under Section 37.0832;
21 (R) the right of a school under Section 37.0052
22 to place a student who has engaged in certain bullying behavior in a
23 disciplinary alternative education program or to expel the student;
24 (S) the right under Section 37.0151 to report to
25 local law enforcement certain conduct constituting assault or
26 harassment;
27 (T) a parent's right to information regarding the

1 provision of assistance for learning difficulties to the parent's
2 child as provided by Sections 26.004(b)(11) and 26.0081(c) and (d);
3 (U) establishment of residency under Section
4 25.001;

5 (V) school safety requirements under Sections
6 37.0814, 37.108, 37.1081, 37.1082, 37.1083, 37.1084, 37.1085,
7 37.1086, 37.109, 37.113, 37.114, 37.1141, 37.115, 37.207, and
8 37.2071 and Subchapter J, Chapter 37;

9 (W) the early childhood literacy and mathematics
10 proficiency plans under Section 11.185;

11 (X) the college, career, and military readiness
12 plans under Section 11.186; and

13 (Y) parental options to retain a student under
14 Section 28.02124.

15 SECTION 5.02. The heading to Section 21.4552, Education
16 Code, is amended to read as follows:

17 Sec. 21.4552. TEACHER LITERACY ACHIEVEMENT AND READING
18 INTERVENTION ACADEMIES.

19 SECTION 5.03. Section 21.4552, Education Code, is amended
20 by amending Subsections (b) and (d) and adding Subsections (d-1),
21 (g), (h), and (i) to read as follows:

22 (b) A literacy achievement academy developed under this
23 section:

24 (1) for teachers who provide reading instruction to
25 students at the kindergarten or first, second, or third grade
26 level:

27 (A) must include training in:

1 (i) effective and systematic instructional
2 practices in reading, including phonemic awareness, phonics,
3 fluency, vocabulary, and comprehension; and

4 (ii) the use of empirically validated
5 instructional methods that are appropriate for struggling readers;
6 and

7 (B) may include training in effective
8 instructional practices in writing;

9 (2) for teachers who provide reading instruction to
10 students at the fourth or fifth grade level:

11 (A) must include effective instructional
12 practices that promote student development of reading
13 comprehension and inferential and critical thinking;

14 (B) must provide training in the use of
15 empirically validated instructional methods that are appropriate
16 for struggling readers; and

17 (C) may include material on writing instruction;

18 (3) for teachers who provide reading instruction to
19 students at the sixth, seventh, or eighth grade level, must include
20 training in:

21 (A) strategies to be implemented in English
22 language arts and other subject areas for multisyllable word
23 reading, vocabulary development, and comprehension of expository
24 and narrative text;

25 (B) an adaptation framework that enables
26 teachers to respond to differing student strengths and needs,
27 including adaptations for students of limited English proficiency

1 or students receiving special education services under Subchapter
2 A, Chapter 29;

3 (C) collaborative strategies to increase active
4 student involvement and motivation to read; and

5 (D) other areas identified by the commissioner as
6 essential components of reading instruction; and

7 (4) ~~[for teachers who provide reading instruction to~~
8 ~~students at the seventh or eighth grade level, must include~~
9 ~~training in:~~

10 ~~[(A) administration of the reading instrument~~
11 ~~required by Section 28.006(c-1), and~~

12 ~~[(B) interpretation of the results of the reading~~
13 ~~instrument required by Section 28.006(c-1) and strategies, based on~~
14 ~~scientific research regarding effective reading instruction, for~~
15 ~~long-term intensive intervention to target identified student~~
16 ~~needs in word recognition, vocabulary, fluency, and comprehension,~~
17 ~~and~~

18 ~~[(5)]~~ for teachers who provide instruction in
19 mathematics, science, or social studies to students at the sixth,
20 seventh, or eighth grade level, must include training in:

21 (A) strategies for incorporating reading
22 instruction into the curriculum for the subject area taught by the
23 teacher; and

24 (B) other areas identified by the commissioner.

25 (d) Except as provided by Subsection (d-1), from funds
26 provided under Section 48.108 or other available ~~[From]~~ funds
27 ~~[appropriated for that purpose]~~, a classroom teacher who provides

1 instruction to students in kindergarten through third grade, and
2 completes ~~[attends]~~ a literacy achievement academy is entitled to
3 receive a stipend from the school district in the amount determined
4 by the commissioner. From funds appropriated for that purpose, a
5 district may provide a stipend to a classroom teacher who provides
6 instruction to students in a grade level above third grade. A
7 stipend received under this subsection is not considered in
8 determining whether a school district is paying the classroom
9 teacher the minimum monthly salary under Section 21.402.

10 (d-1) A school district is not required to provide a stipend
11 under Subsection (d) to a classroom teacher if the teacher:

12 (1) attends the literacy achievement academy as part
13 of an educator preparation program in which the teacher is
14 enrolled;

15 (2) attends the literacy achievement academy on a day
16 or during hours of service included in the term of the teacher's
17 contract; or

18 (3) is not directed or approved by the school district
19 at which the teacher is employed to attend the literacy achievement
20 academy.

21 (g) The agency shall develop a method for evaluating a
22 literacy achievement academy to determine the effectiveness of the
23 academy, including whether the academy improves teaching practices
24 and student literacy proficiency. A school district or
25 open-enrollment charter school shall provide any information
26 requested by the agency for purposes of evaluating literacy
27 achievement academies under this subsection.

1 (h) In addition to the literacy achievement academies
2 developed under Subsection (a), the commissioner shall develop and
3 make available reading intervention academies for teachers or other
4 professionals who provide reading interventions to students who
5 require targeted instruction in foundational reading skills.

6 (i) The commissioner may establish an advisory board to
7 assist the agency in fulfilling the agency's duties under this
8 section. A recommendation of the advisory board shall be made
9 available to the public. Chapter 2110, Government Code, does not
10 apply to an advisory board established under this subsection.

11 SECTION 5.04. The heading to Section 21.4553, Education
12 Code, is amended to read as follows:

13 Sec. 21.4553. TEACHER MATHEMATICS ACHIEVEMENT AND
14 INTERVENTIONIST ACADEMIES.

15 SECTION 5.05. Section 21.4553, Education Code, is amended
16 by amending Subsection (d) and adding Subsections (d-1), (g), (h),
17 and (i) to read as follows:

18 (d) Except as provided by Subsection (d-1), from funds
19 provided under Section 48.108 or other available [From] funds
20 [appropriated for that purpose], a classroom teacher who completes
21 [attends] a mathematics achievement academy is entitled to receive
22 a stipend from the school district in the amount determined by the
23 commissioner. A stipend received under this subsection is not
24 considered in determining whether a district is paying the
25 classroom teacher the minimum monthly salary under Section 21.402.

26 (d-1) A school district is not required to provide a stipend
27 under Subsection (d) to a classroom teacher if the teacher:

1 (1) attends the mathematics achievement academy as
2 part of an educator preparation program in which the teacher is
3 enrolled;

4 (2) attends the mathematics achievement academy on a
5 day or during hours of service included in the term of the teacher's
6 contract; or

7 (3) is not directed or approved by the school district
8 at which the teacher is employed to attend the mathematics
9 achievement academy.

10 (g) The agency shall develop a method for evaluating a
11 mathematics achievement academy to determine the effectiveness of
12 the academy, including whether the academy improves teaching
13 practices and student math proficiency. A school district or
14 open-enrollment charter school shall provide any information
15 requested by the agency for purposes of evaluating mathematics
16 achievement academies under this subsection.

17 (h) In addition to the mathematics achievement academies
18 developed under Subsection (a), the commissioner shall develop and
19 make available mathematics interventionist academies for a teacher
20 or other professional who provides mathematics interventions to
21 students who require targeted instruction in foundational
22 mathematics skills.

23 (i) The commissioner may establish an advisory board to
24 assist the agency in fulfilling the agency's duties under this
25 section. A recommendation of the advisory board shall be made
26 available to the public. Chapter 2110, Government Code, does not
27 apply to an advisory board established under this subsection.

1 SECTION 5.06. Subchapter C, Chapter 25, Education Code, is
2 amended by adding Section 25.0816 to read as follows:

3 Sec. 25.0816. ADDITIONAL DAYS SCHOOL YEAR PLANNING GRANT
4 PROGRAM. (a) From money appropriated or otherwise available for
5 the purpose, the agency shall establish and administer a grant
6 program to provide funding and technical assistance to school
7 districts and open-enrollment charter schools to plan the school
8 year and adjust operations as necessary to qualify for the
9 incentive funding under Section 48.0051.

10 (b) In awarding grants under the program, the agency shall
11 prioritize school districts and open-enrollment charter schools
12 that seek to maximize incentive funding under Section 48.0051.

13 (c) The agency may solicit and accept gifts, grants, and
14 donations for purposes of this section.

15 SECTION 5.07. Section 25.085(d), Education Code, is amended
16 to read as follows:

17 (d) Unless specifically exempted by Section 25.086, a
18 student enrolled in a school district must attend:

19 (1) an extended-year program for which the student is
20 eligible that is provided by the district for students identified
21 as likely not to be promoted to the next grade level or tutorial
22 classes required by the district under Section 29.084;

23 (2) a reading intervention program [~~an accelerated~~
24 ~~reading instruction program~~] to which the student is assigned under
25 Section 28.0064 [~~28.006(g)~~];

26 (3) an accelerated instruction program to which the
27 student is assigned under Section 28.0211;

1 (4) a basic skills program to which the student is
2 assigned under Section 29.086; or

3 (5) a summer program provided under Section 37.008(1)
4 or Section 37.021.

5 SECTION 5.08. The heading to Section 28.006, Education
6 Code, is amended to read as follows:

7 Sec. 28.006. KINDERGARTEN READING READINESS ~~[DIAGNOSIS]~~.

8 SECTION 5.09. Section 28.006, Education Code, is amended by
9 amending Subsections (a), (b), (b-1), (c-2), (c-3), (d), (f), and
10 (h) and adding Subsection (n) to read as follows:

11 (a) The commissioner shall develop recommendations for
12 school districts for:

13 (1) administering reading instruments to measure
14 students' foundational literacy skills in ~~[diagnose student]~~
15 reading development and comprehension;

16 (2) training educators in administering the reading
17 instruments; and

18 (3) applying the results of the reading instruments to
19 the instructional program.

20 (b) The commissioner shall adopt a ~~[list of]~~ reading
21 instrument ~~[instruments]~~ that a school district shall ~~[may]~~ use at
22 the beginning of the school year to measure a kindergarten
23 student's foundational literacy skills in ~~[diagnose student]~~
24 reading development and comprehension. A reading instrument
25 adopted under this subsection may include other developmental
26 skills as part of ~~[For use in diagnosing the reading development and~~
27 ~~comprehension of kindergarten students, the commissioner shall~~

1 ~~adopt~~] a multidimensional assessment tool ~~[that includes a reading~~
2 ~~instrument and tests at least three developmental skills, including~~
3 ~~literacy. A multidimensional assessment tool administered as~~
4 ~~provided by this subsection is considered to be a reading~~
5 ~~instrument for purposes of this section. A district-level~~
6 ~~committee established under Subchapter F, Chapter 11, may adopt a~~
7 ~~list of reading instruments for use in the district in a grade level~~
8 ~~other than kindergarten in addition to the reading instruments on~~
9 ~~the commissioner's list]. A [Each] reading instrument adopted by~~
10 the commissioner ~~[or a district-level committee]~~ must be based on
11 scientific research concerning foundational literacy skills in
12 reading ~~[skills]~~ development and ~~[reading]~~ comprehension ~~and[. A~~
13 ~~list of reading instruments adopted under this subsection must]~~
14 provide for measuring ~~[diagnosing]~~ the foundational literacy
15 skills in reading development and comprehension of students,
16 including students participating in a program under Subchapter B,
17 Chapter 29.

18 (b-1) The commissioner may approve not more than two ~~[an]~~
19 alternative reading instruments ~~[instrument]~~ for use in measuring
20 ~~[diagnosing]~~ the foundational literacy skills in reading
21 development and comprehension of kindergarten students that
22 complies with the requirements under Subsection (b).

23 (c-2) Not later than the 60th day after the beginning of the
24 school year, each ~~[Each]~~ school district shall administer at the
25 kindergarten level a reading instrument adopted by the commissioner
26 under Subsection (b) or approved by the commissioner under
27 Subsection (b-1). The district shall administer the reading

1 instrument in accordance with the commissioner's recommendations
2 under Subsection (a)(1) and policies developed by commissioner
3 rule.

4 (c-3) The commissioner by rule shall determine the
5 performance on a [the] reading instrument adopted or approved under
6 this section [~~Subsection (b)~~] that indicates kindergarten
7 readiness. Each reading instrument adopted or approved under this
8 section must provide for the ability to compare the performance
9 that indicates kindergarten readiness on that instrument with the
10 performance that indicates kindergarten readiness on other
11 instruments adopted or approved under this section.

12 (d) The superintendent of each school district shall:

13 (1) report to the commissioner and the board of
14 trustees of the district at a public meeting of the board the
15 results of a [the] reading instrument administered to students
16 under this section [~~instruments~~];

17 (2) not later than the earlier of the 20th school day
18 or the 30th [~~60th~~] calendar day after the date on which the results
19 of a reading instrument are available, [~~was administered~~] report,
20 in writing or electronically, to a student's parent or guardian the
21 student's results on the instrument; and

22 (3) using the school readiness certification system
23 provided to the school district in accordance with Section
24 29.161(e), report electronically each student's raw score on the
25 reading instrument to the agency for use in the school readiness
26 certification system.

27 (f) The agency shall ensure [~~at least one~~] reading

1 instruments adopted or approved [~~instrument for each grade level~~
2 ~~for which a reading instrument is required to be administered~~]
3 under this section are [~~is~~] available to school districts at no
4 cost.

5 (h) The school district shall make a good faith effort to
6 ensure that the report [~~notice~~] required under Subsection (d)(2)
7 [~~this section~~] is provided either in person or electronically [~~by~~
8 ~~regular mail~~] and that the report [~~notice~~] is clear and easy to
9 understand and is written in English and in the parent or guardian's
10 native language.

11 (n) Nothing in this section may be construed to circumvent
12 or supplant federal or state law regarding a student who
13 participates in a special education program under Subchapter A,
14 Chapter 29, or a student who is suspected to have a disability and
15 who may be eligible to participate in a special education program
16 under that subchapter.

17 SECTION 5.10. Subchapter A, Chapter 28, Education Code, is
18 amended by adding Sections 28.0063, 28.0064, 28.0065, and 28.0071
19 to read as follows:

20 Sec. 28.0063. EARLY LITERACY AND NUMERACY INSTRUMENTS. (a)
21 The commissioner shall adopt a list of reading and mathematics
22 instruments approved or developed by the commissioner for use by
23 school districts in kindergarten through grade three to measure
24 students' foundational literacy skills in reading development and
25 comprehension and foundational numeracy skills in mathematics.

26 (b) A reading or mathematics instrument adopted under
27 Subsection (a) must:

1 (1) be based on scientific research concerning, as
2 applicable:

3 (A) foundational literacy skills in reading
4 development and comprehension; or

5 (B) foundational numeracy skills in mathematics;

6 (2) be capable of being administered at the beginning,
7 middle, and end of the school year;

8 (3) be designed to assess the performance of students
9 in, as applicable:

10 (A) the foundational literacy skills components
11 of the essential knowledge and skills adopted under Section 28.002
12 for language arts; or

13 (B) the foundational numeracy skills components
14 of the essential knowledge and skills adopted under Section 28.002
15 for mathematics;

16 (4) be capable of monitoring student progress in a
17 manner that allows school district staff to identify specific
18 foundational literacy or numeracy skills in need of targeted
19 instruction;

20 (5) assess whether a student's skills identified as in
21 need of targeted instruction indicate that the student is at risk,
22 as determined by the agency, of not achieving satisfactory
23 performance on the third grade reading or mathematics assessment
24 administered under Section 39.023;

25 (6) for a reading instrument for students in
26 kindergarten and first grade, include the applicable elements and
27 criteria to serve as the required screenings for dyslexia and

1 related disorders under Section 38.003; and

2 (7) for a reading instrument, allow a school district
3 to generate a report regarding a student's reading progress,
4 including progress from previous administrations of the same
5 instrument, that is clear and easy to understand that may be
6 distributed to the student's parent in English, Spanish, or, to the
7 extent practicable, any other language spoken by the parent.

8 (c) The commissioner shall:

9 (1) update the list of reading and mathematics
10 instruments adopted under Subsection (a) not less than once every
11 four years;

12 (2) ensure the list adopted under Subsection (a)
13 includes multiple reading and mathematics instruments;

14 (3) develop a process by which a school district may
15 submit an instrument to the commissioner for approval; and

16 (4) make publicly available the criteria for the
17 evaluation and approval of an instrument submitted to the
18 commissioner.

19 (d) The instruments adopted or approved under this section
20 shall be administered as follows:

21 (1) for kindergarten, at the middle and end of the
22 school year;

23 (2) for first and second grade, at the beginning,
24 middle, and end of the school year; and

25 (3) for third grade, at the beginning and middle of the
26 school year.

27 (e) The commissioner shall align and determine

1 comparability of the instruments administered under this section
2 with the following instruments:

3 (1) an instrument adopted or approved under Section
4 28.006 that is administered to a kindergarten student at the
5 beginning of the school year; and

6 (2) a third grade assessment instrument adopted or
7 developed under Section 39.023 that is administered at the end of
8 the school year for a third grade student.

9 (f) If the commissioner determines that an interim
10 assessment instrument adopted under Section 39.023(o) provides the
11 same intended outcomes as an instrument adopted or approved under
12 this section, the commissioner may substitute that interim
13 assessment instrument for an instrument adopted or approved under
14 this section.

15 (g) A school district shall administer to students in
16 kindergarten through third grade a reading instrument and a
17 mathematics instrument adopted under Subsection (a) in accordance
18 with requirements and recommendations established by the
19 commissioner under this section, including requirements or
20 recommendations related to:

21 (1) administering the instruments;
22 (2) training staff on the instruments; and
23 (3) applying the results of the instruments to the
24 district's instructional program.

25 (h) The superintendent of each school district shall:

26 (1) report to the commissioner and the board of
27 trustees of the district at a public meeting of the board the

results of a reading or mathematics instrument administered to students under this section; and

(2) not later than the earlier of the 20th school day or the 30th calendar day after the date on which the results of a reading or mathematics instrument are available, report, in writing or electronically, to a student's parent or guardian:

(A) the student's results on the instrument;

(B) for a reading instrument, the report described by Subsection (b)(7); and

(C) if the student is determined to be at risk for dyslexia or a related disorder based on the results of the reading instrument, information regarding that determination.

(i) The agency shall establish a list of reading and mathematics instruments adopted under Subsection (a) for which the agency has negotiated a price. A school district is not required to use a method provided by Section 44.031 to purchase an instrument on the list established under this subsection.

(j) A student's parent or guardian may submit a written request to the administrator of the campus at which the student is enrolled to opt the student out of the administration of a reading or mathematics instrument required under this section. A school district may not encourage or direct a parent or guardian to submit a written request under this subsection.

(k) The commissioner shall adopt rules as necessary to implement this section.

(l) Section 2001.0045, Government Code, does not apply to a rule adopted under this section.

1 (m) A school district may comply with the requirements of
2 Subsection (g) by administering a reading or mathematics instrument
3 selected by the board of trustees of the school district that meets
4 the requirements of Subsection (b) until the commissioner adopts
5 the list of reading and mathematics instruments under Subsection
6 (a). This subsection expires September 1, 2029.

7 Sec. 28.0064. EARLY LITERACY INTERVENTION FOR CERTAIN
8 STUDENTS. (a) If a student's results on two consecutive reading
9 instruments administered under Section 28.0063 indicate that the
10 student is at risk, as determined by the agency, of not achieving
11 satisfactory performance in foundational literacy, a school
12 district shall, as soon as practicable following the receipt of the
13 student's results, provide reading interventions to the student.

14 (b) Reading interventions provided under Subsection (a)
15 must:

16 (1) include targeted instruction in the foundational
17 literacy skills identified as areas in need of targeted instruction
18 by the reading instrument administered under Section 28.0063;

19 (2) ensure that the student receives the interventions
20 during a period and at a frequency sufficient to address the areas
21 described by Subdivision (1);

22 (3) include effective instructional materials
23 designed for reading intervention;

24 (4) be provided by a person:

25 (A) with training in reading interventions and in
26 the applicable instructional materials described by Subdivision
27 (3); and

1 (B) under the oversight of the school district;
2 (5) to the extent possible, be provided by one person
3 for the entirety of the student's reading intervention period; and
4 (6) meet any additional requirements adopted by the
5 commissioner.

6 (c) A school district shall continue providing reading
7 intervention to a student under this section until the earlier of
8 the date on which:

9 (1) the student is no longer determined to be at risk,
10 as determined by the agency, of not achieving satisfactory
11 performance in foundational literacy on a reading instrument
12 administered under Section 28.0063; or

13 (2) the student begins the fourth grade.

14 (d) In providing reading interventions under this section,
15 a school district may not remove a student, except under
16 circumstances for which a student enrolled in the same grade level
17 who is not receiving reading interventions would be removed, from:

18 (1) instruction in the foundation curriculum and
19 enrichment curriculum adopted under Section 28.002 for the grade
20 level in which the student is enrolled; or

21 (2) recess or other physical activity that is
22 available to other students enrolled in the same grade level.

23 (e) The agency shall approve one or more products that use
24 an automated, computerized, or other augmented method for providing
25 reading interventions. The agency may approve a product under this
26 subsection only if evidence indicates that the product is effective
27 at promoting mastery of foundational literacy skills.

1 (f) Subject to appropriation, the agency shall ensure that
2 at least one product approved under Subsection (e) is available to
3 school districts at no or reduced cost.

4 (g) A student's parent or guardian may submit a written
5 request to the administrator of the campus at which the student is
6 enrolled to opt the student out of all or part of the reading
7 intervention requirements under Subsection (b). A school district
8 may not encourage or direct a parent or guardian to submit a written
9 request under this subsection that would allow the district to not
10 provide reading interventions to the student.

11 (h) A school district must provide to the parent or guardian
12 of a student receiving reading interventions under this section the
13 notice required under Section 26.0081(d).

14 (i) Nothing in this section may be construed to prevent or
15 discourage reading interventions for a student whose results on a
16 reading instrument administered under Section 28.0063 indicate
17 that the student is at risk, as determined by the agency, of not
18 achieving satisfactory performance in foundational literacy.

19 (j) Nothing in this section may be construed to circumvent
20 or supplant federal or state law regarding a student who
21 participates in a special education program under Subchapter A,
22 Chapter 29, or a student who is suspected to have a disability and
23 who may be eligible to participate in a special education program
24 under that subchapter.

25 (k) The commissioner shall adopt rules as necessary to
26 implement this section, including rules that define appropriate
27 standards for implementing reading interventions that meet the

1 requirements of Subsection (b).

2 (l) Section 2001.0045, Government Code, does not apply to a
3 rule adopted under this section.

4 (m) A school district is not required to comply with the
5 requirements of this section until the commissioner adopts a list
6 of reading and mathematics instruments under Section 28.0063 and
7 designates the first school year that districts must comply with
8 this section. This subsection expires September 1, 2029.

9 Sec. 28.0065. ADAPTIVE VOCABULARY PILOT PROGRAM. (a) The
10 agency shall develop and implement an adaptive vocabulary
11 assessment pilot program to assess vocabulary development in
12 students in kindergarten through third grade.

13 (b) The agency may develop an assessment under the pilot
14 program to assess students in grades other than grades described by
15 Subsection (a).

16 (c) Nothing in this section may be construed to circumvent
17 or supplant federal or state law regarding a student who
18 participates in a special education program under Subchapter A,
19 Chapter 29, or a student who is suspected to have a disability and
20 who may be eligible to participate in a special education program
21 under that subchapter.

22 (d) The commissioner may adopt rules as necessary to
23 implement this section.

24 Sec. 28.0071. MATHEMATICS TRAINING FOR KINDERGARTEN
25 THROUGH EIGHTH GRADE. (a) Each school district and
26 open-enrollment charter school shall ensure that:

27 (1) not later than the 2030-2031 school year, each

classroom teacher that provides instruction in mathematics to students in kindergarten through eighth grade and each principal, assistant principal, mathematics instructional coach, and mathematics interventionist at a campus with one of those grade levels has attended a teacher mathematics achievement academy developed under Section 21.4553; and

(2) each classroom teacher and principal initially employed in a grade level or at a campus described by Subdivision (1) for the 2030-2031 school year or a subsequent school year has attended a teacher mathematics achievement academy developed under Section 21.4553 by the end of the teacher's or principal's first year of placement in that grade level or campus.

(b) The agency shall provide assistance to school districts and open-enrollment charter schools in complying with the requirements under this section.

(c) The agency shall:

(1) monitor the implementation of this section; and

(2) periodically report to the legislature on the implementation of this section and the effectiveness of this section in improving educational outcomes.

(d) The commissioner may adopt rules to implement this section.

SECTION 5.11. Subchapter B, Chapter 28, Education Code, is amended by adding Section 28.02111 to read as follows:

Sec. 28.02111. FIRST THROUGH THIRD GRADE SUPPLEMENTARY SUPPORTS. (a) The commissioner shall establish and administer a program designed to help improve student proficiency in reading by

1 providing a grant in an amount provided under Section 48.317
2 through which the student's parent may purchase tutoring services
3 from agency-approved providers to:

4 (1) a student at or below the third grade level who,
5 beginning in the first grade, is required to be provided reading
6 interventions under Section 28.0064; and

7 (2) a student who is required to be provided
8 accelerated instruction under Section 28.0211(a-1) based on the
9 student's third grade performance.

10 (b) The agency shall approve as a provider of tutoring
11 services under this section a classroom teacher employed by a
12 school district or open-enrollment charter school who:

13 (1) holds a current teacher designation under Section
14 21.3521; and

15 (2) submits the teacher's name to the agency to offer
16 tutoring services designed to help improve student proficiency in
17 reading.

18 (c) The agency shall:

19 (1) maintain a system of online accounts under which
20 each student described by Subsection (a) is assigned an account for
21 the student's parent to access the grant described by Subsection
22 (a); and

23 (2) implement the program in a manner that ensures:

24 (A) ease of use for parents of students who are
25 eligible for a grant under this section;

26 (B) fidelity of spending; and

27 (C) a parent of a student awarded a grant under

1 this section is provided a period of one year from the date on which
2 the grant is awarded to obtain services for which grant money may be
3 used.

4 (d) A student may not receive more than one grant under
5 Subsection (a)(1) and one grant under Subsection (a)(2) unless the
6 legislature provides for additional grants by appropriation.

7 (e) The agency may reserve from the total amount of money
8 available for purposes of the program an amount, not to exceed five
9 percent of the total amount, to cover the agency's cost of
10 administering the program.

11 (f) A school district or open-enrollment charter school in
12 which a student who receives a grant under this section is enrolled
13 remains subject to the requirements to provide reading
14 interventions under Section 28.0064 and accelerated instruction
15 under Section 28.0211, as applicable.

16 (g) A school district or open-enrollment charter school
17 shall provide to the parent of a student described by Subsection (a)
18 notice of the student's eligibility for a grant under this section,
19 in a form and manner established by the agency.

20 (h) A decision by the commissioner regarding the program
21 under this section is final and may not be appealed.

22 (i) The commissioner shall adopt rules as necessary to
23 implement this section.

24 SECTION 5.12. Section 29.0031, Education Code, is amended
25 by adding Subsection (e) to read as follows:

26 (e) A school district shall notify the parent of a student
27 identified with dyslexia or a related disorder of the Talking Book

1 Program administered by the Texas State Library and Archives
2 Commission and other available audio book services.

3 SECTION 5.13. Section 29.153, Education Code, is amended by
4 amending Subsections (b) and (g) and adding Subsections (g-1), (h),
5 and (i) to read as follows:

6 (b) A child is eligible for enrollment in a prekindergarten
7 class under this section if the child is at least three years of age
8 and:

9 (1) is unable to speak and comprehend the English
10 language;

11 (2) is educationally disadvantaged;

12 (3) is homeless, regardless of the residence of the
13 child, of either parent of the child, or of the child's guardian or
14 other person having lawful control of the child;

15 (4) is the child of an active duty member of the armed
16 forces of the United States, including the state military forces or
17 a reserve component of the armed forces, who is ordered to active
18 duty by proper authority;

19 (5) is the child of a member of the armed forces of the
20 United States, including the state military forces or a reserve
21 component of the armed forces, who was injured or killed while
22 serving on active duty;

23 (6) is or ever has been in:

24 (A) the conservatorship of the Department of
25 Family and Protective Services following an adversary hearing held
26 as provided by Section 262.201, Family Code; or

27 (B) foster care in another state or territory, if

1 the child resides in this state; ~~[or]~~

2 (7) is the child of a person eligible for the Star of
3 Texas Award as:

4 (A) a peace officer under Section 3106.002,
5 Government Code;

6 (B) a firefighter under Section 3106.003,
7 Government Code; or

8 (C) an emergency medical first responder under
9 Section 3106.004, Government Code; or

10 (8) is the child of a person employed as a classroom
11 teacher at a public primary or secondary school in the school
12 district that offers a prekindergarten class under this section.

13 (g) Before a school district or open-enrollment charter
14 school may construct, repurpose, or lease a classroom facility, or
15 issue bonds for the construction or repurposing of a classroom
16 facility, to provide the prekindergarten classes required under
17 this section, the district or school must:

18 (1) solicit and consider proposals for partnerships to
19 provide those classes with community-based child-care providers
20 who:

21 (A) ~~[(1)]~~ are a Texas Rising Star Program
22 provider with a three-star certification or higher;

23 (B) ~~[(2)]~~ are nationally accredited;

24 (C) ~~[(3)]~~ are a Head Start program provider;

25 (D) ~~[(4)]~~ are a Texas School Ready! participant;

26 or

27 (E) ~~[(5)]~~ meet the requirements under Section

1 29.1532; and

2 (2) have received an official determination from a
3 prekindergarten partnership intermediary designated under
4 Subsection (g-1) that the providers from which the district or
5 school has considered proposals under Subdivision (1) are unable to
6 serve the students for whom the district or school plans to provide
7 prekindergarten classes in the classroom facility to be
8 constructed, repurposed, or leased.

9 (g-1) The commissioner shall designate at least four
10 appropriate entities as prekindergarten partnership intermediaries
11 to develop partnerships between school districts and
12 open-enrollment charter schools and private prekindergarten
13 providers. The agency shall develop guidelines for use by the
14 prekindergarten partnership intermediaries regarding successful
15 prekindergarten partnerships between school districts and
16 open-enrollment charter schools and private prekindergarten
17 providers.

18 (h) Notwithstanding any other law, a facility or location at
19 which prekindergarten classes are provided by a school district or
20 open-enrollment charter school in partnership with a private entity
21 under this section:

22 (1) must comply with any municipal ordinance
23 applicable to the operation of a private prekindergarten program;
24 and

25 (2) may not be required to comply with any municipal
26 ordinance applicable to the operation of a prekindergarten program
27 by a school district or open-enrollment charter school.

1 (i) A partnership entered into between a school district or
2 open-enrollment charter school and a private provider for a
3 prekindergarten class under this section must provide for the
4 provider to receive funding for each district or school student
5 enrolled in the class in an amount that is not less than 85 percent
6 of the amount of funding that the district or school receives for
7 the student. Notwithstanding Section 7.056(e)(3)(I), the
8 commissioner may waive the requirement under this subsection on
9 request by a school district or open-enrollment charter school in
10 accordance with Section 7.056.

11 SECTION 5.14. Section 29.1531, Education Code, is amended
12 by amending Subsections (a) and (b) and adding Subsections (c) and
13 (d) to read as follows:

14 (a) Except as provided by Subsection (c), a [A] school
15 district may offer on a tuition basis or use district funds to
16 provide:

17 (1) an additional half-day of prekindergarten classes
18 to children who are eligible for classes under Section 29.153 and
19 are under four years of age; and

20 (2) half-day and full-day prekindergarten classes to
21 children not eligible for classes under Section 29.153.

22 (b) A district that offers a prekindergarten program on a
23 tuition basis[+

24 [~~+~~] may not adopt a tuition rate for the program that
25 is higher than necessary to cover the added costs of providing the
26 program, including any costs associated with collecting,
27 reporting, and analyzing data under Section 29.1532(c) [~~+~~and

1 ~~[(2) must submit the proposed tuition rate to the~~
2 ~~commissioner for approval].~~

3 (c) A school district may offer a prekindergarten program on
4 a tuition basis only if the district has received an official
5 determination from a prekindergarten partnership intermediary
6 designated under Section 29.153(g-1) that no private
7 prekindergarten providers that meet the qualifications of Section
8 29.153(g)(1)(A), (B), (C), or (D) are available to serve the
9 students for whom the district plans to charge tuition.

10 (d) The commissioner may adopt rules under this section,
11 including rules establishing the manner in which a prekindergarten
12 partnership intermediary may determine whether a private
13 prekindergarten provider is available.

14 SECTION 5.15. Section 29.1543, Education Code, is amended
15 to read as follows:

16 Sec. 29.1543. EARLY EDUCATION REPORTS. The agency shall
17 produce and make available to the public on the agency's Internet
18 website annual district and campus-level reports containing
19 information from the previous school year on early education in
20 school districts and open-enrollment charter schools. A report
21 under this section must contain:

22 (1) the information required by Section 29.1532(c) to
23 be reported through the Public Education Information Management
24 System (PEIMS);

25 (2) a description of the ~~[diagnostic]~~ reading
26 instruments administered in accordance with Section 28.006(c-2)
27 ~~[28.006(c) or (c-2)]~~;

1 (3) the number of students who were administered a
2 [~~diagnostic~~] reading instrument administered in accordance with
3 Section 28.006(c-2) [~~28.006(c) or (c-2)~~];

4 (4) the number of students whose scores from a
5 [~~diagnostic~~] reading instrument administered in accordance with
6 Section 28.006(c-2) [~~28.006(c) or (c-2)~~] indicate kindergarten
7 readiness in reading [~~proficiency~~];

8 (5) the number of kindergarten students who were
9 enrolled in a prekindergarten program, including a program offered
10 through a partnership under Section 29.153, in the previous school
11 years [~~year~~] in the same district or school as the district or
12 school in which the student attends kindergarten;

13 (6) the number and percentage of students who perform
14 satisfactorily on the third grade reading or mathematics assessment
15 instrument administered under Section 39.023, disaggregated by
16 whether the student was eligible for free prekindergarten under
17 Section 29.153;

18 (7) the number of students described by Subdivision
19 (6) who attended kindergarten in the district, disaggregated by:

20 (A) whether the student met the kindergarten
21 readiness standard on a [~~the~~] reading instrument adopted under
22 Section 28.006;

23 (B) whether the student attended prekindergarten
24 in the district, including a program offered through a partnership
25 under Section 29.153; and

26 (C) the type of prekindergarten the student
27 attended, if applicable; and

1 (8) the information described by Subdivisions (6) and
2 (7) disaggregated by whether the student is educationally
3 disadvantaged.

4 SECTION 5.16. Section 29.161(c), Education Code, is amended
5 to read as follows:

6 (c) The system must:

7 (1) be reflective of research in the field of early
8 childhood care and education;

9 (2) be well-grounded in the cognitive, social, and
10 emotional development of young children;

11 (3) apply a common set of criteria to each program
12 provider seeking certification, regardless of the type of program
13 or source of program funding; and

14 (4) be capable of fulfilling the reporting and notice
15 requirements of Section [~~Sections~~] 28.006(d) [~~and (g)~~].

16 SECTION 5.17. Section 29.167, Education Code, is amended by
17 amending Subsections (b-1) and (b-3) and adding Subsection (b-4) to
18 read as follows:

19 (b-1) Notwithstanding Subsection (b), each teacher for a
20 prekindergarten class provided by an entity with which a school
21 district contracts to provide a prekindergarten program must:

22 (1) be certified under Subchapter B, Chapter 21, to
23 teach prekindergarten or supervised by a person who meets the
24 requirements under Subsection (b); [~~and~~]

25 (2) have one of the following qualifications:

26 (A) at least two years' experience of teaching in
27 a nationally accredited child care program or a Texas Rising Star

1 Program and:

2 (i) a Child Development Associate (CDA)
3 credential or another early childhood education credential
4 approved by the agency; or

5 (ii) certification offered through a
6 training center accredited by Association Montessori
7 Internationale or through the Montessori Accreditation Council for
8 Teacher Education; or

9 (B) a qualification described by Subsection
10 (b)(2)(A), (D), (E), or (F); and

11 (3) when appropriate, be appropriately certified or be
12 supervised by a person who is appropriately certified to provide
13 effective instruction to emergent bilingual students, as defined by
14 Section 29.052, enrolled in the prekindergarten program.

15 (b-3) Subsections (b-1), ~~[and]~~ (b-2), and (b-4) and this
16 subsection expire September 1, 2029.

17 (b-4) Subsections (b-1) and (b-2) apply to any
18 prekindergarten class provided by an entity with which a school
19 district contracts to provide a prekindergarten program under
20 Section 29.153.

21 SECTION 5.18. Sections 29.934(b) and (d), Education Code,
22 are amended to read as follows:

23 (b) To apply to be designated as a resource campus under
24 this section, the campus must have received an overall performance
25 rating under Section 39.054 of D or F, or an overall performance
26 rating under Section 39.054(a-4)(1) or 39.0546 of "Not Rated," for
27 three ~~[four]~~ years over a 10-year period of time.

1 (d) To be designated as a resource campus, the campus must:

2 (1) implement a targeted improvement plan as described

3 by Chapter 39A and establish a school community partnership team;

4 (2) adopt an accelerated campus excellence turnaround

5 plan as provided by Section 39A.105(b) ~~[except that a classroom~~

6 ~~teacher who satisfies the requirements for demonstrated~~

7 ~~instructional effectiveness under Section 39A.105(b)(3) must also~~

8 ~~hold a current designation assigned under Section 21.3521]~~;

9 (3) be in a school district that has adopted an

10 approved local optional teacher designation system under Section

11 21.3521;

12 (4) satisfy certain staff criteria by:

13 (A) requiring a principal or teacher employed at

14 the campus before the designation to apply for a position to

15 continue at the campus;

16 (B) for a subject in the foundation curriculum

17 under Section 28.002(a)(1):

18 (i) employing only teachers who have at

19 least two ~~[three]~~ years of teaching experience; and

20 (ii) ensuring that at least 50 percent of

21 teachers hold a current designation assigned under Section 21.3521;

22 (C) employing at least one school counselor for

23 every 300 students; and

24 (D) employing at least one appropriately

25 licensed professional to assist with the social and emotional needs

26 of students and staff, who must be a:

27 (i) family and community liaison;

- (ii) clinical social worker;
- (iii) specialist in school psychology; or
- (iv) professional counselor;
- (5) implement a positive behavior program as provided by Section 37.0013;
- (6) implement a family engagement plan as described by Section 29.168;
- (7) develop and implement a plan to use high quality instructional materials;
- (8) if the campus is an elementary or middle school campus, operate the campus for a school year that qualifies for funding under Section 48.0051; and
- (9) annually submit to the commissioner data and information required by the commissioner to assess fidelity of implementation.

SECTION 5.19. Effective September 1, 2028, Section 29.934, Education Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

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

(b-1) Notwithstanding Subsection (b), a campus may apply to be designated as a resource campus under this section if the campus received an overall performance rating under Section 39.054 of D or F, or an overall performance rating under Section 39.054(a-4)(1) or

1 former Section 39.0546 of "Not Rated," for three years over a
2 10-year period of time. This subsection expires September 1, 2033.

3 SECTION 5.20. Section 31.0752, Education Code, is amended
4 to read as follows:

5 Sec. 31.0752. OPEN EDUCATION RESOURCE INSTRUCTIONAL
6 MATERIAL SUPPORT PROGRAM. (a) The agency shall develop and
7 maintain a program to assist school districts and open-enrollment
8 charter schools in adopting and using open education resource
9 instructional material made available under this subchapter,
10 including by assisting districts and schools to:

11 (1) maintain the instructional flexibility of
12 classroom teachers to address the needs of each student; and

13 (2) schedule instructional periods in a manner that
14 allows classroom teachers sufficient time to effectively prepare
15 and present instructional material within the teacher's normal work
16 day.

17 (b) The agency shall engage in efforts to meet the demand
18 from school districts and open-enrollment charter schools that
19 request assistance under this section for the 2024-2025 or
20 2025-2026 school year. A school district or open-enrollment
21 charter school may apply assistance received under this subsection
22 to offset the payment of costs related to implementing open
23 education resource instructional material, regardless of whether
24 the district or school incurred the cost before receiving the
25 assistance. This subsection expires September 1, 2027.

26 SECTION 5.21. Subchapter B-1, Chapter 31, Education Code,
27 is amended by adding Section 31.0754 to read as follows:

1 Sec. 31.0754. COMMUNICATION REGARDING HIGH QUALITY
2 INSTRUCTIONAL MATERIALS. (a) Notwithstanding Chapter 2113,
3 Government Code, the commissioner may enter into contracts or
4 agreements and engage in efforts to communicate information to
5 parents, classroom teachers, school districts, and open-enrollment
6 charter schools regarding the educational value, particularly the
7 impact on reading and math achievement, of open education resource
8 instructional materials made available under this subchapter,
9 including activities to promote, market, and advertise the content
10 included in and how to use those materials.

11 (b) The commissioner may use appropriated funds or funds
12 appropriated for the development of open education resource
13 instructional materials under this subchapter to pay for activities
14 authorized under this section.

15 SECTION 5.22. Section 38.003, Education Code, is amended by
16 amending Subsection (a) and adding Subsection (a-1) to read as
17 follows:

18 (a) The State Board of Education shall identify the
19 necessary criteria and elements that provide for universal
20 screening [~~Students enrolling in public schools in this state shall~~
21 ~~be screened or tested, as appropriate,~~] for dyslexia and related
22 disorders for students [~~at appropriate times in accordance with a~~
23 ~~program approved by the State Board of Education. The program must~~
24 ~~include screening at the end of the school year of each student]~~ in
25 kindergarten and [~~each student in the]~~ first grade.

26 (a-1) The criteria and elements identified under Subsection
27 (a) must be included in the reading instruments adopted or approved

1 under Section 28.0063 and administered in accordance with the
2 timelines established under that section.

3 SECTION 5.23. Section 39.333, Education Code, is amended to
4 read as follows:

5 Sec. 39.333. REGIONAL AND DISTRICT LEVEL REPORT. As part of
6 the comprehensive biennial report under Section 39.332, the agency
7 shall submit a regional and district level report covering the
8 preceding two school years and containing:

9 (1) a summary of school district compliance with the
10 student/teacher ratios and class-size limitations prescribed by
11 Sections 25.111 and 25.112, including:

12 (A) the number of campuses and classes at each
13 campus granted an exception from Section 25.112; and

14 (B) for each campus granted an exception from
15 Section 25.112, a statement of whether the campus has been awarded a
16 distinction designation under Subchapter G or has been identified
17 as an unacceptable campus under Chapter 39A;

18 (2) a summary of the exemptions and waivers granted to
19 campuses and school districts under Section 7.056 or 39.232 and a
20 review of the effectiveness of each campus or district following
21 deregulation;

22 (3) an evaluation of the performance of the system of
23 regional education service centers based on the indicators adopted
24 under Section 8.101 and client satisfaction with services provided
25 under Subchapter B, Chapter 8; and

26 (4) ~~[an evaluation of accelerated instruction~~
27 ~~programs offered under Section 28.006, including an assessment of~~

1 ~~the quality of such programs and the performance of students~~
2 ~~enrolled in such programs; and~~

3 ~~[(5)]~~ the number of classes at each campus that are
4 currently being taught by individuals who are not certified in the
5 content areas of their respective classes.

6 SECTION 5.24. Section 48.0051, Education Code, is amended
7 by amending Subsections (a), (b), and (d) and adding Subsection
8 (b-1) to read as follows:

9 (a) The ~~[Subject to Subsection (a-1), the]~~ commissioner
10 shall adjust the average daily attendance of a school district or
11 open-enrollment charter school under Section 48.005 in the manner
12 provided by Subsection (b) if the district or school:

13 (1) provides the minimum number of minutes of
14 operational and instructional time required under Section 25.081
15 and commissioner rules adopted under that section over at least 175
16 ~~[180]~~ days of instruction; and

17 (2) offers an additional 30 days of half-day
18 instruction for students enrolled in prekindergarten through
19 eighth ~~[fifth]~~ grade.

20 (b) Subject to Subsection (b-1), for ~~[For]~~ a school district
21 or open-enrollment charter school described by Subsection (a), the
22 commissioner shall increase the average daily attendance of the
23 district or school under Section 48.005 by the amount that results
24 from the quotient of the sum of attendance by students described by
25 Subsection (a)(2) for each of the 30 additional instructional days
26 of half-day instruction that are provided divided by 175 ~~[180]~~.

27 (b-1) For a school district or open-enrollment charter

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

5 (d) This section does not prohibit a school district from
6 providing the minimum number of minutes of operational and
7 instructional time required under Section 25.081 and commissioner
8 rules adopted under that section over fewer than 175 [~~180~~] days of
9 instruction.

10 SECTION 5.25. Subchapter A, Chapter 48, Education Code, is
11 amended by adding Section 48.0052 to read as follows:

12 Sec. 48.0052. INCENTIVE FOR ADDITIONAL INSTRUCTIONAL DAYS
13 FOR READING INTERVENTIONS. (a) The commissioner shall adjust the
14 average daily attendance of a school district or open-enrollment
15 charter school under Section 48.005 in the manner provided by
16 Subsection (b) if the district or school:

17 (1) does not qualify for funding under Section
18 48.0051;

19 (2) provides the minimum number of minutes of
20 operational and instructional time required under Section 25.081
21 and commissioner rules adopted under that section; and

22 (3) offers up to an additional 30 days of half-day
23 instruction consisting of reading interventions described by
24 Section 28.0064 for students who are required to be provided
25 reading interventions under that section.

26 (b) For a school district or open-enrollment charter school
27 described by Subsection (a), the commissioner shall increase the

1 average daily attendance of the district or school under Section
2 48.005 by 50 percent of the amount that results from the quotient of
3 the sum of attendance by students described by Subsection (a)(3)
4 for each of the additional instructional days of half-day
5 instruction that are provided divided by 175.

6 (c) The agency shall assist school districts and
7 open-enrollment charter schools in qualifying for the incentive
8 under this section.

9 (d) The commissioner shall adopt rules necessary for the
10 implementation of this section.

11 SECTION 5.26. Section 48.108, Education Code, is amended by
12 amending Subsections (a), (b), and (c) and adding Subsection (a-1)
13 to read as follows:

14 (a) For each student in average daily attendance in
15 kindergarten through third grade, a school district is entitled to
16 an annual allotment equal to the basic allotment multiplied by
17 0.01.

18 (a-1) In addition to the allotment under Subsection (a), a
19 school district is entitled to an annual allotment equal to the
20 basic allotment multiplied by 0.1 for each student in average daily
21 attendance in kindergarten through third grade who [0.1 if the
22 student] is:

23 (1) educationally disadvantaged; or

24 (2) an emergent bilingual student, as defined by
25 Section 29.052, and is in a bilingual education or special language
26 program under Subchapter B, Chapter 29.

27 (b) Funds allocated under this section must be used to fund:

1 (1) the attendance of teachers employed by the
2 district at teacher literacy achievement academies under Section
3 21.4552 or teacher mathematics achievement academies under Section
4 21.4553;

5 (2) prekindergarten programs under Subchapters E and
6 E-1, Chapter 29; and

7 (3) programs and services designed to improve student
8 performance in reading and mathematics in prekindergarten through
9 third grade, including programs and services designed to assist the
10 district in achieving the goals set in the district's early
11 childhood literacy and mathematics proficiency plans adopted under
12 Section 11.185.

13 (c) A school district is entitled to an allotment under each
14 subdivision of Subsection (a-1) [~~(a)~~] for which a student
15 qualifies.

16 SECTION 5.27. Subchapter C, Chapter 48, Education Code, is
17 amended by adding Sections 48.1081 and 48.122 to read as follows:

18 Sec. 48.1081. DISTRIBUTION OF CERTAIN EARLY EDUCATION
19 ALLOTMENT MONEY FOR PURPOSES OF FULL-DAY PREKINDERGARTEN. (a)
20 This section applies only to money to which a school district is
21 entitled under Section 48.108(a-1).

22 (b) Notwithstanding any other provision of this chapter,
23 from the total amount of money to which school districts are
24 entitled under Section 48.108(a-1), the agency shall, instead of
25 providing money to which this section applies to school districts
26 in accordance with Section 48.108(a-1), distribute that money as
27 follows:

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

6 (2) if any amount remains after distributing money
7 under Subdivision (1), provide to each school district an amount
8 that is proportional to the district's entitlement under Section
9 48.108(a-1).

10 Sec. 48.122. EARLY LITERACY INTERVENTION ALLOTMENT. (a)
11 Except as provided by Subsections (b) and (c), for each enrolled
12 student receiving reading interventions under Section 28.0064, a
13 school district is entitled to an annual allotment of \$250, or a
14 greater amount provided by appropriation.

15 (b) A school district may not receive funding under this
16 section for a student for which the district receives an allotment
17 under Section 48.103.

18 (c) A school district may receive funding under this section
19 for not more than 10 percent of students enrolled in the district in
20 kindergarten through third grade.

21 SECTION 5.28. Subchapter G, Chapter 48, Education Code, is
22 amended by adding Section 48.317 to read as follows:

23 Sec. 48.317. THIRD GRADE SUPPLEMENTARY SUPPORTS GRANT;
24 FUNDING ADJUSTMENT. (a) A student to whom the agency provides a
25 grant under Section 28.02111 is entitled to receive an amount of
26 \$400 for each grant for which the student is eligible under that
27 section, or a greater amount provided by appropriation.

1 (b) A student may receive only one grant under Section
2 28.02111(a)(1) and one grant under Section 28.02111(a)(2) unless
3 the legislature provides for additional grants by appropriation.

4 (c) Subject to Subsection (d), beginning with the 2030-2031
5 school year, the agency shall reduce the school district's
6 entitlement under this chapter each school year by the total amount
7 of grant money received by a student under Subsection (a) for each
8 student who:

9 (1) fails to perform satisfactorily on the third grade
10 reading assessment instrument administered under Section
11 39.023(a);

12 (2) received and used a grant under Section 28.02111;
13 and

14 (3) was enrolled in the district from kindergarten
15 through third grade.

16 (d) For a student described by Subsection (c) who is
17 eligible to participate in a school district's special education
18 program under Section 29.003, the agency shall reduce the
19 district's entitlement in accordance with Subsection (c) by
20 one-half of the amount determined for the student under that
21 subsection.

22 (e) Notwithstanding Section 7.057, a determination by the
23 commissioner under this section is final and may not be appealed.

24 SECTION 5.29. The following provisions of the Education
25 Code are repealed:

26 (1) Section 7.058;

27 (2) Sections 28.006(c), (c-1), (g), (g-1), (g-2), (i),

1 (j), and (k); and

2 (3) Section 28.007.

3 SECTION 5.30. To the extent of any conflict between the
4 changes made to the Education Code by this article and the changes
5 made to the Education Code by another Act of the 89th Legislature,
6 Regular Session, 2025, the changes made by this article prevail.

7 SECTION 5.31. (a) Except as provided by Subsection (b) of
8 this section, Sections 12.104, 21.4552, 21.4553, 25.085, 28.006,
9 29.153, 29.1543, 29.167, 29.934, and 39.333, Education Code, as
10 amended by this article, and Sections 28.0063, 28.0064, 28.0065,
11 and 28.02111, Education Code, as added by this article, apply
12 beginning with the 2025-2026 school year.

13 (b) Sections 29.153(g) and 29.1531, Education Code, as
14 amended by this article, apply beginning with the 2027-2028 school
15 year.

16 SECTION 5.32. (a) Sections 48.0051 and 48.108, Education
17 Code, as amended by this article, and Sections 48.0052, 48.1081,
18 48.122, and 48.317, Education Code, as added by this article, take
19 effect September 1, 2025.

20 (b) Except as provided by Subsection (a) of this section or
21 as otherwise provided by this article, this article takes effect
22 immediately if this Act receives a vote of two-thirds of all the
23 members elected to each house, as provided by Section 39, Article
24 III, Texas Constitution. If this Act does not receive the vote
25 necessary for immediate effect, this article takes effect September
26 1, 2025.

1 ARTICLE 6. COLLEGE, CAREER, AND MILITARY READINESS

2 SECTION 6.01. Section 4.002, Education Code, is amended to
3 read as follows:

4 Sec. 4.002. PUBLIC EDUCATION ACADEMIC GOALS. To serve as a
5 foundation for a well-balanced and appropriate education:

6 GOAL 1: The students in the public education system
7 will demonstrate exemplary performance in the reading and writing
8 of the English language.

9 GOAL 2: The students in the public education system
10 will demonstrate exemplary performance in the understanding of
11 mathematics.

12 GOAL 3: The students in the public education system
13 will demonstrate exemplary performance in the understanding of
14 science.

15 GOAL 4: The students in the public education system
16 will demonstrate exemplary performance in the understanding of
17 social studies.

18 GOAL 5: The students who graduate high school in the
19 public education system will have the skills and credentials
20 necessary to immediately enter this state's workforce.

21 GOAL 6: The students who graduate high school in the
22 public education system and who elect to pursue postsecondary
23 education will be ready for postsecondary coursework without the
24 need for remediation.

25 SECTION 6.02. Subchapter B, Chapter 7, Education Code, is
26 amended by adding Sections 7.0405 and 7.043 to read as follows:

27 Sec. 7.0405. POSTING OF POSTSECONDARY OUTCOMES. (a)

1 Subject to Subsection (b), the agency shall post on the agency's
2 Internet website the following de-identified data, disaggregated
3 by school district or open-enrollment charter school, high school
4 campus, and annual cohort for the 10 most recent annual cohorts:

5 (1) for students who graduate from high school:

6 (A) the number and percentage of students who
7 enroll in, enroll in remedial postsecondary coursework as part of,
8 persist for at least one year in, or complete a postsecondary
9 degree, certificate, or other credentialing program, disaggregated
10 by program and postsecondary educational institution; and

11 (B) employment status, occupation, industry,
12 wage, and county of employment and residence, as reported under
13 Section 204.0025, Labor Code; and

14 (2) for students who did not graduate from high
15 school:

16 (A) the highest grade level completed;

17 (B) the number of uncompleted credits required
18 for the student to graduate;

19 (C) employment status, occupation, industry,
20 wage, and county of employment and residence, as reported under
21 Section 204.0025, Labor Code; and

22 (D) whether the student has earned a high school
23 equivalency certificate.

24 (b) The agency shall post the data required under Subsection
25 (a) in a manner that complies with the Family Educational Rights and
26 Privacy Act of 1974 (20 U.S.C. Section 1232g) and may, if necessary
27 to comply with that act, create a private portal for school district

1 board of trustees or open-enrollment charter school governing body
2 members, school administrators, and school counselors at a high
3 school to access data for the member's, administrator's, or
4 counselor's school district or open-enrollment charter school.

5 (c) The agency shall ensure the data posted under Subsection
6 (a) is made available to:

7 (1) school district board of trustees and
8 open-enrollment charter school governing body members and
9 superintendents to assist in adopting college, career, and military
10 readiness plans under Section 11.186; and

11 (2) school counselors at a high school to assist the
12 counselors in performing the duties under Section 33.007.

13 Sec. 7.043. STATEWIDE GOAL FOR CAREER READINESS. (a) Using
14 the data posted under Section 7.0405(a), the agency shall create a
15 quantifiable statewide goal for public school students to achieve
16 career readiness, including by attaining a workforce-aligned
17 credential while in high school.

18 (b) The agency shall update the goal created under
19 Subsection (a) at least once every five years.

20 SECTION 6.03. Section 11.186, Education Code, is amended by
21 amending Subsections (b) and (c) and adding Subsections (d), (e),
22 and (f) to read as follows:

23 (b) Each plan adopted under Subsection (a) must:

24 (1) identify annual goals for students in each group
25 evaluated under the closing the gaps domain under Section
26 39.053(c)(3);

27 (2) include an annual goal [~~goals~~] for aggregate

1 student growth on each college, career, and military readiness
2 indicator [~~indicators~~] evaluated under the student achievement
3 domain under Section 39.053(c)(1);

4 (3) include specific annual goals for student
5 completion of postsecondary credentials, including industry-based
6 credentials, level one or level two certificates as defined by the
7 agency, and associate degrees, while enrolled in high school;

8 (4) include annual goals for the outcomes of the
9 district's annual graduates at one, three, and five years after
10 graduation from high school, including goals for:

11 (A) the rate of enrollment at a postsecondary
12 educational institution;

13 (B) the percentage of graduates who enroll at a
14 postsecondary educational institution and do not require remedial
15 postsecondary coursework;

16 (C) the rate of persistence at a postsecondary
17 educational institution in each of the first two years of
18 enrollment;

19 (D) the rate of completion of a postsecondary
20 degree, certificate, or other credentialing program; and

21 (E) wages earned;

22 (5) assign at least one district-level administrator
23 or employee of the regional education service center for the
24 district's region to:

25 (A) coordinate implementation of the plan; and

26 (B) submit an annual report to the board of
27 trustees, the agency, and the Legislative Budget Board on the

1 district's performance and progress toward the goals set under the
2 plan; and

3 (6) [~~4~~] be reviewed and approved by majority vote
4 annually by the board of trustees at a public meeting.

5 (c) In identifying and including goals in each plan adopted
6 under Subsection (a) as provided by Subsection (b), the board of
7 trustees shall use longitudinal student outcomes data posted under
8 Section 7.0405(a) and any other resources available to the board.

9 (d) A school district shall post the annual report described
10 by Subsection (b)(5)(B) [~~(b)(3)(B)~~] on the district's Internet
11 website and on the Internet website, if any, of each campus in the
12 district not later than two weeks before the date of the public
13 meeting at which the report is reviewed and approved as required by
14 Subsection (b)(6). The district shall update the annual report on
15 each Internet website if any modifications are made to the report by
16 the board of trustees.

17 (e) The commissioner by rule shall establish a deadline for
18 the submission of the annual reports described by Subsection
19 (b)(5)(B). The agency shall compile and make publicly accessible on
20 the agency's Internet website the annual reports.

21 (f) The agency may evaluate the goals identified or included
22 in an annual report described by Subsection (b)(5)(B) to determine
23 whether those goals align with state secondary, postsecondary, and
24 workforce goals.

25 SECTION 6.04. Section 28.0095, Education Code, is amended
26 by adding Subsection (c-1) to read as follows:

27 (c-1) Notwithstanding Subsection (c)(1)(A), a student

1 otherwise described by Subsection (c) is eligible to enroll at no
2 cost in a dual credit course under the program if the student has
3 graduated from high school but is:

4 (1) enrolled in a school district or open-enrollment
5 charter school at a campus designated as a P-TECH school under
6 Section 29.556 or in a school district participating in a
7 partnership under Section 29.912; and

8 (2) completing a course of study offered through an
9 articulation agreement or memorandum of understanding with an
10 institution of higher education and the district or school
11 described by Subdivision (1), as applicable, under the Pathways in
12 Technology Early College High School (P-TECH) program under
13 Subchapter N, Chapter 29, or the Rural Pathway Excellence
14 Partnership (R-PEP) program under Section 29.912.

15 SECTION 6.05. Section 29.182(b), Education Code, is amended
16 to read as follows:

17 (b) The state plan must include procedures designed to
18 ensure that:

19 (1) all secondary and postsecondary students have the
20 opportunity to participate in career and technology education
21 programs;

22 (2) the state complies with requirements for
23 supplemental federal career and technology education funding;

24 (3) career and technology education is established as
25 a part of the total education system of this state and constitutes
26 an option for student learning that provides a rigorous course of
27 study consistent with the required curriculum under Section 28.002

1 and under which a student may receive specific education in a career
2 and technology program that:

3 (A) incorporates competencies leading to
4 academic and technical skill attainment;

5 (B) leads to:

6 (i) an industry-recognized license,
7 credential, or certificate; or

8 (ii) at the postsecondary level, an
9 associate or baccalaureate degree;

10 (C) includes opportunities for students to earn
11 college credit for coursework; and

12 (D) includes, as an integral part of the program,
13 participation by students and teachers in activities of career and
14 technical student organizations supported by the agency and the
15 State Board of Education; ~~and~~

16 (4) a school district provides, to the greatest extent
17 possible, to a student participating in a career and technology
18 education program opportunities to enroll in dual credit courses
19 designed to lead to a degree, license, or certification as part of
20 the program; and

21 (5) a course of study offered under a Junior Reserve
22 Officers' Training Corps program established under 10 U.S.C.
23 Section 2031 is considered a career and technology education
24 program.

25 SECTION 6.06. Sections 29.190(a-1), (b), and (c), Education
26 Code, are amended to read as follows:

27 (a-1) A student may not receive more than two subsidies ~~[one~~

1 ~~subsidy~~] under this section.

2 (b) A teacher is entitled to a subsidy under this section if
3 the teacher passes a certification examination related to career
4 and technology education [~~cybersecurity~~].

5 (c) On approval by the commissioner, the agency shall pay
6 each school district an amount equal to the cost paid by the
7 district for a certification examination under this section,
8 including any costs paid for associated fingerprinting or criminal
9 history record information review. To obtain reimbursement for a
10 subsidy paid under this section, a district must:

11 (1) pay the costs described by this subsection [~~fee~~
12 ~~for the examination~~]; and

13 (2) submit to the commissioner a written application
14 on a form prescribed by the commissioner stating the amount of the
15 costs [~~fee~~] paid under Subdivision (1) [~~for the certification~~
16 ~~examination~~].

17 SECTION 6.07. Subchapter Z, Chapter 29, Education Code, is
18 amended by adding Section 29.9016 to read as follows:

19 Sec. 29.9016. MILITARY PATHWAY GRANT PROGRAM. (a) The
20 agency shall establish a grant program to provide money to school
21 districts to implement a program under which the district:

22 (1) establishes a Junior Reserve Officers' Training
23 Corps program under 10 U.S.C. Section 2031 for students enrolled in
24 high school in the district;

25 (2) annually administers the Armed Services
26 Vocational Aptitude Battery test to each student participating in
27 the program described by Subdivision (1); and

1 (3) provides college and career counseling at least
2 once per year to each student administered the Armed Services
3 Vocational Aptitude Battery test under Subdivision (2) based on the
4 results of the test.

5 (b) The amount of each grant awarded under the grant program
6 is \$50,000.

7 (c) The total amount of grants awarded under the grant
8 program for a school year may not exceed \$2 million.

9 SECTION 6.08. Section 29.912, Education Code, is amended by
10 adding Subsection (c-1) and amending Subsection (j) to read as
11 follows:

12 (c-1) A school district that has participated in the program
13 may continue to participate in the program regardless of the number
14 of students in average daily attendance in the district for the
15 current school year.

16 (j) The commissioner shall make grants available for use by
17 a coordinating entity for a two-year period to assist with costs
18 associated with the planning, development, establishment, or
19 expansion, as applicable, of partnerships under the program using
20 ~~[a portion of state funds allocated under Section 48.118 as well as]~~
21 money appropriated for that purpose, federal funds, and any other
22 funds available. The commissioner may award a grant only to a
23 coordinating entity that has entered into a performance agreement
24 approved under Subsection (i) or, if in the planning stage, has
25 entered into a memorandum of understanding to enter into a
26 performance agreement, unless the source of funds does not permit a
27 grant to the coordinating entity, in which case the grant shall be

1 made to a participating school district acting as fiscal agent.
2 Eligible use of grant funds shall include planning, development,
3 establishment, or expansion of partnerships under the program. The
4 commissioner may use not more than 15 percent of the money allocated
5 for the grants to cover the cost of administering grants awarded
6 under the program and to provide technical assistance and support
7 to partnerships under the program. The total amount of grants
8 awarded under this subsection for a school year may not exceed \$5
9 million.

10 SECTION 6.09. Section 33.007, Education Code, is amended by
11 amending Subsection (b) and adding Subsection (d) to read as
12 follows:

13 (b) During the first school year a student is enrolled in a
14 high school or at the high school level in an open-enrollment
15 charter school, and again during each year of a student's
16 enrollment in high school or at the high school level, a school
17 counselor shall provide information about postsecondary education
18 to the student and the student's parent or guardian. The
19 information must include information regarding:

20 (1) the importance of postsecondary education,
21 including career readiness and workforce training opportunities;

22 (2) the advantages of earning an endorsement and a
23 performance acknowledgment and completing the distinguished level
24 of achievement under the foundation high school program under
25 Section 28.025;

26 (3) the disadvantages of taking courses to prepare for
27 a high school equivalency examination relative to the benefits of

1 taking courses leading to a high school diploma;

2 (4) financial aid eligibility;

3 (5) instruction on how to apply for federal financial
4 aid;

5 (6) the center for financial aid information
6 established under Section 61.0776;

7 (7) the automatic admission of certain students to
8 general academic teaching institutions as provided by Section
9 51.803;

10 (8) the eligibility and academic performance
11 requirements for the TEXAS Grant as provided by Subchapter M,
12 Chapter 56;

13 (9) the availability of programs in the district under
14 which a student may earn college credit, including advanced
15 placement programs, dual credit programs, joint high school and
16 college credit programs, and international baccalaureate programs;

17 (10) the availability of education and training
18 vouchers and tuition and fee waivers to attend an institution of
19 higher education as provided by Section 54.366 for a student who is
20 or was previously in the conservatorship of the Department of
21 Family and Protective Services; ~~and~~

22 (11) the availability of college credit awarded by
23 institutions of higher education to veterans and military
24 servicemembers for military experience, education, and training
25 obtained during military service as described by the informational
26 materials developed under Section 302.0031(h), Labor Code;

27 (12) opportunities to complete career training and

1 obtain a postsecondary credential while enrolled in high school,
2 whether at the student's campus, another campus in the school
3 district or open-enrollment charter school, or an educational
4 institution that partners with the district or school, including
5 information regarding program costs, program completion rates, and
6 the average wages of students who complete the program; and

7 (13) the outcomes of graduates from the campus and
8 school district or open-enrollment charter school in which the
9 student is enrolled, including completion rates and average wages
10 based on postsecondary pathways available to those graduates at the
11 campus, district, or school using data posted under Section
12 7.0405(a).

13 (d) The agency shall make available to school counselors an
14 annual online training regarding statewide trends identified in the
15 data posted under Section 7.0405(a). The training must include
16 information to assist school counselors in identifying the
17 postsecondary outcomes for students at the counselor's campus and
18 school district or open-enrollment charter school for purposes of
19 performing the counselor's duties under this section.

20 SECTION 6.10. The heading to Section 39.0261, Education
21 Code, is amended to read as follows:

22 Sec. 39.0261. COLLEGE PREPARATION AND CAREER READINESS
23 ASSESSMENTS.

24 SECTION 6.11. Section 39.0261(a), Education Code, is
25 amended to read as follows:

26 (a) In addition to the assessment instruments otherwise
27 authorized or required by this subchapter:

1 (1) each school year and at state cost, a school
2 district may administer to students in the spring of the eighth
3 grade an established, valid, reliable, and nationally
4 norm-referenced preliminary college preparation assessment
5 instrument for the purpose of diagnosing the academic strengths and
6 deficiencies of students before entrance into high school;

7 (2) each school year and at state cost, a school
8 district may administer to students in the 10th grade an
9 established, valid, reliable, and nationally norm-referenced
10 preliminary college preparation assessment instrument for the
11 purpose of measuring a student's progress toward readiness for
12 college and the workplace; and

13 (3) high school students in the spring of the 11th
14 grade or during the 12th grade may select and take once, at state
15 cost:

16 (A) one of the valid, reliable, and nationally
17 norm-referenced assessment instruments used by colleges and
18 universities as part of their undergraduate admissions processes;
19 [~~or~~]

20 (B) the assessment instrument designated by the
21 Texas Higher Education Coordinating Board under Section 51.334; or

22 (C) a nationally recognized career readiness
23 assessment instrument that measures foundational workforce skills
24 approved by commissioner rule.

25 SECTION 6.12. Section 39.053, Education Code, is amended by
26 amending Subsections (a), (c), and (f) and adding Subsections
27 (c-4), (f-1), (f-2), (f-3), and (f-4) to read as follows:

1 (a) The commissioner shall adopt a set of indicators of the
2 quality of learning and achievement, including the indicators under
3 Subsection (c). The commissioner periodically shall review the
4 indicators for the consideration of appropriate revisions and may,
5 if the commissioner determines an indicator otherwise required
6 under this subchapter is not valid or reliable, exclude the
7 indicator from the set of indicators adopted under this section.

8 (c) School districts and campuses must be evaluated based on
9 three domains of indicators of achievement adopted under this
10 section that include:

11 (1) in the student achievement domain, indicators of
12 student achievement that must include:

13 (A) for evaluating the performance of districts
14 and campuses generally:

15 (i) an indicator that accounts for the
16 results of assessment instruments required under Sections
17 39.023(a), (c), and (l), as applicable for the district and campus,
18 including the results of assessment instruments required for
19 graduation retaken by a student, aggregated across grade levels by
20 subject area, including:

21 (a) for the performance standard
22 determined by the commissioner under Section 39.0241(a), the
23 percentage of students who performed satisfactorily on the
24 assessment instruments, aggregated across grade levels by subject
25 area; and

26 (b) for the college readiness
27 performance standard as determined under Section 39.0241, the

1 percentage of students who performed satisfactorily on the
2 assessment instruments, aggregated across grade levels by subject
3 area; and

4 (ii) an indicator that accounts for the
5 results of assessment instruments required under Section
6 39.023(b), as applicable for the district and campus, including the
7 percentage of students who performed satisfactorily on the
8 assessment instruments, as determined by the performance standard
9 adopted by the agency, aggregated across grade levels by subject
10 area; and

11 (B) for evaluating the performance of high school
12 campuses and districts that include high school campuses,
13 indicators that account for:

14 (i) students who satisfy the Texas Success
15 Initiative (TSI) college readiness benchmarks prescribed by the
16 Texas Higher Education Coordinating Board under Section 51.334 on
17 an assessment instrument in reading or mathematics designated by
18 the coordinating board under that section;

19 (ii) students who satisfy relevant
20 performance standards on advanced placement tests or similar
21 assessments;

22 (iii) students who earn dual course credits
23 in the dual credit courses;

24 (iv) students who demonstrate military
25 readiness:

26 (a) through verified enlistment
27 [enlist] in the armed forces of the United States or the Texas

1 National Guard; or

2 (b) by achieving a passing score set
3 by the commissioner on the Armed Services Vocational Aptitude
4 Battery Test and successfully completing a Junior Reserve Officers'
5 Training Corps program established under 10 U.S.C. Section 2031;

6 (v) students who earn industry
7 certifications;

8 (vi) students admitted into postsecondary
9 industry certification programs that require as a prerequisite for
10 entrance successful performance at the secondary level;

11 (vii) students whose successful completion
12 of a course or courses under Section 28.014 indicates the student's
13 preparation to enroll and succeed, without remediation, in an
14 entry-level general education course for a baccalaureate degree or
15 associate degree;

16 (viii) students who successfully met
17 standards on a composite of indicators that through research
18 indicates the student's preparation to enroll and succeed, without
19 remediation, in an entry-level general education course for a
20 baccalaureate degree or associate degree;

21 (ix) high school graduation rates, computed
22 in accordance with standards and definitions adopted in compliance
23 with the Every Student Succeeds Act (20 U.S.C. Section 6301 et seq.)
24 subject to the exclusions provided by Subsections (g), (g-1),
25 (g-2), (g-3), and (g-4);

26 (x) students who successfully completed an
27 OnRamps dual enrollment course;

1 (xi) students who successfully completed a
2 practicum or internship approved by the State Board of Education;
3 (xii) students who are awarded an associate
4 degree; and
5 (xiii) students who successfully completed
6 a program of study in career and technical education;
7 (2) in the school progress domain, indicators for
8 effectiveness in promoting student learning, which must include:
9 (A) for assessment instruments, including
10 assessment instruments under Subdivisions (1)(A)(i) and (ii), the
11 percentage of students who met the standard for improvement, as
12 determined by the commissioner; and
13 (B) for evaluating relative performance, the
14 performance of districts and campuses compared to similar districts
15 or campuses; and
16 (3) in the closing the gaps domain, the use of
17 disaggregated data to demonstrate the differentials among students
18 from different racial and ethnic groups and [7] socioeconomic
19 backgrounds~~[, and other factors, including:~~
20 ~~[(A) students formerly receiving special~~
21 ~~education services,~~
22 ~~[(B) students continuously enrolled, and~~
23 ~~[(C) students who are mobile].~~
24 (c-4) The agency shall study the college, career, and
25 military readiness indicators adopted under Subsection (c) to
26 determine the correlation of each indicator with postsecondary
27 success, including the correlation of industry certifications with

1 wages and available jobs. The value assigned to each indicator must
2 be:

3 (1) based on the strength of the indicator's
4 correlation with successful outcomes; and

5 (2) updated in accordance with Subsection (f-1).

6 (f) Annually, the commissioner shall define and may modify
7 the state standards ~~[standard for the current school year]~~ for each
8 ~~[achievement]~~ indicator adopted under this subchapter in
9 ~~[section. In]~~ consultation with educators, parents, and business
10 and industry representatives, as necessary. The ~~[, the]~~
11 commissioner shall increase the rigor by which the commissioner
12 determines the overall performance ratings under Section 39.054(a)
13 ~~[establish and modify standards]~~ to continuously improve student
14 performance to, not later than the 15th year after the date the
15 commissioner modifies the performance standards under Subsection
16 (f-1), achieve the goals of:

17 (1) eliminating achievement gaps based on race,
18 ethnicity, and socioeconomic status; and

19 (2) ensuring ~~[to ensure]~~ this state ranks nationally
20 ~~[is a national leader]~~ in the top five states in preparing students
21 for postsecondary success and on the National Assessment of
22 Educational Progress or its successor assessment.

23 (f-1) Beginning with the indicators adopted for the
24 2027-2028 school year and as required to meet the goals under
25 Subsection (f), the commissioner shall increase the scores needed
26 to achieve performance standards on indicators adopted under this
27 subchapter only every fifth school year unless an indicator adopted

1 under Subsection (c) requires adjustment before that school year to
2 ensure consistency of performance standards.

3 (f-2) To the extent practicable, for each of the two school
4 years preceding a school year the commissioner increases a score
5 under Subsection (f-1), the commissioner shall report, in a manner
6 that can be reviewed by school administrators, the overall
7 performance of school districts and campuses under that increased
8 score.

9 (f-3) In reporting the performance of school districts and
10 campuses on indicators adopted under this subchapter for a school
11 year in which the score needed to achieve performance standards on
12 one or more of those indicators was increased under Subsection
13 (f-1), the commissioner shall include in the report an
14 informational report on the performance of districts and campuses
15 during the preceding school year under the increased score.

16 (f-4) Notwithstanding Subsection (f), the commissioner may
17 define state standards for an indicator adopted under this
18 subchapter for multiple school years provided that the commissioner
19 annually affirms that those standards are applicable to the current
20 school year. The commissioner is not required to adopt the
21 affirmation described by this subsection by rule.

22 SECTION 6.13. Subchapter C, Chapter 39, Education Code, is
23 amended by adding Section 39.0531 to read as follows:

24 Sec. 39.0531. INDUSTRY CERTIFICATION LIST. (a) The agency
25 shall maintain a list of industry certifications that are eligible
26 for purposes of Section 39.053(c)(1)(B)(v). In developing the
27 list, the agency shall consider the inventory of

1 industry-recognized certifications developed under Section
2 312.003, Labor Code. The certifications must:

3 (1) be aligned to a program of study that, according to
4 labor market data, prepares students for high-wage, high-skill,
5 in-demand occupations;

6 (2) allow students to demonstrate mastery of the
7 skills required for occupations within an approved program of
8 study; and

9 (3) be obtained through an assessment of the knowledge
10 and skills provided by or determined by an independent, third-party
11 certifying entity using predetermined standards for knowledge,
12 skills, and competencies.

13 (b) The agency shall review the eligibility of industry
14 certifications under Subsection (a), including whether the
15 programs of study for those certifications still meet the
16 requirements under that subsection:

17 (1) in consultation with the advisory council
18 established under Chapter 312, Labor Code; and

19 (2) to the extent practicable, concurrently with the
20 modification of performance standards under Section 39.053(f-1).

21 (c) If, after reviewing an industry certification under
22 Subsection (b), the agency determines the certification is no
23 longer eligible for purposes of Section 39.053(c)(1)(B)(v) and
24 should be removed from the list maintained under Subsection (a),
25 the agency shall, to the extent practicable, post on the agency's
26 Internet website information regarding the removal of the
27 certification not later than two years before the date the agency

1 intends to remove the certification from the list.

2 (d) During the three years following an agency's
3 determination under Subsection (c) that an industry certification
4 is no longer eligible for purposes of Section 39.053(c)(1)(B)(v), a
5 school district may receive the benefit of achievement indicators
6 based on that industry certification for purposes of Section
7 39.053(c) only for a cohort of students who:

8 (1) were participating in the program of study aligned
9 with that certification during the school year the agency
10 determines the certification is no longer eligible; and

11 (2) earn the certification within the three-year
12 period.

13 SECTION 6.14. Section 45.105(c), Education Code, is amended
14 to read as follows:

15 (c) Local school funds from district taxes, tuition fees of
16 students not entitled to a free education, other local sources, and
17 state funds not designated for a specific purpose may be used for
18 the purposes listed for state and county available funds and for
19 purchasing appliances and supplies, paying insurance premiums,
20 paying janitors and other employees, buying school sites, buying,
21 building, repairing, and renting school buildings, including
22 acquiring school buildings and sites by leasing through annual
23 payments with an ultimate option to purchase, providing advising
24 support as described by Section 48.0035(1), and educating students
25 as described by Section 48.0035(2), and, except as provided by
26 Subsection (c-1), for other purposes necessary in the conduct of
27 the public schools determined by the board of trustees. The

accounts and vouchers for county districts must be approved by the county superintendent. If the state available school fund in any municipality or district is sufficient to maintain the schools in any year for at least eight months and leave a surplus, the surplus may be spent for the purposes listed in this subsection.

SECTION 6.15. Subchapter A, Chapter 48, Education Code, is amended by adding Section 48.0035 to read as follows:

Sec. 48.0035. USE OF FUNDING FOR CERTAIN PURPOSES. A school district may use funding to which the district is entitled under this chapter to:

(1) provide district graduates, during the first two years after high school graduation, advising support toward the successful completion of a certificate or degree program at a public institution of higher education or a postsecondary vocational training program; and

(2) educate a student who has graduated from high school but is enrolled in the district in a program through which the student may earn dual credit, including the Pathways in Technology Early College High School (P-TECH) program under Subchapter N, Chapter 29, and the Rural Pathway Excellence Partnership (R-PEP) program under Section 29.912.

SECTION 6.16. Section 48.106, Education Code, is amended by amending Subsection (a-1) and adding Subsections (a-2) and (a-3) to read as follows:

(a-1) In addition to the amounts under Subsection (a), for each student in average daily attendance enrolled in a campus designated as a P-TECH school under Section 29.556, a district is

1 entitled to \$150 [~~\$50 for each of the following in which the student~~
2 ~~is enrolled.~~

3 ~~[(1) a campus designated as a P-TECH school under~~
4 ~~Section 29.556, or~~

5 ~~[(2) a campus that is a member of the New Tech Network~~
6 ~~and that focuses on project-based learning and work-based~~
7 ~~education].~~

8 (a-2) A district is entitled to funding under Subsection
9 (a-1) for a student who has graduated from high school but is
10 enrolled in the district in a program offered under Subchapter N,
11 Chapter 29, through which the student may earn dual credit. The
12 district is not entitled to any other funding under this chapter for
13 a student described by this subsection.

14 (a-3) Notwithstanding Subsection (a), the total amount that
15 may be used to provide allotments under Subsection (a) for courses
16 described by Subsection (b)(1)(A)(ii) for a school year may not
17 exceed \$20 million. If the total amount of allotments to which
18 school districts are entitled under Subsection (a) for those
19 courses for a school year exceeds the amount permitted under this
20 subsection, the commissioner shall proportionately reduce each
21 district's allotment under Subsection (a).

22 SECTION 6.17. Sections 48.106(b)(1) and (1-a), Education
23 Code, are amended to read as follows:

24 (1) "Approved career and technology education
25 program":

26 (A) means:

27 (i) a sequence of career and technology

1 education courses, including technology applications courses,
2 authorized by the State Board of Education; and

3 (ii) courses offered under a Junior Reserve
4 Officers' Training Corps program established under 10 U.S.C.
5 Section 2031; and

6 (B) includes only courses that qualify for high
7 school credit.

8 (1-a) "Approved program of study" means a course
9 sequence that:

10 (A) provides students with the knowledge and
11 skills necessary for success in the students' chosen careers,
12 including the military; and

13 (B) is approved by the agency for purposes of the
14 Strengthening Career and Technical Education for the 21st Century
15 Act (Pub. L. No. 115-224).

16 SECTION 6.18. Section 48.118, Education Code, is amended by
17 adding Subsection (a-3) and amending Subsection (f) to read as
18 follows:

19 (a-3) Notwithstanding Subsection (a), a school district
20 described by Section 29.912(c-1) may receive funding under this
21 section for up to 110 percent of the number of students who
22 qualified under Subsection (a) for the school year immediately
23 preceding the school year in which the district's enrollment first
24 reached 1,600 or more.

25 (f) The total amount of state funding for allotments and
26 outcomes bonuses under this section may not exceed \$20 [~~\$5~~] million
27 per year. If the total amount of allotments and outcomes bonuses to

1 which school districts are entitled under this section exceeds the
2 amount permitted under this subsection, the agency shall allocate
3 state funding to districts under this section in the following
4 order:

5 (1) ~~[allotments under Subsection (a) for which school~~
6 ~~districts participating in partnerships prioritized under Section~~
7 ~~29.912(h) are eligible,~~

8 ~~[(2)]~~ allotments under Subsection (a) for which school
9 districts that entered into a memorandum of understanding or letter
10 of commitment regarding a multidistrict pathway partnership, as
11 defined by commissioner rule, before May 1, 2023, are eligible;

12 (2) ~~[(3)]~~ allotments under Subsection (a) for which
13 school districts that have entered into a performance agreement
14 under Section 29.912 with a coordinating entity that is an
15 institution of higher education, as defined by Section 61.003, are
16 eligible;

17 (3) ~~[(4)]~~ allotments under Subsection (a) for which
18 school districts with the highest percentage of students who are
19 educationally disadvantaged, in descending order, are eligible;
20 and

21 (4) ~~[(5)]~~ outcomes bonuses under Subsection (c) for
22 which school districts with the highest percentage of students who
23 are educationally disadvantaged, in descending order, are
24 eligible.

25 SECTION 6.19. Section 48.152(a)(2), Education Code, is
26 amended to read as follows:

27 (2) "New instructional facility" includes:

(A) a newly constructed instructional facility;
(B) a repurposed instructional facility; ~~and~~
(C) a leased facility operating for the first time as an instructional facility with a minimum lease term of not less than 10 years; and
(D) a renovated portion of an instructional facility to be used for the first time to provide high-cost and undersubscribed career and technology education programs, as determined by the commissioner.

SECTION 6.20. Section 48.152(f), Education Code, is amended to read as follows:

(f) The amount appropriated for allotments under this section may not exceed \$150 ~~[\$100]~~ million in a school year. If the total amount of allotments to which districts are entitled under this section for a school year exceeds the amount appropriated under this subsection, the commissioner:

(1) shall reduce each district's allotment under this section in the manner provided by Section 48.266(f); and

(2) for new instructional facilities described by Subsection (a)(2)(D), may remove a career and technology education program from the list of programs that qualify under that subsection.

SECTION 6.21. The heading to Section 48.155, Education Code, is amended to read as follows:

Sec. 48.155. COLLEGE PREPARATION AND CAREER READINESS ASSESSMENT REIMBURSEMENT.

SECTION 6.22. Section 48.156, Education Code, is amended to

1 read as follows:

2 Sec. 48.156. CERTIFICATION EXAMINATION REIMBURSEMENT. (a)
3 A school district is entitled to reimbursement for the amount of a
4 subsidy paid by the district for not more than two ~~[a student's]~~
5 certification examinations per student ~~[examination]~~ under Section
6 29.190(a), including costs paid for associated fingerprinting or
7 criminal history record information review, as provided by Section
8 29.190(c).

9 (b) Notwithstanding Subsection (a), the total amount that
10 may be used for reimbursement under that subsection for a school
11 year may not exceed \$15 million, of which not more than \$500,000 may
12 be used to reimburse the costs of fingerprinting or criminal
13 history record information review. If the total amount to which
14 school districts are entitled under Subsection (a) exceeds the
15 amount permitted under this subsection, the commissioner shall
16 proportionately reduce each school district's entitlement under
17 this section.

18 SECTION 6.23. (a) This section takes effect only if S.B.
19 1786, 89th Legislature, Regular Session, 2025, becomes law.

20 (b) Section 204.0025, Labor Code, is amended to read as
21 follows:

22 Sec. 204.0025. ADDITIONAL WORKFORCE DATA REPORTING. The
23 commission shall ~~[It is the intent of the legislature that the~~
24 ~~commission, subject to the availability of federal funding or other~~
25 ~~resources for the purpose,]~~ work with employers to enhance the
26 reporting of employment and earnings data by employers to the
27 commission as part of an employer's routine wage filings under this

1 subtitle or commission rule and consistent with federal law and
2 regulations. The enhanced wage filings must include information
3 related to wage, industry, occupational field, full-time and
4 part-time status, county of primary employment, remote work status,
5 [occupation] and other important employment information necessary
6 to conduct the assessment required under Section 302.0205 [~~that~~
7 ~~would improve the state's labor market information~~].

8 SECTION 6.24. (a) This section takes effect only if S.B.
9 1786, 89th Legislature, Regular Session, 2025, does not become law.

10 (b) Section 204.0025, Labor Code, is amended to read as
11 follows:

12 Sec. 204.0025. ADDITIONAL WORKFORCE DATA REPORTING. The
13 commission shall [~~It is the intent of the legislature that the~~
14 ~~commission, subject to the availability of federal funding or other~~
15 ~~resources for the purpose,~~] work with employers to enhance the
16 reporting of employment and earnings data by employers to the
17 commission as part of an employer's routine wage filings under this
18 subtitle or commission rule and consistent with federal law and
19 regulations. The enhanced wage filings must include information
20 related to wage, industry, occupational field, full-time and
21 part-time status, county of primary employment, remote work status,
22 [occupation] and other important employment information that would
23 improve the state's labor market information.

24 SECTION 6.25. The heading to Section 312.003, Labor Code,
25 is amended to read as follows:

26 Sec. 312.003. INVENTORY OF CERTIFICATIONS [~~CREDENTIALS AND~~
27 ~~CERTIFICATES~~].

1 SECTION 6.26. Sections 312.003(a), (b), (c), and (d), Labor
2 Code, are amended to read as follows:

3 (a) The advisory council shall develop an inventory of
4 industry-recognized certifications [~~credentials and certificates~~]
5 that may be earned by a public high school student through a career
6 and technology education program and that:

7 (1) are aligned to state and regional workforce needs;
8 [~~and~~]

9 (2) serve as an entry point to middle- and high-wage
10 jobs; and

11 (3) meet the requirements of Section 39.0531(a),
12 Education Code.

13 (b) The inventory must include for each certification
14 [~~credential or certificate~~]:

15 (1) the associated career cluster;

16 (2) the awarding entity;

17 (3) the level of education required and any additional
18 requirements for the certification [~~credential or certificate~~];

19 (4) any fees for obtaining the certification
20 [~~credential or certificate~~]; and

21 (5) the average wage or salary for jobs that require or
22 prefer the certification [~~credential or certificate~~].

23 (c) In developing the inventory, the advisory council may
24 consult with local workforce boards, the Texas Workforce Investment
25 Council, the Texas Economic Development and Tourism Office, the
26 Texas Education Agency, and the Texas Higher Education Coordinating
27 Board.

(d) The advisory council shall establish a process for developing the inventory, including the criteria for the inclusion of a certification [~~credential or certificate~~] in the inventory.

SECTION 6.27. Section 29.912(h), Education Code, is repealed.

SECTION 6.28. The Texas Education Agency shall first update the statewide goal for career readiness created under Section 7.043(a), Education Code, as added by this article, in accordance with Subsection (b) of that section not later than the 2028-2029 school year.

SECTION 6.29. Sections 28.0095(c-1) and 29.9016, Education Code, as added by this article, and Sections 29.190, 29.912, 33.007(b), and 39.0261(a), Education Code, as amended by this article, apply beginning with the 2025-2026 school year.

SECTION 6.30. To the extent of any conflict between the changes made to the Education Code by this article and the changes made to the Education Code by another Act of the 89th Legislature, Regular Session, 2025, the changes made by this article prevail.

SECTION 6.31. The changes in law made by Section 39.053, Education Code, as amended by this article, and Section 39.0531, Education Code, as added by this article, apply to accountability ratings beginning with the 2027-2028 school year.

SECTION 6.32. (a) Except as provided by Subsection (b) of this section and as otherwise provided by this article, this article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not

1 receive the vote necessary for immediate effect, this article takes
2 effect September 1, 2025.

3 (b) The amendments by this article to Chapter 48, Education
4 Code, take effect September 1, 2025.

5 ARTICLE 7. CHANGES RELATED TO PUBLIC EDUCATION AND PUBLIC SCHOOL
6 FINANCE

7 SECTION 7.01. Subchapter C, Chapter 7, Education Code, is
8 amended by adding Section 7.0611 to read as follows:

9 Sec. 7.0611. FACILITY USAGE REPORT. (a) In this section,
10 "instructional facility" has the meaning assigned by Section
11 46.001.

12 (b) The agency by rule shall require each school district to
13 annually report the following information in the form and manner
14 prescribed by the agency:

15 (1) the square footage of each school district
16 facility and the acreage of land on which each facility sits;

17 (2) the total student capacity for each instructional
18 facility on a district campus;

19 (3) for each campus in the school district:

20 (A) the enrollment capacity of the campus and of
21 each grade level offered at the campus; and

22 (B) the number of students currently enrolled at
23 the campus and in each grade level offered at the campus;

24 (4) whether a school district facility is used by one
25 or more campuses and the campus identifier of each campus that uses
26 the facility;

27 (5) what each school district facility is used for,

1 including:

- 2 (A) an instructional facility;
- 3 (B) a career and technology center;
- 4 (C) an administrative building;
- 5 (D) a food service facility;
- 6 (E) a transportation facility; and
- 7 (F) vacant land; and

8 (6) whether each school district facility is leased or
9 owned.

10 (c) From the information submitted under Subsection (b),
11 the agency shall produce and make available to the public on the
12 agency's Internet website an annual report on school district land
13 and facilities. The agency may combine the report required under
14 this section with any other required report to avoid multiplicity
15 of reports.

16 (d) If the agency determines information provided under
17 Subsection (b) would create a security risk, such information is
18 considered confidential for purposes of Chapter 552, Government
19 Code, and may not be disclosed in the annual report under Subsection
20 (c).

21 (e) The commissioner may adopt rules as necessary to
22 implement this section. In adopting rules for determining the
23 student capacity of a school district or district campus, the
24 commissioner may consider the staffing, student-teacher ratio, and
25 facility capacity of the district or campus.

26 SECTION 7.02. Section 12.106, Education Code, is amended by
27 amending Subsections (a), (a-2), (d), (e), and (f) and adding

1 Subsections (e-1), (e-2), and (f-1) to read as follows:

2 (a) A charter holder is entitled to receive for the
3 open-enrollment charter school funding under Chapter 48 equal to
4 the amount of funding per student in weighted average daily
5 attendance to which the charter holder would be entitled for the
6 school under that chapter if the school were a school district
7 without a tier one local share for purposes of Section 48.266,
8 excluding:

9 (1) the adjustment under Section 48.052;

10 (2) [7] the funding under Sections 48.101 and [7
11 ~~48.110~~] 48.111; [~~7 and 48.112~~] and

12 (3) enrichment funding under Section 48.202(a) [~~7 to~~
13 ~~which the charter holder would be entitled for the school under~~
14 ~~Chapter 48 if the school were a school district without a tier one~~
15 ~~local share for purposes of Section 48.266~~].

16 (a-2) In addition to the funding provided by Subsection (a),
17 a charter holder is entitled to receive for the open-enrollment
18 charter school an allotment per student in average daily attendance
19 in an amount equal to the difference between:

20 (1) the product of:

21 (A) the quotient of:

22 (i) the total amount of funding provided to
23 eligible school districts under Section 48.101(b) or (c); and

24 (ii) the total number of students in
25 average daily attendance in school districts that receive an
26 allotment under Section 48.101(b) or (c); and

27 (B) the sum of one and the quotient of:

1 (i) the total number of students in average
2 daily attendance in school districts that receive an allotment
3 under Section 48.101(b) or (c); and

4 (ii) the total number of students in
5 average daily attendance in school districts statewide; and

6 (2) \$300 [~~\$125~~].

7 (d) Subject to Subsections [~~Subsection~~] (e) and (e-2), in
8 addition to other amounts provided by this section, a charter
9 holder is entitled to receive, for the open-enrollment charter
10 school, an annual allotment [~~funding~~] per student in average daily
11 attendance [~~in an amount~~] equal to [~~the guaranteed level of state~~
12 ~~and local funds per student per cent of tax effort under Section~~
13 ~~46.032(a) multiplied by~~] the lesser of:

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

18 (2) the maximum amount of the basic allotment provided
19 under Section 48.051 for the applicable school year multiplied by
20 0.07 [~~a rate that would result in a total amount to which charter~~
21 ~~schools are entitled under this subsection for the current year~~
22 ~~equal to \$60 million~~].

23 (e) Subject to Subsection (e-1), a [A] charter holder is not
24 entitled to receive funding under Subsection (d) for an
25 open-enrollment charter school [~~only~~] if the school has been
26 assigned:

27 (1) an unacceptable [~~most recent overall~~] performance

1 rating ~~[assigned to the open-enrollment charter school]~~ under
2 Subchapter C, Chapter 39, for the two preceding school years;

3 (2) a financial accountability performance rating
4 under Subchapter D, Chapter 39, indicating a financial performance
5 lower than satisfactory for the two preceding school years; or

6 (3) any combination of the ratings described by
7 Subdivisions (1) and (2) for the two preceding school years
8 ~~[reflects at least acceptable performance]~~.

9 (e-1) Subsection (e) [This subsection] does not apply to a
10 charter holder:

11 (1) during the first two years of the applicable
12 open-enrollment charter school's operation; or

13 (2) that operates a school program located at a day
14 treatment facility, residential treatment facility, psychiatric
15 hospital, or medical hospital.

16 (e-2) A charter holder is entitled to receive funding under
17 Subsection (d) for an open-enrollment charter school only if the
18 governing body of the school annually certifies in writing to the
19 agency that none of the following derives any financial benefit
20 from a real estate transaction with the school:

21 (1) an administrator, officer, or employee of the
22 school;

23 (2) a member of the governing body of the school or its
24 charter holder; or

25 (3) a person related within the third degree by
26 consanguinity or second degree by affinity, as determined under
27 Chapter 573, Government Code, to a person described by Subdivision

1 (1) or (2).

2 (f) Funds received by a charter holder under Subsection (d):

3 (1) notwithstanding any other law, may not be used to
4 pay a salary, bonus, stipend, or any other form of compensation to a
5 school superintendent or administrator serving as educational
6 leader and chief executive officer of the school; and

7 (2) may only be used:

8 (A) [~~1~~] to lease an instructional facility;

9 (B) [~~2~~] to pay property taxes imposed on an
10 instructional facility;

11 (C) [~~3~~] to pay debt service on bonds issued for
12 a purpose for which a school district is authorized to issue bonds
13 under Section 45.001(a)(1) or to pay for a purchase for which a
14 school district is authorized to issue bonds under that section [~~to~~
15 finance an instructional facility]; or

16 (D) [~~4~~] for any other purpose related to the
17 purchase, lease, sale, acquisition, or maintenance of an
18 instructional facility.

19 (f-1) The governing body of an open-enrollment charter
20 school must comply with Chapter 551, Government Code, when
21 considering the issuance of bonds.

22 SECTION 7.03. Section 29.054, Education Code, is amended by
23 adding Subsection (e) to read as follows:

24 (e) Notwithstanding Section 29.066(c), the agency may
25 require, for purposes of implementing Section 48.105, a school
26 district that is granted an exception under this section to:

27 (1) include in the district's Public Education

1 Information Management System (PEIMS) report additional
2 information specified by the agency and relating to the alternative
3 language education methods used by the district; and

4 (2) classify the alternative language education
5 methods used by the district under the Public Education Information
6 Management System (PEIMS) report as specified by the agency.

7 SECTION 7.04. Subchapter Z, Chapter 29, Education Code, is
8 amended by adding Section 29.940 to read as follows:

9 Sec. 29.940. FEDERAL GRANT ADMINISTRATION. For a federal
10 grant program under which the agency oversees and administers
11 services to nonpublic schools, the agency shall follow federal
12 disposition rules and procedures to dispose of equipment or
13 supplies that are unused or no longer needed and were previously
14 allocated to nonpublic schools participating in the grant program.

15 SECTION 7.05. Subchapter A, Chapter 48, Education Code, is
16 amended by adding Section 48.011 to read as follows:

17 Sec. 48.011. COMMISSIONER AUTHORITY TO RESOLVE UNINTENDED
18 CONSEQUENCES. (a) Subject to Subsection (b), the commissioner
19 may, as necessary to implement changes made by the legislature to
20 public school finance, including under this chapter or Chapter 45,
21 46, or 49, and school district ad valorem taxes:

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

26 (2) modify dates relating to the adoption of a school
27 district's maintenance and operations tax rate and, if applicable,

1 an election required for the district to adopt that tax rate.

2 (b) Before making an adjustment under Subsection (a), the
3 commissioner shall notify and must receive approval from the
4 Legislative Budget Board and the office of the governor.

5 (c) If the commissioner makes an adjustment under
6 Subsection (a), the commissioner must provide to the legislature an
7 explanation regarding the changes necessary to resolve the
8 unintended consequences.

9 (d) This section expires September 1, 2027.

10 SECTION 7.06. Subchapter A, Chapter 48, Education Code, is
11 amended by adding Section 48.014 to read as follows:

12 Sec. 48.014. NOTICE FOR SCHOOL DISTRICTS REGARDING RECOURSE
13 FOR INVALID PROPERTY VALUES. (a) This section applies only to a
14 school district located in an appraisal district in which the
15 comptroller has certified the preliminary findings of the school
16 district property value study under Section 403.302(g), Government
17 Code, and determined that a school district located in the
18 appraisal district has an invalid local value, regardless of
19 whether the district meets the definition of an eligible school
20 district under Section 403.3011, Government Code.

21 (b) For each school district to which this section applies
22 and as soon as practicable after the comptroller has certified the
23 preliminary findings of the school district property value study
24 under Section 403.302(g), Government Code, the commissioner shall
25 provide notice to the board of trustees of the district that
26 includes information regarding the impact or possible impact of a
27 final certification of an invalid local value on the district's

1 finances, including:

2 (1) an estimate of the effect on the district's
3 finances; and

4 (2) any right of recourse available to the district.

5 (c) Each school district shall annually report to the agency
6 contact information for the members of the district's board of
7 trustees for purposes of receiving the notice under this section.

8 (d) The commissioner shall coordinate with the comptroller
9 to provide copies of the notice under this section to the board of
10 directors of each applicable appraisal district.

11 SECTION 7.07. Section 48.051(a), Education Code, is amended
12 to read as follows:

13 (a) For each student in average daily attendance, not
14 including the time students spend each day in career and technology
15 education programs or in special education programs in a setting
16 [an instructional arrangement] other than a general education
17 setting [mainstream or career and technology education programs],
18 for which an additional allotment is made under Subchapter C, a
19 school district is entitled to an allotment equal to the lesser of
20 the amounts that result from the following formulas:

21 (1) A = \$6,160 + GYIA; or [the amount that results from
22 the following formula:]

23 (2) A = (\$6,160 + GYIA) X TR/MCR

24 where:

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

26 "GYIA" is the guaranteed yield increment adjustment
27 determined under Section 48.2561;

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

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

5 SECTION 7.08. Section 48.101, Education Code, is amended to
6 read as follows:

7 Sec. 48.101. SMALL AND MID-SIZED DISTRICT ALLOTMENT. (a)
8 Small and mid-sized districts are entitled to an annual allotment
9 in accordance with this section. In this section:

10 (1) "AA" is the district's annual allotment per
11 student in average daily attendance;

12 (2) "ADA" is the number of students in average daily
13 attendance for which the district is entitled to an allotment under
14 Section 48.051, other than students in average daily attendance who
15 do not reside in the district and are enrolled in a full-time
16 virtual program; and

17 (3) "BA" is the basic allotment determined under
18 Section 48.051.

19 (b) A school district that has fewer than 1,600 students in
20 average daily attendance is entitled to an annual allotment for
21 each student in average daily attendance based on the following
22 formula:

$$23 \quad AA = ((1,600 - ADA) \times .00046 [-0004]) \times BA$$

24 (c) A school district that offers a kindergarten through
25 grade 12 program and has less than 5,000 students in average daily
26 attendance is entitled to an annual allotment for each student in
27 average daily attendance based on the formula, of the following

1 formulas, that results in the greatest annual allotment:

2 (1) the formula in Subsection (b), if the district is
3 eligible for that formula; or

4 (2) $AA = ((5,000 - ADA) \times \underline{.00003} [\text{~~-.000025~~})] \times BA.$

5 (d) Instead of the allotment under Subsection (b) or (c)(1),
6 a school district that has fewer than 300 students in average daily
7 attendance and is the only school district located in and operating
8 in a county is entitled to an annual allotment for each student in
9 average daily attendance based on the following formula:

10 $AA = ((1,600 - ADA) \times \underline{.0005} [\text{~~-.00047~~})] \times BA$

11 SECTION 7.09. Section 48.105, Education Code, is amended by
12 adding Subsections (a-1) and (a-2) and amending Subsection (b) to
13 read as follows:

14 (a-1) The agency shall review school districts that offer
15 alternative language education methods approved by the agency under
16 Section 29.054(d) and approve districts to receive the allotment
17 under Subsection (a-2) for that biennium in a manner that provides
18 not more than \$10 million total under the allotment to school
19 districts in each biennium. In approving school districts to
20 receive the allotment under this subsection, the agency shall, to
21 the extent possible, approve eligible school districts from a
22 cross-section of this state.

23 (a-2) For each student in average daily attendance in an
24 alternative language education method approved by the agency under
25 Section 29.054(d), and offered by a school district approved to
26 receive the allotment under Subsection (a-1), the district is
27 entitled to an annual allotment equal to the basic allotment

1 multiplied by:

2 (1) 0.15 for an emergent bilingual student, as defined
3 by Section 29.052, if the student is in an alternative language
4 education method using a dual language immersion/one-way or two-way
5 program model; and

6 (2) 0.05 for a student not described by Subdivision
7 (1), if the student is in an alternative language education method
8 using a dual language immersion/one-way or two-way program model.

9 (b) At least 55 percent of the funds allocated under this
10 section must be used in providing bilingual education or special
11 language programs under Subchapter B, Chapter 29. A district's
12 bilingual education or special language allocation may be used only
13 for program and student evaluation, instructional materials and
14 equipment, staff development, supplemental staff expenses, teacher
15 salaries [~~salary supplements for teachers~~], incremental costs
16 associated with providing smaller class sizes, and other supplies
17 required for quality instruction.

18 SECTION 7.10. Section 48.115(a), Education Code, is amended
19 to read as follows:

20 (a) Except as provided by Subsection (a-1), a school
21 district is entitled to an annual allotment equal to the sum of the
22 following amounts or a greater amount provided by appropriation:

23 (1) \$20 [~~\$10~~] for each student in average daily
24 attendance, plus \$1 for each student in average daily attendance
25 per every \$50 by which the district's maximum basic allotment under
26 Section 48.051 exceeds \$6,160, prorated as necessary; and

27 (2) \$34,000 [~~\$15,000~~] per campus.

1 SECTION 7.11. Section 48.202, Education Code, is amended by
2 amending Subsection (a-1) and adding Subsection (e-2) to read as
3 follows:

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

7 (1) ~~[the greater of the amount of district tax revenue~~
8 ~~per weighted student per cent of tax effort available to a school~~
9 ~~district at the 96th percentile of wealth per weighted student or]~~
10 the amount that results from multiplying the maximum amount of the
11 basic allotment provided under Section 48.051 for the applicable
12 school year ~~[6,160, or the greater amount provided under Section~~
13 ~~48.051(b), if applicable,]~~ by 0.02084 ~~[0.016]~~, for the first eight
14 cents by which the district's maintenance and operations tax rate
15 exceeds the district's tier one tax rate; and

16 (2) ~~[subject to Subsection (f),]~~ the amount that
17 results from multiplying the maximum amount of the basic allotment
18 provided under Section 48.051 for the applicable school year
19 ~~[\$6,160, or the greater amount provided under Section 48.051(b), if~~
20 ~~applicable,]~~ by 0.008, for the district's maintenance and
21 operations tax effort that exceeds the amount of tax effort
22 described by Subdivision (1).

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

SECTION 7.12. Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2561 to read as follows:

Sec. 48.2561. GUARANTEED YIELD INCREMENT ADJUSTMENT. (a)
Not later than October 1 of each even-numbered year, for the
subsequent state fiscal biennium, the agency shall determine the
amount of the guaranteed yield increment adjustment for each state
fiscal year of the biennium. The amount of the guaranteed yield
increment adjustment is the difference between:

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

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

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

SECTION 7.13. Section 48.266, Education Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Except as provided by this subsection and subject to
Subsection (b-1), the commissioner shall base the determinations
under Subsection (a) on the estimates provided to the legislature
under Section 48.269, or, if the General Appropriations Act

1 provides estimates for that purpose, on the estimates provided
2 under that Act, for each school district for each school year. The
3 commissioner shall reduce the entitlement of each district that has
4 a final taxable value of property for the second year of a state
5 fiscal biennium that is higher than the estimate under Section
6 48.269 or the General Appropriations Act, as applicable. A
7 reduction under this subsection may not reduce the district's
8 entitlement below the amount to which it is entitled at its actual
9 taxable value of property.

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

15 SECTION 7.14. Section 48.283, Education Code, is amended to
16 read as follows:

17 Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS
18 IMPACTED BY COMPRESSION. A school district that received an
19 adjustment under Section 48.257(b) as that subsection existed on
20 September 1, 2024, for the 2022-2023 school year is entitled to
21 additional state aid [~~for each school year~~] in an amount equal to
22 [~~the amount of that adjustment for the 2022-2023 school year less~~]
23 the difference, if the difference is greater than zero, between:

24 (1) [~~the amount to which the district is entitled~~
25 ~~under this chapter for the current school year, and~~

26 [~~(2)~~] the amount of state and local revenue that would
27 have been available to [~~which~~] the district [~~would be entitled~~]

1 under this chapter and Chapter 49 for the current school year if the
2 district's maximum compressed tax rate had not been reduced under
3 Section 48.2555, as added by S.B. 2, Acts of the 88th Legislature,
4 2nd Called Session, 2023; and

5 (2) the amount of state and local revenue available to
6 the district under this chapter and Chapter 49 for the current
7 school year.

8 SECTION 7.15. Subchapter F, Chapter 48, Education Code, is
9 amended by adding Section 48.284 to read as follows:

10 Sec. 48.284. ADDITIONAL STATE AID FOR REGIONAL INSURANCE
11 COST DIFFERENTIALS. (a) In this section, "catastrophe area" and
12 "first tier coastal county" have the meanings assigned by Section
13 2210.003, Insurance Code.

14 (b) This section applies to a school district or
15 open-enrollment charter school that has the following property
16 located in a first tier coastal county or an area designated in 2024
17 as a catastrophe area:

18 (1) the central administrative office of the district
19 or school; and

20 (2) a majority of campuses of the district or school.

21 (c) A school district or open-enrollment charter school to
22 which this section applies is entitled to additional state aid for
23 each student in adjusted average daily attendance in an amount
24 equal to one-third of the difference between, for the 2023-2024
25 school year, or a different school year specified by appropriation:

26 (1) the total amount paid for property and casualty
27 insurance by districts and schools in the county or catastrophe

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

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

8 (d) For purposes of Subsection (c), the average daily
9 attendance of a school district that qualifies for, or an
10 open-enrollment charter school that if the school were a school
11 district would qualify for, an allotment under Section 48.101 is
12 the district's or school's average daily attendance multiplied by
13 the sum of one and:

14 (1) for a school district, the district's annual
15 allotment per student in average daily attendance under that
16 section divided by the basic allotment; or

17 (2) for an open-enrollment charter school, the
18 school's allotment determined per student in average daily
19 attendance under Section 12.106(a-2) divided by the basic
20 allotment.

21 SECTION 7.16. Section 26.08(n), Tax Code, is amended to
22 read as follows:

23 (n) For purposes of this section, the voter-approval tax
24 rate of a school district is the sum of the following:

25 (1) the rate per \$100 of taxable value that is equal to
26 the district's maximum compressed tax rate, as determined under
27 Section 48.2551, Education Code, for the current year;

1 (2) the greater of:

2 (A) the district's enrichment tax rate for the
3 preceding tax year [~~less any amount by which the district is~~
4 ~~required to reduce the district's enrichment tax rate under Section~~
5 ~~48.202(f), Education Code, in the current tax year~~]; or

6 (B) the rate of \$0.05 per \$100 of taxable value;

7 and

8 (3) the district's current debt rate.

9 SECTION 7.17. The following provisions of the Education
10 Code are repealed:

11 (1) Sections 48.104(j-1), (k), (l), (m), (n), and (o);

12 and

13 (2) Section 48.202(f).

14 SECTION 7.18. To the extent of any conflict between the
15 changes made to the Education Code by this article and the changes
16 made to the Education Code by another Act of the 89th Legislature,
17 Regular Session, 2025, the changes made by this article prevail.

18 SECTION 7.19. This article takes effect September 1, 2025.

2nd Reading

ADOPTED

MAY 23 2025

Latey Law
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: Bruce Coughlin

1 Amend H.B. No. 2 on third reading as follows:

2 (1) In the recital to the section of the bill amending
3 Section 48.106, Education Code, strike "Section 48.106, Education
4 Code, is amended by amending Subsection (a-1) and adding Subsection
5 (a-2)" and substitute "Section 48.106(a-1), Education Code, is
6 amended".

7 (2) In the section of the bill amending Section 48.106,
8 Education Code, strike added Subsection (a-2).

9 (3) In the section of the bill adding Section 48.1581,
10 Education Code, strike Subsections (b)(1) and (2) and substitute
11 the following:

12 (1) the sum of the district's allotments under
13 Subchapter B and, if applicable, the allotment under Section 48.101
14 for the applicable school year; and

15 (2) the basic allotment for the applicable school year.

ADOPTED

MAY 23 2025

Latey Saw
Secretary of the Senate

Third Reading

FLOOR AMENDMENT NO. 2

BY: *Bruce Ceylan*

Amend H.B. No. 2 on third reading as follows:

(1) In Article 7 of the bill insert the following in the appropriate place and renumber accordingly:

SECTION . Subchapter F, Chapter 48, is amended by adding Section 48.285 to read as follows:

Sec. 48.285. ADDITIONAL STATE AID TO ENSURE FUNDING OF RETENTION ALLOTMENTS. (a) For the 2025-2026 and 2026-2027 school years, a school district is entitled to additional state aid each year equal to the amount, if the amount is greater than zero, that the district is entitled to under Sections 48.158 and 48.1581 less the amount that results from subtracting the amount of funding the district was entitled to under this chapter and Chapter 49 as those chapters existed on September 1, 2024 from the funding the district is entitled to under this chapter and Chapter 49 for the current year.

(b) This section expires September 1, 2028.

(2) In the section of the bill adding Section 48.1581, Education Code, add the following subsection to Section 48.1581:

(b-1) In determining adjusted average daily attendance under this section the agency shall exclude students who do not reside in the district and are enrolled in a full-time virtual program.

ADOPTED

MAY 22 2025

Latey Law
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Brandon Coughlin*

Amend C.S.H.B. No. 2 (89R 31606) as follows:

(1) In the recital to SECTION 1.07 of the bill, adding Section 48.158 (page 10, line 1), strike "Section 48.158" and substitute "Sections 48.158 and 48.1581".

(2) In added Section 48.158(b)(1)(A), Education Code (page 10, line 17), strike "\$5,000" and substitute "\$4,000".

(3) In added Section 48.158(b)(1)(B), Education Code (page 10, line 19), strike "\$10,000" and substitute "\$8,000".

(4) In added Section 48.158(b)(2)(B), Education Code (page 10, line 25), strike "\$5,500" and substitute "\$5,000".

(5) In SECTION 1.07 of the bill, immediately following added Section 48.158, Education Code (page 12, between lines 8 and 9), insert the following:

Sec. 48.1581. SUPPORT STAFF RETENTION ALLOTMENT. (a) In this section, "non-administrative staff":

(1) includes a full-time or part-time employee who is not eligible for a salary increase under Section 48.158, including:

(A) a teacher not eligible for a salary increase under Section 48.158;

(B) a school counselor;

(C) a librarian;

(D) a school nurse;

(E) a teacher's assistant;

(F) a member of the custodial staff;

(G) a member of the food services staff;

(H) a bus driver;

(I) an administrative assistant; and

(J) other support staff; and

(2) does not include:

1 (A) a superintendent of a school district or
2 other administrator serving as educational leader and chief
3 executive officer;

4 (B) an assistant superintendent or a person in an
5 equivalent role;

6 (C) a principal or assistant principal; and

7 (D) an employee in a centralized supervisory
8 role.

9 (b) For purposes of this section, a school district's
10 adjusted average attendance is the quotient of:

11 (1) the sum of the basic allotment under Section
12 48.051 and, if applicable, the allotment under Section 48.101; and

13 (2) the basic allotment.

14 (c) A school district is entitled to an annual allotment of
15 \$45 for each student in adjusted average attendance.

16 (d) For the 2025-2026 school year, a school district shall
17 use money received under Subsection (c) to increase the salaries
18 provided to non-administrative staff.

19 (e) For the 2026-2027 and each subsequent school year, a
20 school district shall use money received under Subsection (c) to
21 maintain the salary increases provided under Subsection (d). Any
22 additional money the district receives under this section may only
23 be used for the compensation of non-administrative staff.

24 (f) A school district that increases non-administrative
25 staff compensation in the 2025-2026 school year to comply with
26 Subsection (d), as added by H.B. 2, Acts of the 89th Legislature,
27 Regular Session, 2025, is providing compensation for services
28 rendered independently of an existing employment contract
29 applicable to that school year and is not in violation of Section
30 53, Article III, Texas Constitution. This subsection expires
31 September 1, 2027.

1 (6) In SECTION 1.11(b) of the bill (page 13, lines 15 and
2 16), strike "and 48.257(b-1), Education Code, as added by this
3 article" and substitute ", 48.1581, and 48.257(b-1), Education
4 Code, as added by this article, and Section 822.201(b), Government
5 Code, as amended by this article".

6 (7) In SECTION 1.11(c) of the bill (page 13, lines 17 and
7 18), strike "Section 48.112, Education Code, as amended by this
8 article, takes" and substitute "Sections 48.112(c) and (d),
9 Education Code, as amended by this article, take".

10 (8) Add the following appropriately numbered SECTION to
11 ARTICLE 1 of the bill:

12 SECTION 1.__. Section 822.201(b), Government Code, is
13 amended to read as follows:

14 (b) "Salary and wages" as used in Subsection (a) means:

15 (1) normal periodic payments of money for service the
16 right to which accrues on a regular basis in proportion to the
17 service performed;

18 (2) amounts by which the member's salary is reduced
19 under a salary reduction agreement authorized by Chapter 610;

20 (3) amounts that would otherwise qualify as salary and
21 wages under Subdivision (1) but are not received directly by the
22 member pursuant to a good faith, voluntary written salary reduction
23 agreement in order to finance payments to a deferred compensation
24 or tax sheltered annuity program specifically authorized by state
25 law or to finance benefit options under a cafeteria plan qualifying
26 under Section 125 of the Internal Revenue Code of 1986, if:

27 (A) the program or benefit options are made
28 available to all employees of the employer; and

29 (B) the benefit options in the cafeteria plan are
30 limited to one or more options that provide deferred compensation,
31 group health and disability insurance, group term life insurance,

1 dependent care assistance programs, or group legal services plans;
2 (4) performance pay awarded to an employee by a school
3 district as part of a total compensation plan approved by the board
4 of trustees of the district and meeting the requirements of
5 Subsection (e);
6 (5) the benefit replacement pay a person earns under
7 Subchapter H, Chapter 659, except as provided by Subsection (c);
8 (6) stipends paid to teachers in accordance with
9 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;
10 (7) amounts by which the member's salary is reduced or
11 that are deducted from the member's salary as authorized by
12 Subchapter J, Chapter 659;
13 (8) a merit salary increase made under Section 51.962,
14 Education Code;
15 (9) amounts received under the relevant parts of the
16 educator excellence awards program under Subchapter O, Chapter 21,
17 Education Code, or a mentoring program under Section 21.458,
18 Education Code, that authorize compensation for service;
19 (10) salary amounts designated as health care
20 supplementation by an employee under Subchapter D, Chapter 22,
21 Education Code;
22 (11) to the extent required by Sections 3401(h) and
23 414(u)(12), Internal Revenue Code of 1986, differential wage
24 payments received by an individual from an employer on or after
25 January 1, 2009, while the individual is performing qualified
26 military service as defined by Section 414(u), Internal Revenue
27 Code of 1986; and
28 (12) increased compensation paid to an employee [~~a~~
29 ~~teacher~~] by an employer [~~a school district~~] using funds received by
30 the employer [~~district~~] under:
31 (A) the teacher incentive allotment under

1 Section 48.112, Education Code;

2 (B) the teacher retention allotment under
3 Section 48.158, Education Code; or

4 (C) the support staff retention allotment under
5 Section 48.1581, Education Code.

6 (9) Strike SECTION 2.10 of the bill, adding Section 21.0456,
7 Education Code (page 23, lines 16 through 27).

8 (10) In SECTION 2.18 of the bill, strike added Section
9 21.908, Education Code (page 39, lines 6 through 22), and
10 substitute the following:

11 Sec. 21.908. EDUCATOR PREPARATION PROGRAM SUPPORT. The
12 agency shall develop and maintain a program to assist educator
13 preparation programs in implementing this subchapter.

14 (11) Strike SECTION 2.21 of the bill (page 45, lines 7
15 through 12), and substitute the following appropriately numbered
16 SECTION:

17 SECTION 2.___. (a) The following provisions of the
18 Education Code are repealed:

19 (1) Section 21.051(a); and

20 (2) Subchapter Q, Chapter 21.

21 (b) Effective September 1, 2026, Section 48.114, Education
22 Code, is repealed.

23 (c) Section 825.4092(f), Government Code, is repealed.

24 (12) In SECTION 2.24(a) of the bill (page 46, line 1),
25 strike "2025" and substitute "2026".

26 (13) In SECTION 2.24(b) of the bill (page 46, line 2),
27 between "section" and the comma, insert "and as otherwise provided
28 by this Act,".

29 (14) In the recital to SECTION 3.07 of the bill, adding
30 Sections 21.416 and 21.418, Education Code (page 53, line 3),
31 strike "Sections 21.416 and 21.418" and substitute "Section

1 21.418".

2 (15) In SECTION 3.07 of the bill, strike added Section
3 21.416, Education Code (page 53, line 4, through page 54, line 15).

4 (16) In the recital to SECTION 3.08 of the bill, adding
5 Sections 21.466, 21.467, and 21.468, Education Code (page 54, line
6 24), strike "Sections 21.466, 21.467, and 21.468" and substitute
7 "Sections 21.466 and 21.468".

8 (17) In added Section 21.466(a)(1), Education Code (page
9 55, line 5), strike "opportunities, and staff retention", and
10 substitute "and mentorship opportunities, and staff retention,
11 including by identifying opportunities to reduce noninstructional
12 duties for teachers".

13 (18) In added Section 21.466(a)(2), Education Code (page
14 55, line 9), between "programs" and the underlined semicolon,
15 insert ", including by developing partnerships with educator
16 preparation programs".

17 (19) In SECTION 3.08 of the bill, strike added Section
18 21.467, Education Code (page 55, line 17, through page 56, line 7).

19 (20) In SECTION 4.12 of the bill, in amended Section
20 29.008(c), Education Code (page 75, line 16), strike "state" and
21 substitute "local, state,".

22 (21) In the recital to SECTION 4.24 of the bill, amending
23 Subchapter A, Chapter 29, Education Code (page 90, line 16), strike
24 "Sections 29.024 and" and substitute "Section".

25 (22) In SECTION 4.24 of the bill, strike added Section
26 29.024, Education Code (page 90, line 17, through page 92, line 4).

27 (23) In the recital to SECTION 4.27 of the bill, amending
28 Section 29.042, Education Code (page 93, line 1), strike
29 "Subsection (e)" and substitute "Subsections (e) and (f)".

30 (24) In SECTION 4.27 of the bill, amending Section 29.042,
31 Education Code, as follows:

1 (A) In Subsection (a) (page 93, lines 9 and 10), strike
2 "and Section 48.306(f)".

3 (B) In Subsection (a) (page 93, lines 11 and 12),
4 strike "in the amount provided under Section 48.306 [~~of not more~~
5 ~~than \$1,500~~]" and substitute "of not more than \$1,500".

6 (C) In Subsection (a) (page 93, lines 16 and 17),
7 strike "award grants in the order in which the applications were
8 received and".

9 (D) Immediately following added Subsection (e) (page
10 94, between lines 2 and 3), insert the following:

11 (f) A regional education service center designated to
12 administer the program under this subchapter for a school year is
13 entitled to receive not more than four percent of the amount
14 appropriated for purposes of making grants under this subchapter
15 for that school year for the costs of administering the program.

16 (25) In SECTION 4.28 of the bill, in amended Section 29.045,
17 Education Code (page 94, line 6), strike "The [~~Subject to available~~
18 ~~funding the~~]" and substitute "Subject to available funding the".

19 (26) In SECTION 4.55 of the bill, in added Section
20 48.1022(b), Education Code (page 129, line 15), strike "\$350" and
21 substitute "\$250".

22 (27) In SECTION 4.59 of the bill, adding Section 48.159,
23 Education Code, as follows:

24 (A) In added Subsection (a) (page 132, line 16),
25 strike "(a)".

26 (B) Strike added Subsection (b) (page 132, line 20,
27 through page 133, line 4).

28 (28) In the recital to SECTION 4.62 of the bill, amending
29 Subchapter G, Chapter 48, Education Code (page 133, line 26),
30 strike ", 48.306,".

31 (29) In SECTION 4.62 of the bill, strike added Section

1 48.306, Education Code (page 135, line 10, through page 136, line
2 5).

3 (30) In SECTION 5.15 of the bill, in amended Section
4 29.1543, Education Code, as follows:

5 (A) Between "REPORTS." and "The" (page 166, line 16),
6 insert "(a)".

7 (B) In Subdivision (7)(C) (page 167, line 27), strike
8 "and" and substitute "~~and~~".

9 (C) In Subdivision (8) (page 168, line 3), strike
10 "disadvantaged." and substitute the following:
11 disadvantaged; and

12 (9) the number of students identified as having a
13 vision disorder or other vision problem requiring vision care under
14 the screening program described by Section 36.004, Health and
15 Safety Code, disaggregated by:

16 (A) grade level;

17 (B) gender;

18 (C) race;

19 (D) ethnicity;

20 (E) the student's status as educationally
21 disadvantaged;

22 (F) the number of times the student was
23 previously identified as having a vision disorder or other vision
24 problem;

25 (G) the identified vision disorder or problem;
26 and

27 (H) the type of screening equipment used for the
28 screening.

29 (b) Subject to appropriation or from money otherwise
30 available for the purpose, the agency shall, in compliance with all
31 applicable federal and state student privacy laws, acquire and

1 maintain a third-party data management system to facilitate the
2 reporting of information under this section.

3 (31) In SECTION 5.21 of the bill, strike added Section
4 31.0754, Education Code (page 173, lines 1 through 14), and
5 substitute the following:

6 Sec. 31.0754. COMMUNICATION REGARDING OPEN EDUCATION
7 RESOURCE INSTRUCTIONAL MATERIALS. Notwithstanding Chapter 2113,
8 Government Code, the commissioner may enter into contracts or
9 agreements and engage in efforts to communicate information
10 regarding the development and availability of open education
11 resource instructional materials made available under this
12 subchapter, including activities to promote, market, and advertise
13 the content included in and how to use those materials.

14 (32) In SECTION 5.31(a) of the bill, providing transition
15 language for ARTICLE 5 (page 181, lines 10 and 11), strike "28.0065,
16 and 28.02111" and substitute "and 28.0065".

17 (33) In SECTION 5.31 of the bill, providing transition
18 language for ARTICLE 5 (page 181, between lines 12 and 13), insert
19 the following appropriately lettered subsection and reletter
20 subsequent subsections of the section accordingly:

21 (___) Section 28.02111, Education Code, as added by this
22 article, applies beginning with the 2026-2027 school year.

23 (34) In SECTION 5.32(a) of the bill, providing transition
24 language for ARTICLE 5 (page 181, line 18), strike "48.122, and
25 48.317" and substitute "and 48.122".

26 (35) In SECTION 5.32 of the bill, providing transition
27 language for ARTICLE 5 (page 181, between lines 19 and 20), insert
28 the following appropriately lettered subsections and reletter
29 subsequent subsections of the section accordingly:

30 (___) Section 48.317, Education Code, as added by this
31 article, takes effect September 1, 2026.

1 () Section 29.1543(b), Education Code, as added by this
2 article, takes effect September 1, 2027.

3 (36) In SECTION 6.02 of the bill, in added Section 7.0405,
4 Education Code, as follows:

5 (A) In Subsection (a)(2) (page 183, lines 17 and 18),
6 strike Paragraph (B) and reletter subsequent paragraphs of that
7 subdivision accordingly.

8 (B) In Subsection (a)(2)(C) (page 183, line 19),
9 between "(C)" and "employment", insert "for each cohort for which
10 data is available,".

11 (C) Immediately following Subsection (a) (page 183,
12 between lines 23 and 24), insert the following appropriately
13 lettered subsection and reletter subsequent subsections
14 accordingly:

15 () The agency is required to provide data regarding
16 students who graduate from high school and enroll in remedial
17 postsecondary coursework as part of a postsecondary degree,
18 certificate, or other credentialing program under Subsection
19 (a)(1)(A) only to the extent that data is available.

20 (37) In SECTION 6.03 of the bill, in amended Section
21 11.186(b)(3), Education Code (page 185, lines 6 and 7), strike "as
22 defined by the agency" and substitute "aligned with the long-range
23 master plan for higher education established under Section 61.051
24 and the performance tier funding for public junior colleges for
25 credentials of value under Section 130A.101".

26 (38) Strike SECTION 6.07 of the bill, adding Section
27 29.9016, Education Code (page 189, line 17, through page 190, line
28 8).

29 (39) In SECTION 6.09 of the bill, in amended Section
30 33.007(b)(1), Education Code (page 191, line 21), strike "career
31 readiness and workforce training opportunities" and substitute the

1 following:

2 :

3 (A) career readiness and workforce training
4 opportunities; and

5 (B) a link to the My Texas Future Internet
6 website and information regarding how to create a profile on that
7 website

8 (40) In SECTION 6.09 of the bill, in added Section
9 33.007(b)(12), Education Code (page 193), strike lines 5 and 6 and
10 substitute the following:

11 :

12 (A) information regarding program costs, program
13 completion rates, and the average wages of students who complete
14 the program; and

15 (B) the availability of information regarding
16 those opportunities on the My Texas Future Internet website; and

17 (41) In SECTION 6.09 of the bill, in added Section
18 33.007(b)(13), Education Code (page 193, line 12), between
19 "7.0405(a)" and the period, insert "or available on the My Texas
20 Future Internet website".

21 (42) In SECTION 6.09 of the bill, in added Section
22 33.007(d), Education Code (page 193, line 13), between "agency" and
23 "shall", insert "or the Texas Higher Education Coordinating Board".

24 (43) In SECTION 6.09 of the bill, in added Section
25 33.007(d), Education Code (page 193, line 15), between "7.0405(a)"
26 and the underlined period, insert "or available on the My Texas
27 Future Internet website".

28 (44) In SECTION 6.09 of the bill, in added Section
29 33.007(d), Education Code (page 193, at the end of line 19), insert
30 "The agency or the coordinating board may make the training
31 available through the Texas OnCourse Internet website".

1 (45) In the recital to SECTION 6.16 of the bill, amending
2 Section 48.106, Education Code (page 203, line 23), strike
3 "Subsections (a-2) and (a-3)" and substitute "Subsection (a-2)".

4 (46) In SECTION 6.16 of the bill, amending Section 48.106,
5 Education Code, strike amended Subsection (a-1) (page 203, line 25
6 through page 204, line 7) and substitute the following:

7 (a-1) In addition to the amounts under Subsection (a), ~~[for~~
8 ~~each student in average daily attendance,~~] a district is entitled
9 to \$150 ~~[\$50]~~ for each ~~[of the following in which the]~~ student in
10 average daily attendance who ~~[is enrolled]:~~

11 (1) is enrolled in a campus designated as a P-TECH
12 school under Section 29.556; or

13 (2) completes a course of study offered under the
14 Pathways in Technology Early College High School (P-TECH) program
15 under Subchapter N, Chapter 29, or the Rural Pathway Excellence
16 Partnership (R-PEP) program under Section 29.912, regardless of
17 whether the student is enrolled in the district that provides the
18 course of study ~~[a campus that is a member of the New Tech Network~~
19 ~~and that focuses on project-based learning and work-based~~
20 ~~education].~~

21 (47) In SECTION 6.16 of the bill, strike added Section
22 48.106(a-3), Education Code (page 204, lines 14 through 21).

23 (48) In SECTION 6.22 of the bill, in amended Section
24 48.156(b), Education Code (page 208, line 11), strike "\$15" and
25 substitute "\$20".

26 (49) In SECTION 6.29 of the bill, providing transition
27 language for ARTICLE 6 (page 211, line 11), strike "Sections
28 28.0095(c-1) and 29.9016" and substitute "Section 28.0095(c-1)".

29 (50) Add the following appropriately numbered SECTIONS to
30 ARTICLE 6 of the bill and renumber subsequent SECTIONS of the
31 article accordingly:

1 SECTION 6.____. Subchapter Z, Chapter 29, Education Code, is
2 amended by adding Section 29.9017 to read as follows:

3 Sec. 29.9017. NOTICE REGARDING MILITARY-RELATED TRAINING
4 PROGRAMS. (a) As part of the high school registration process and
5 annually, a school district or open-enrollment charter school shall
6 notify the parent or guardian of each student enrolled in a Junior
7 Reserve Officers' Training Corps program established under 10
8 U.S.C. Section 2031 regarding any early registration or scholarship
9 program available to students in military-related training
10 programs.

11 (b) The notice required under Subsection (a) must provide
12 the student's parent or guardian with the option to share the
13 student's data with one or more public institutions of higher
14 education for the purpose of learning about any opportunity to
15 participate in an early registration or scholarship program
16 described by Subsection (a), including:

17 (1) the student's directory contact information;
18 (2) the student's education records; or
19 (3) any other information prescribed by Texas Higher
20 Education Coordinating Board rule that would allow the student to
21 learn about an opportunity to participate in military-related
22 training programs at public institutions of higher education,
23 including financial aid or scholarship programs.

24 SECTION 6.____. Section 48.003(a), Education Code, is
25 amended to read as follows:

26 (a) A student is entitled to the benefits of the Foundation
27 School Program if, on September 1 of the school year, the student:

28 (1) is 5 years of age or older and under 21 years of age
29 and:

30 (A) has not graduated from high school; or
31 (B) has graduated from high school but is:

1 (i) enrolled in a school district at a
2 campus designated as a P-TECH school under Section 29.556 or in a
3 school district participating in a partnership under Section
4 29.912; and

5 (ii) completing a course of study offered
6 through an articulation agreement or memorandum of understanding
7 with an institution of higher education, as defined by Section
8 61.003, and the district described by Subparagraph (i), as
9 applicable, under the Pathways in Technology Early College High
10 School (P-TECH) program under Subchapter N, Chapter 29, and the
11 Rural Pathway Excellence Partnership (R-PEP) program under Section
12 29.912, regardless of whether the student is enrolled in the
13 district providing the course of study;

14 (2) [~~7-04~~] is at least 21 years of age and under 26
15 years of age and has been admitted by a school district to complete
16 the requirements for a high school diploma; or

17 (3) [~~4-2~~] is at least 18 years of age and under 50
18 years of age and is enrolled in an adult education program provided
19 under the adult high school charter school program under Subchapter
20 G, Chapter 12.

21 (51) In SECTION 7.02 of the bill, in amended Section
22 12.106(d), Education Code (page 215, line 20), strike "0.07" and
23 substitute "0.06".

24 (52) Strike SECTION 7.10 of the bill, amending Section
25 48.115(a), Education Code (page 223, lines 18 through 27), and
26 substitute the following appropriately numbered SECTION:

27 SECTION 7.____. Section 48.115, Education Code, is
28 transferred to Subchapter D, Chapter 48, Education Code,
29 redesignated as Section 48.160, Education Code, and amended to read
30 as follows:

31 Sec. 48.160 [~~48.115~~]. SCHOOL SAFETY ALLOTMENT. (a)

1 Except as provided by Subsection (a-1), a school district is
2 entitled to an annual allotment equal to the sum of the following
3 amounts or a greater amount provided by appropriation:

4 (1) \$20 [~~\$10~~] for each student in average daily
5 attendance, plus \$1 for each student in average daily attendance
6 per every \$50 by which the district's maximum basic allotment under
7 Section 48.051 exceeds \$6,160, prorated as necessary; and

8 (2) \$33,540 [~~\$15,000~~] per campus.

9 (a-1) A school district campus that provides only virtual
10 instruction or utilizes only facilities not subject to the
11 district's control is not included for purposes of determining a
12 school district's allotment under Subsection (a).

13 (b) Funds allocated under this section must be used to
14 improve school safety and security, including costs associated
15 with:

16 (1) securing school facilities in accordance with the
17 requirements of Section 37.351, including:

18 (A) improvements to school infrastructure;

19 (B) the use or installation of perimeter security
20 fencing conducive to a public school learning environment or
21 physical barriers, which may not include razor wire;

22 (C) exterior door and window safety and security
23 upgrades, including exterior door numbering and locking systems and
24 security film that provides resistance to a forced entry; and

25 (D) the purchase and maintenance of:

26 (i) security cameras and, if the district
27 has already installed security cameras, other security equipment,
28 including video surveillance as provided by Section 29.022; and

29 (ii) technology, including communications
30 systems or devices, such as silent panic alert devices, two-way
31 radios, or wireless Internet booster equipment, that facilitates

1 communication and information sharing between students, school
2 personnel, and first responders in an emergency;

3 (2) providing security for the district, including:

4 (A) employing school district peace officers,
5 private security officers, and school marshals; and

6 (B) collaborating with local law enforcement
7 agencies, such as entering into a memorandum of understanding for
8 the assignment of school resource officers to schools in the
9 district;

10 (3) school safety and security measures, including:

11 (A) active shooter and emergency response
12 training;

13 (B) prevention and treatment programs relating
14 to addressing adverse childhood experiences; and

15 (C) the prevention, identification, and
16 management of emergencies and threats, using evidence-based,
17 effective prevention practices and including:

18 (i) providing licensed counselors, social
19 workers, chaplains, and individuals trained in restorative
20 discipline and restorative justice practices;

21 (ii) providing mental health personnel and
22 support, including chaplains;

23 (iii) providing behavioral health
24 services, including services provided by chaplains;

25 (iv) establishing threat reporting
26 systems; and

27 (v) developing and implementing programs
28 focused on restorative justice practices, culturally relevant
29 instruction, and providing mental health support, including
30 support provided by chaplains;

31 (4) providing programs related to suicide prevention,

1 intervention, and postvention, including programs provided by
2 chaplains; and

3 (5) employing a school safety director and other
4 personnel to manage and monitor school safety initiatives and the
5 implementation of school safety requirements for the district.

6 (b-1) The agency may designate certain technologies that a
7 school district, in using funds allocated under this section, may
8 purchase only from a vendor approved by the agency.

9 (b-2) If the agency, in coordination with the Texas School
10 Safety Center, determines that entering into a statewide contract
11 with a vendor for the provision of a technology designated under
12 Subsection (b-1) would result in cost savings to school districts,
13 the agency may, after receiving approval from the Legislative
14 Budget Board and office of the governor, enter into a contract with
15 a vendor to provide the technology to each district that uses funds
16 allocated under this section to purchase that technology.

17 (c) A school district may use funds allocated under this
18 section for equipment or software that is used for a school safety
19 and security purpose and an instructional purpose, provided that
20 the instructional use does not compromise the safety and security
21 purpose of the equipment or software.

22 (c-1) The agency, or if designated by the agency, the Texas
23 School Safety Center, shall establish and publish a directory of
24 approved vendors of school safety technology and equipment a school
25 district may select from when using funds allocated under this
26 section. If a school district uses funds allocated under this
27 section to purchase technology or equipment from a vendor that is
28 not included in the directory, the district must solicit bids from
29 at least three vendors before completing the purchase.

30 (d) The commissioner shall annually publish a report
31 regarding funds allocated under this section including the

1 programs, personnel, and resources purchased by districts using
2 funds under this section and other purposes for which the funds were
3 used.

4 (e) Notwithstanding any other law, a school district may use
5 funds allocated under this section to provide training to a person
6 authorized by the district to carry a firearm on a district campus.

7 (53) In SECTION 7.15 of the bill, in added Section
8 48.284(c), Education Code (page 227, line 24), strike "one-third"
9 and substitute "80 percent".

10 (54) Add the following appropriately numbered SECTIONS to
11 ARTICLE 7 of the bill:

12 SECTION 7.____. Section 28.0211, Education Code, is amended
13 by adding Subsections (a-15) and (a-16) to read as follows:

14 (a-15) The agency shall approve high-impact tutoring
15 providers for purposes of providing accelerated or supplemental
16 instruction under this section. In approving a provider, the
17 agency shall consider the requirements under Subsection (a-4).

18 (a-16) In contracting with a high-impact tutoring provider
19 approved by the agency under Subsection (a-15), a school district
20 may use an outcomes-based contract. The agency may approve an
21 instrument necessary to collect, manage, and analyze student
22 outcomes at scale for those providers.

23 SECTION 7.____. Section 37.0021(d), Education Code, is
24 amended to read as follows:

25 (d) Subject to Subsection (j), the commissioner by rule
26 shall adopt procedures for the use of restraint and time-out by a
27 school district employee or volunteer or an independent contractor
28 of a district in the case of a student with a disability receiving
29 special education services under Subchapter A, Chapter 29. A
30 procedure adopted under this subsection must:

31 (1) be consistent with:

1 (A) professionally accepted practices and
2 standards of student discipline and techniques for behavior
3 management; and

4 (B) relevant health and safety standards;

5 (2) establish crisis prevention and intervention
6 training requirements for school district personnel, including:

7 (A) standards for determining which personnel,
8 including support staff and law enforcement, should receive the
9 training and the amount of training each of those individuals
10 should receive, prioritizing the amount of training and training
11 that includes physical interventions based on the individual's risk
12 of being involved in a student-involved crisis situation;

13 (B) recommendations for the minimum frequency of
14 crisis prevention and intervention training as included in the
15 continuing education and training clearinghouse published under
16 Section 21.4514; and

17 (C) provisions allowing for any training
18 required under this subsection to be combined with or substituted
19 for other related required training if a majority of the content in
20 the related training addresses content in the training required
21 under this subsection, including:

22 (i) trauma-informed care training required
23 under Section 38.036; and

24 (ii) training on strategies for
25 establishing and maintaining positive relationships among
26 students, including conflict resolution, required under Section
27 21.451(d)(3)(B) [~~identify any discipline management practice or~~
28 ~~behavior management technique that requires a district employee or~~
29 ~~volunteer or an independent contractor of a district to be trained~~
30 ~~before using that practice or technique]~~; and

31 (3) require a school district to:

1 (A) provide written notification to the
2 student's parent or person standing in parental relation to the
3 student for each use of restraint that includes:

- 4 (i) the name of the student;
5 (ii) the name of the district employee or
6 volunteer or independent contractor of the district who
7 administered the restraint;
8 (iii) the date of the restraint;
9 (iv) the time that the restraint started
10 and ended;
11 (v) the location of the restraint;
12 (vi) the nature of the restraint;
13 (vii) a description of the activity in
14 which the student was engaged immediately preceding the use of the
15 restraint;
16 (viii) the behavior of the student that
17 prompted the restraint;
18 (ix) any efforts made to de-escalate the
19 situation and any alternatives to restraint that were attempted;
20 (x) if the student has a behavior
21 improvement plan or a behavioral intervention plan, whether the
22 plan may need to be revised as a result of the behavior that led to
23 the restraint; and
24 (xi) if the student does not have a behavior
25 improvement plan or a behavioral intervention plan, information on
26 the procedure for the student's parent or person standing in
27 parental relation to the student to request an admission, review,
28 and dismissal committee meeting to discuss the possibility of
29 conducting a functional behavioral assessment of the student and
30 developing a plan for the student;

31 (B) include in a student's special education

1 eligibility school records:

2 (i) a copy of the written notification
3 provided to the student's parent or person standing in parental
4 relation to the student under Paragraph (A);

5 (ii) information on the method by which the
6 written notification was sent to the parent or person; and

7 (iii) the contact information for the
8 parent or person to whom the district sent the notification; and

9 (C) if the student has a behavior improvement
10 plan or behavioral intervention plan, document each use of time-out
11 prompted by a behavior of the student specified in the student's
12 plan, including a description of the behavior that prompted the
13 time-out.

14 SECTION 7.____. Section 37.108(b-1), Education Code, is
15 amended to read as follows:

16 (b-1) In a school district's safety and security audit
17 required under Subsection (b), the district must certify that the
18 district used the funds provided to the district through the school
19 safety allotment under Section 48.160 [~~48.115~~] only for the
20 purposes provided by that section.

21 SECTION 7.____. Section 37.117(c), Education Code, as added
22 by Chapter 1 (S.B. 838), Acts of the 88th Legislature, Regular
23 Session, 2023, is amended to read as follows:

24 (c) To comply with this section, a school district or
25 open-enrollment charter school may:

26 (1) use funds provided to the district or school
27 through the school safety allotment under Section 48.160 [~~48.115~~]
28 or other available funds; and

29 (2) use the district's or school's customary
30 procurement process.

31 SECTION 7.____. Section 37.354(a), Education Code, is

1 amended to read as follows:

2 (a) The commissioner may authorize a school district to use
3 money provided to the district for the purpose of improving school
4 safety and security, including the school safety allotment under
5 Section 48.160 [~~48.115~~] or any other funding or grant money
6 available to the district for that purpose, to comply with the
7 requirements of this subchapter.

8 SECTION 7.____. Subchapter D, Chapter 48, Education Code,
9 is amended by adding Section 48.161 to read as follows:

10 Sec. 48.161. ALLOTMENT FOR BASIC COSTS. (a) A school
11 district is entitled to an annual allotment of \$106 for each student
12 enrolled in the district.

13 (b) Money allocated under this section may be used only to
14 pay costs associated with:

15 (1) transportation;

16 (2) hiring retired teachers;

17 (3) providing health insurance and employee benefits
18 and paying for payroll taxes;

19 (4) contributions and other costs under Subchapter E,
20 Chapter 825, Government Code; and

21 (5) utilities.

22 (55) Renumber all SECTIONS of the bill accordingly.

ADOPTED

MAY 22 2025

Lately Saw
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: Brandon Creighton

1 Amend Floor Amendment No. 1 by Creighton (89R32754) to
2 C.S.H.B. No. 2 on page 22, lines 20-21, as follows:

3 (1) On page 22, line 20 strike "and"

4 (2) On page 22, line 21 between "utilities" and the
5 underlined period, insert the following:

6 ; and

7 (6) property and casualty insurance

ADOPTED

MAY 22 2025

FLOOR AMENDMENT NO.

3

Latey Law
Secretary of the Senate

BY:

Brandon Ceythor

1 Amend C.S.H.B. No. 2 (89R 31606) in SECTION 5.10 of the bill,
2 in added Section 28.0071, Education Code, as follows:

3 (1) In the section heading (page 158, line 25), strike
4 "EIGHTH" and substitute "THIRD".

5 (2) In Subsection (a)(1) (page 159, line 2), strike "eighth"
6 and substitute "third".

ADOPTED

MAY 22 2025

FLOOR AMENDMENT NO. 4

Latey Law BY: Brandon Ceythor
Secretary of the Senate

Amend C.S.H.B. 2 (89R 31606) as follows:

(1) In SECTION 6.03 of the bill, in amended Section 11.186(b), Education Code (page 185), strike lines 4 through 22 and substitute the following:

(3) assign at least one district-level administrator

(2) In SECTION 6.03 of the bill, in amended Section 11.186(b), Education Code (page 186, line 3), strike "(6) [~~++~~]" and substitute "(4)".

(3) In SECTION 6.03 of the bill, in added Section 11.186(d), Education Code (page 186, line 10), strike "(b) (5) (B) [~~(b) (3) (B)~~]" and substitute "(b) (3) (B)".

(4) In SECTION 6.03 of the bill, in added Section 11.186(d), Education Code (page 186, line 14), strike "(b) (6)" and substitute "(b) (4)".

(5) In SECTION 6.03 of the bill, in added Section 11.186(e), Education Code (page 186, line 19), strike "(b) (5) (B)" and substitute "(b) (3) (B)".

(6) In SECTION 6.03 of the bill, in added Section 11.186(f), Education Code (page 186, line 22), strike "(b) (5) (B)" and substitute "(b) (3) (B)".

(7) Strike SECTIONS 6.12 and 6.13 of the bill, amending Section 39.053, Education Code, and adding Section 39.0531, Education Code (page 194, line 25 through page 202, line 12).

(8) In SECTION 6.26 of the bill, in amended Section 312.003(a), Labor Code (page 210), strike lines 8 through 12 and substitute the following:

and

(2) serve as an entry point to middle- and high-wage jobs.

- 1 (9) Strike SECTIONS 6.30 and 6.31 of the bill, adding
2 transition language (page 211, lines 15 through 22).
3 (10) Renumber SECTIONS of the article accordingly.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 24, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (Relating to public education and public school finance.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, As Passed 2nd House: a negative impact of (\$8,381,506,751) through the biennium ending August 31, 2027.

Costs associated with changes to special education funding in the Foundation School Program (FSP) for fiscal years 2028-30 cannot be determined, as the tiers, service groups, and weights are unknown; however, this analysis assumes funding would at least maintain funding levels that would be provided under current law.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$4,033,729,029)
2027	(\$4,347,777,722)
2028	(\$4,580,160,334)
2029	(\$4,522,612,866)
2030	(\$5,040,623,147)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund 1</i>	Probable Savings/(Cost) from <i>Foundation School Fund 193</i>	Probable Savings/(Cost) from <i>Federal Funds 555</i>	Probable Revenue Gain/(Loss) from <i>Recapture Payments Atten Crdts 8905</i>
2026	(\$393,322,843)	(\$3,640,406,186)	(\$628,064)	(\$381,657,125)
2027	(\$162,631,123)	(\$4,185,146,599)	(\$603,289)	(\$547,296,872)
2028	(\$160,457,589)	(\$4,419,702,745)	(\$603,289)	(\$538,947,172)
2029	(\$168,311,535)	(\$4,354,301,331)	(\$603,289)	(\$692,173,890)
2030	(\$175,082,845)	(\$4,865,540,302)	(\$603,289)	(\$548,959,716)

<i>Fiscal Year</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	104.0
2027	99.5
2028	98.0
2029	98.0
2030	98.0

Fiscal Analysis

The bill would add an additional designation level to the teacher incentive allotment (TIA) and would change the designation of nationally board-certified teachers. The bill would also direct the commissioner to designate schools as enhanced teacher incentive allotment schools and expand the technical assistance duties of the Texas Education Agency (TEA) related to implementation of local optional teacher designation systems.

The bill would establish the local optional teacher designation system grant program. From funds appropriated or available, TEA would develop and administer a grant program with money and technical assistance for districts and open-enrollment charter schools to expand implementation of local optional teacher designation systems and increase the number of teachers eligible for a designation. Grants that would be awarded under this section would be required to meet the needs of individual school districts and enable regional leadership capacity.

The bill would require TEA to provide resources, including liability insurance, for classroom teachers. From funds appropriated or otherwise available for the purpose, the agency would be required to contract with a third party to provide services for a classroom teacher employed under a probationary, continuing, or term contract.

The bill would entitle school district employees to salary deductions for fees to an entity providing liability insurance.

The bill would add an additional weight for enhanced teacher incentive allotment schools and, beginning in fiscal year 2027, the bill would increase the Foundation School Program (FSP) allotments and rural and high needs factors for TIA.

The bill would establish a teacher retention allotment, which would provide additional funding for classroom teacher compensation based on teaching experience and district size.

The bill would create the Support Staff Retention Allotment which would provide school districts with an additional annual allotment of \$45 per student in adjusted average daily attendance (AADA), which would be determined by dividing the sum of a district's allotments under Education Code, Subchapter B, Chapter 48, and Section 48.101 by the Basic Allotment, excluding students who do not reside in the district and are enrolled in a full-time virtual education program. For the 2025-26 school year, a district would be required to use money received under this subsection to provide salary increases to non-administrative staff not eligible for the Teacher Retention Allotment. In subsequent years, a district would be required to use money received under this subsection to maintain salary increases. Any remaining funds could only be used for compensation of non-administrative staff not eligible for the Teacher Retention Allotment.

The bill would provide additional state aid to certain districts receiving an adjustment under Education Code, Section 48.257.

The bill would amend Education Code, Section 48.051, to repeal the sections that would require districts to use 30 percent of new revenue in a year in which the basic allotment is increased to provide compensation increases to full-time district employees other than administrators.

The bill would provide one-time payments for certain uncertified teachers who earn a standard certificate.

The bill would require the State Board for Educator Certification (SBEC) to develop rules and procedures relating to evaluating educator preparation programs (EPP) for approval and the renewal of approval, including educator literacy and mathematics achievement academies.

The bill would require the commissioner to develop and make available instructional materials for educator preparation programs and training for faculty responsible for preparing educator candidates.

The bill would require school districts to pay a teacher with zero years of experience who holds a certification under Education Code, Section 21.0412(a), a minimum salary that is greater than a teacher with equivalent experience who does not hold a certification under that section. The bill would prohibit school districts from adopting a salary schedule for teachers with five or more years of experience that differentiates minimum salaries based solely on certification.

The bill would direct school districts to provide onetime payments to certain teacher candidates for completing literacy or math academies.

The bill would establish the Preparing and Retaining Educators through Partnership (PREP) Programs to provide preservice practice opportunities for teacher candidates in a prekindergarten through grade 12 classroom through partnerships between school districts or open-enrollment charter schools and EPPs. TEA would be required to provide technical assistance and support to participating schools and EPPs.

The bill would establish the Preparing and Retaining Educators through Partnership Program Allotment for the PREP Programs. For each teacher candidate completing preservice practice hours at the district under Subchapter Q, Chapter 21, the district would be entitled to an allotment equal to the sum of a base amount ranging from \$8,000 to \$24,000, and an amount ranging from \$1,000 to \$3,000 multiplied by the high needs and rural factor, which would have a maximum value of 4.0, as determined under Subsection (c). The Texas School for the Deaf (TSD), the Texas School for the Blind and Visually Impaired (TSBVI), and schools in the Texas Department of Criminal Justice would be entitled to the allotment under this section. Eligible districts with candidates for special or bilingual education certification employed in a residency position would be entitled to an additional \$2,000 allotment.

The bill would repeal the Mentor Program Allotment under the FSP.

The bill would repeal Government Code, Section 825.4092(f), to allow employers to pass on surcharges to employed retirees.

The bill would require the SBEC to waive bilingual and special education certification application fees and exam fees for a candidate's first test attempt and would require SBEC to pay the vendor who administers the certification exams the fee associated with the exam for which the fee was waived.

From funds appropriated, TEA would be required to provide school districts with information and technical assistance regarding staffing models, scheduling, and teacher compensation models; programs that would encourage high school students to become teachers, including apprenticeships; and programs that school leaders may use to establish behavior expectations while positively supporting students.

The bill would direct TEA to collect certain data from public schools to address teacher retention and recruitment.

The bill would require TEA to provide certain technical assistance, and oversight, and support for the education of students with disabilities.

The bill would require the Health and Human Services Commission (HHSC), in collaboration with TEA and stakeholders, to develop and provide materials to certain students regarding educational residential placements.

The bill would require the commissioner to adopt rules for and develop a list of approved public or private facilities, institutions, agencies, or businesses inside or outside that state that provide services to students with disabilities in a residential or day placement program.

The bill would rename the Supplemental Special Education Services Program to Parent-Directed Services for Students Receiving Special Education Services (PDSES) and would require the agency to establish a waitlist for the program if the agency received more acceptable applications than the number that could be granted using available funding. The bill would allow for a student to receive an additional grant if the legislature were to appropriate funding in the General Appropriations Act (GAA) for that purpose. The bill would entitle a regional education service center (ESC) designated to administer the PDSES program an amount up to 4.0 percent of appropriated funds.

The bill would require that each school district, instead of the commissioner and the executive commissioner of HHSC, ensure the language acquisition of deaf or hard of hearing students under the age of eight is regularly assessed. School districts would be required to report assessment data set by commissioner rule to the agency through PEIMS.

The bill would reduce the amount for which a district is required to contribute for a student admitted to TSD or TSBVI if the district is required to reduce local revenue under Education Code, Section 48.257.

Beginning in fiscal year 2027, the bill would amend the special education allotment under the FSP to provide for weighted funding based on tiers of intensity of service to be defined by the commissioner. The commissioner would be required to submit proposed weights for each tier to the Legislative Budget Board (LBB) for the upcoming biennium.

Beginning in fiscal year 2027, the bill would create the Special Education Service Group Allotment under the FSP and would require the Commissioner to establish at least four service groups to determine funding for special education students under this section. For each student that receives eligible special education services, a district would be entitled to an allotment in an amount set by the legislature in the GAA for the service group for which the student receives services.

The commissioner would be required to submit proposed amounts of funding for the special education service groups to the LBB not later than December 1 of each even-numbered year.

The bill would establish the Special Education Transition Funding Allotment for fiscal year 2027. For the 2026-27 school year, the bill would require the commissioner to determine the formulas through which districts would receive special education funding through the Special Education Allotment and the Special Education Service Group Allotment. In determining the formulas for fiscal year 2027, the bill would require the commissioner to ensure that the estimated statewide increase through the Special Education Allotment and the Special Education Service Group Allotment would be approximately \$250 million above what would have been provided under Section 48.102, as it existed in fiscal year 2026 but using the basic allotment amount in effect for fiscal year 2027.

The bill would increase the College, Career and Military Readiness Outcomes Bonus for special education students from \$2,000 to \$4,000.

The bill would increase the transportation allotment for special education students from \$1.08 to \$1.13 per mile or a greater amount by appropriation.

The bill would establish the Special Education Full Individual and Initial Evaluation Allotment which would provide districts with \$1,000, or a greater amount by appropriation, for each student for whom the district conducts a full individual and initial evaluation (FIIE).

The bill would establish day placement program or cooperative funding under the FSP for which ESCs and local education agencies (LEAs) could receive an annual allotment for each qualifying program or cooperative of \$250,000 for the first year and, for subsequent years, \$100,000 plus \$150,000 if at least three students are enrolled.

The bill would shift funding for regional day school programs for the deaf to the FSP.

The bill would require TEA to develop a method for evaluating the effectiveness of literacy achievement academies, including their impact on teaching practices and student literacy proficiency. School districts and

charter schools would be required to provide any requested information for purposes of evaluation. The bill would require the commissioner to develop and make available reading intervention academies for teachers providing reading interventions to students who need accelerated instruction in foundational reading skills.

The bill would authorize the commissioner to establish an advisory board to assist with implementation of the reading intervention academies.

The bill would require TEA to develop a method for evaluating mathematics achievement academies to assess their effectiveness, including their impact on teaching practices and student mathematics proficiency. School districts and charter schools would be required to provide any requested information for purposes of evaluation. The bill would require the commissioner to develop and make available mathematics interventionist academies for teachers or other professionals who provide mathematics interventions to students who require targeted instruction in foundational mathematics skills.

The bill would authorize the commissioner to establish an advisory board to assist the agency with the development and implementation of mathematics interventionist academies.

The bill would establish the Additional Days School Year Planning Grant Program. From funds appropriated or available, TEA would be required to develop and administer a grant program to provide money and technical assistance for districts and open-enrollment charter schools to qualify for the Incentive for Additional Instructional Days under Education Code, Section 48.0051. School districts and open-enrollment charter schools that seek to maximize the additional instructional days incentive would be prioritized for grant awards under this program.

The bill would require the commissioner to adopt a list of reading and mathematics instruments for use in kindergarten through grade three to measure foundational literacy skills in reading development and comprehension and foundational numeracy skills in mathematics. The commissioner would be required to: update the list not less than every four years; ensure that the lists include multiple instruments for both reading and math; develop a process to allow school districts to submit instruments to the commissioner for approval; and make publicly available the criteria for evaluation and approval of an instrument.

The bill would establish an early literacy intervention program for certain at-risk students, as would be determined by the agency. The agency would be required to approve products for reading interventions and ensure at least one product is available at no or reduced cost. The commissioner would be required to adopt a list of reading and math instruments to be used by districts.

The bill would establish the Adaptive Vocabulary Pilot Program which would require TEA to develop and implement an adaptive vocabulary assessment to assess vocabulary development in students in kindergarten through third grade.

The bill would require each school district and open-enrollment charter school to ensure that by the 2030-2031 school year, all classroom teachers providing mathematics instruction in grades K-3, along with principals, assistant principals, mathematics instructional coaches, and mathematics interventionists at campuses serving those grades, must attend a teacher mathematics achievement academy. TEA would be required to assist school districts and charter schools in meeting these requirements, monitor implementation and report periodically to the legislature on progress and impact.

The bill would require the commissioner to establish and administer a program for students at or below the third grade level who meet certain criteria. TEA would be required to provide to eligible students a grant in the amount provided under Education Code, Section 48.317, to purchase from an agency-approved provider tutoring services designed to help improve the student's proficiency in reading.

The bill would require the commissioner to support and designate at least four prekindergarten intermediaries that will work with school districts and private prekindergarten providers to develop partnerships. TEA would be required to develop guidelines for successful prekindergarten partnerships.

The bill would expand eligibility for prekindergarten enrollment to include children of classroom teachers employed in the district offering the prekindergarten class.

The bill would require the agency to develop and post an annual report regarding the number of students in each district identified as having a vision disorder or other vision problem requiring vision care.

The bill would require the agency to acquire and maintain a third-party data management system to facilitate reporting of data related to the vision screening reporting.

The bill would amend resource campus designations, including by adding certain requirements related to teacher designations.

The bill would require TEA to develop and maintain a program to assist school districts and open-enrollment charter schools in adopting and using open education resource instructional materials.

The bill would expand the Incentive for Additional Instructional Days to include districts offering 30 days of half-day instruction for students in prekindergarten through eighth grade and would reduce the required minimum number of minutes of operational and instruction time from 180 to 175 instructional days. The bill would also provide a 50 percent increase to the incentive amount for districts offering at least 200 full days of instruction to students in prekindergarten through eighth grade.

The bill would require the commissioner to adjust average daily attendance (ADA) for a district that would not qualify for funding under Education Code, Section 48.005, and that provides the minimum number of operational minutes and offers up to an additional 30 days of half-day instruction consisting of reading interventions for certain students.

The bill would amend the Early Education Allotment under the FSP to provide an allotment to all students in ADA in kindergarten through third grade of 0.01 multiplied by the Basic Allotment. The bill would amend the allowable uses of funds provided under this section.

The bill would redistribute FSP funding provided under the Early Education Allotment under Education Code, Section 48.108(a-1) to provide funding for full-day prekindergarten to districts operating a full-day prekindergarten program. Any remaining funds would be distributed back to school districts through the Early Education Allotment.

The bill would establish the Early Literacy Intervention Allotment under the FSP which would provide a district with \$250, or a greater amount provided by appropriation, for each enrolled student receiving certain reading interventions. Not more than 10.0 percent of students in kindergarten through third grade could generate entitlement under this allotment. The bill would exclude students eligible for the Allotment for Students with Dyslexia or Related Disorders from also receiving the Early Literacy Intervention Allotment.

The bill would entitle each student that receives a supplementary support grant under the bill to an allotment of \$400, or a greater amount provided by appropriation. Beginning in fiscal year 2031, TEA would be required to reduce a district's entitlement under the FSP by the total amount of grant money received by a student under the supplementary supports grant program for each student who: fails to perform satisfactorily on the third grade reading assessment; received and used a supplementary supports grant; and was enrolled in the district from kindergarten through third grade. For each student who received and used a supplementary supports grant and is eligible to participate in a district's special education program, TEA would be required to reduce a district's entitlement by one-half of the amount of grant money received by the student.

The bill would require TEA to post on TEA's Internet website certain de-identified data, disaggregated by school district or open-enrollment charter school, high school campus, and annual cohort for the most 10 recent annual cohorts.

The bill would allow students who have graduated from high school but are enrolled in a district or charter school designated as a Pathways in Technology Early College High School (P-TECH) or Rural Pathway Excellence Partnership (R-PEP) school and are completing a course of study offered through the P-TECH or R-PEP programs to enroll at no cost in a dual credit course under the Financial Aid for Swift Transfer (FAST) program.

The bill would include courses under a junior ROTC program in what is considered career and technology

education programs and for which a district could generate entitlement under the Career and Technology Education (CTE) Allotment under the FSP.

The bill would increase the number of subsidies students may receive for CTE certification examinations from one to two and would provide a subsidy to teachers completing certain certification examinations related to CTE instead of cybersecurity.

The bill would increase the per student amount under P-TECH from \$50 per ADA to \$150 per ADA.

The bill would increase the cap on the R-PEP Allotment and Outcomes Bonus under the FSP to \$20.0 million in each year.

The bill would extend the allowable uses of funds under the New Instructional Facility Allotment (NIFA) and would increase the amount appropriated for NIFA from \$100 million to \$150 million each year.

The bill would cap Certification Examination Reimbursements provided under the FSP to \$20.0 million each year; of which not more than \$500,000 could be used to reimburse costs incurred from fingerprinting or criminal history record information reviews.

The bill would require the Texas Workforce Commission (TWC) to work with employers to enhance reporting of certain employment and earnings data.

The bill would require LEAs to annually report to TEA information relating to facility space and usage. TEA would be required to produce and make available the report for LEAs to use.

The bill would amend operational funding received by charters and would provide certain open-enrollment charter schools with an annual per ADA allotment equal to the lesser of the state average interest sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of state and local funds per student per cent of tax effort under Education Code, Section 46.032(a) or the Basic Allotment multiplied by 0.06. The bill would remove the \$60 million cap on charter facilities funding.

The bill would amend the Basic Allotment under the FSP to include the new Guaranteed Yield Increment Adjustment that would be established under this bill for each student in ADA, not including time spent in career and technology education programs or special education programs in a setting other than a general education setting.

The bill would increase the weights for the Small and Midsized Allotment under the FSP and would exclude students enrolled in a full-time virtual program that do not reside in the district from the district's ADA under this section.

The bill would amend funding under the Bilingual Education Allotment under the FSP for districts offering approved alternative language education methods at an amount not to exceed \$10 million for each biennium.

The bill would amend the School Safety Allotment under the FSP. The allotment would be increased from \$10 per ADA and \$15,000 per campus to \$20 per ADA and \$33,540 per campus and would transfer the allotment to Subchapter D.

The bill would establish the Allotment for Basic Costs under the FSP. A district would be entitled to \$106 per enrolled student and could use funds under the allotment for transportation, fees related to rehiring retired teachers, insurance, payroll taxes, employee benefits and contributions, utilities, and property and casualty insurance.

The bill would set the guaranteed yield under Education Code, Section 48.202(a-1)(1) to 0.02084 multiplied by the Basic Allotment, or a greater amount provided under Education Code, Section 48.051(b).

The bill would allow certain districts to include tax revenue from a county-wide equalization tax in the calculation of Tier 2 for the purposes of entitlement under enrichment.

The bill would establish the Guaranteed Yield Increment Adjustment to be determined by the agency. The adjustment would be equal to the difference between the cost per weighted student of maintaining the gold yield at the 96th percentile of wealth per weighted student and the cost per weighted student of maintaining the gold yield at the amount set in Education Code, Section 48.202(a-1)(1). For the 2026-27 biennium, the bill would set the adjustment at \$55. This amount would be added to the Basic Allotment in the first year of each biennium. Thus, the Basic Allotment under this bill would increase from \$6,160 to \$6,215 in fiscal year 2026.

The bill would repeal the provision that compresses Tier 2 pennies above the first eight cents of enrichment when the guaranteed yield under Education Code, Section 48.202(a-1)(2), is increased due to a basic allotment increase.

The bill would provide additional state aid for regional insurance cost differentials for school districts and open-enrollment charter schools if their central administrative office and majority of campuses are located within a first tier coastal county or catastrophe area.

The bill would establish an allotment to ensure districts receive sufficient revenue under the bill to provide for compensation increases as directed by the Teacher Retention Allotment and the Support Staff Retention Allotment.

Methodology

TEA estimates that there would be an annual cost of \$15.0 million for implementation of expanded technical assistance requirements for TIA.

TEA estimates the local optional teacher designation system grant program would cost \$30.0 million annually to implement.

TEA assumes the agency would run a competitive solicitation process to select a third party vendor to provide the liability insurance and other supports for classroom teachers. TEA estimates that the annual liability insurance cost would be \$125 per educator with the educator contributing \$25 and a \$100 subsidy from the state. After an initial planning year in fiscal year 2026, TEA estimates an uptake of 17,000 teachers annually at a cost to the state of \$1.7 million in fiscal year 2027, increasing to \$6.8 million in fiscal year 2030.

This analysis assumes that salary increases provided by the bill would require \$20.4 million for the Teacher Retirement System (TRS) in statutorily-required state contributions to TRS-Care in fiscal year 2026, \$24.7 million in fiscal year 2027, increasing to \$32.5 million in fiscal year 2030.

This analysis assumes the cost for state contributions to TRS retirement for salary increases for the Support Staff Retention Allotment would be \$16.3 million annually.

TEA assumes costs for the TIA would increase based on increased adoption of local optional teacher designation systems, the additional designation band, the higher allotment values in the calculation, and the additional funding for enhanced teacher incentive allotment schools.

This analysis assumes that compensation increases provided by the bill for teachers at TSBVI and TSD would total \$1.0 million in fiscal year 2026, \$1.0 million in 2027, increasing to \$1.1 million in fiscal year 2030.

TEA assumes total costs to provide onetime payments of \$1,000 to certain previously uncertified teachers would total \$10.0 million for fiscal year 2026 and \$6.0 million for fiscal year 2027, based on the assumption that approximately 16,000 uncertified teachers would earn a standard certificate.

TEA assumes the cost to evaluate EPPs for approval and renewal of approval would be \$6.5 million in fiscal year 2026, \$5.8 million in fiscal year 2027, increasing to \$6.2 million in fiscal year 2030.

TEA assumes the cost for developing instructional materials and faculty training for educator preparation programs would be \$2.3 million in fiscal year 2026, \$2.5 million in fiscal year 2027, increasing to \$4.8 million in fiscal year 2030.

The cost to require different statewide minimum salaries to teachers based on certification types cannot be determined, as the required salary differences between certification categories and which teachers the new certification types would apply to are unknown.

TEA estimates that provisions of the bill establishing the PREP Programs, including programmatic supports and a dedicated application management system, would total \$21.3 million in fiscal year 2026, \$28.1 million in fiscal year 2027, increasing to \$35.0 million in fiscal year 2030.

TRS assumes there would be no significant fiscal impact to the state from allowing employers to pass on surcharges to employed retirees.

TEA estimates that provisions of the bill requiring the waiver of certain examination and certification fees, including vendor costs for administration, would cost \$3.0 million in fiscal year 2026, \$3.2 million in fiscal year 2027, and \$3.2 million in fiscal year 2030.

To administer Teacher Quality Assistance, TEA assumes funding would be required for development and implementation of supports, technical assistance to support LEAs in implementing improvements, and grants to LEAs. This analysis assumes development of strategic scheduling, staffing, and compensation modules to support technical assistance would cost \$1.5 million in fiscal year 2026. The agency assumes grants for delivery of technical assistance would cost \$2.3 million in fiscal year 2026 and \$4.5 million annually in fiscal years 2027-30. Grants to LEAs to support implementation of strategic staffing, scheduling, and compensation systems are assumed to cost \$4.0 million annually in fiscal years 2027-30. Technical assistance grants to support school leaders develop school culture routines and discipline systems would cost \$3.0 million annually beginning in fiscal years 2026. Technical assistance grants to LEAs to establish apprenticeship partnerships are assumed to cost \$1.5 million annually. The development of teacher leader and co-teacher training modules would cost \$500,000 annually in fiscal years 2026-27 and \$100,000 annually in fiscal years 2028-30. Technical assistance grants to LEAs to support the development of teacher leadership roles are assumed to cost \$1.3 million annually.

According to HHSC, the agency could develop materials regarding educational residential placements with existing resources.

This analysis assumes the cost associated with changes to special education FSP funding as proposed by the bill would be \$250 million in fiscal year 2027 above increases related to basic allotment increases under the bill, pursuant to Section 48.1022. For subsequent fiscal years, this analysis assumes costs cannot be determined as it would depend on the amount set by the legislature in the GAA. However, this analysis assumes funding for special education would at least maintain the funding levels that would be provided under current law.

The agency assumes there would be 200,000 Special Education Full Individual and Initial Evaluations each year that would be eligible for funding of \$1,000 per evaluation.

The agency assumes the cost of Day Placement Program or Cooperative Funding would be \$5.0 million in fiscal year 2027, \$10.0 million in fiscal year 2028, increasing to \$20.0 million in fiscal year 2030.

The agency assumes the cost associated with developing and implementing a reading intervention academy training course would be \$1.0 million in fiscal year 2026, \$0.4 million in fiscal year 2027, increasing to \$0.7 million in fiscal year 2030.

TEA assumes the cost of convening a reading practices advisory board would be \$20,240 annually.

TEA assumes the cost associated with developing a mathematics interventionist academy training course would be \$315,500 in fiscal year 2026, \$91,750 in fiscal year 2028, and \$29,375 in fiscal year 2029. Additionally, TEA estimates the cost to collect classroom observation data relating to interventionist academies to be \$2.0 million annually.

TEA assumes the cost of convening a mathematics practices advisory board would be \$20,240 annually.

TEA assumes the cost to provide grants under the Additional Days School Year Planning Grant Program would

be \$7.5 million each year.

TEA estimates the cost to review early reading and mathematics instruments submitted by school districts and to communicate results of the instruments to parents would be \$1.1 million annually. Additionally, TEA estimates the cost to conduct instrument comparability studies and to ensure that solicited instruments meet certain requirements would be approximately \$3.2 million in fiscal years 2026 and 2030.

TEA assumes there would be a cost to adopt or approve reading intervention programs and offer them at no cost to school districts. The agency assumes that approximately 1.6 million students would require the intervention statewide at a total cost of approximately \$9.6 million each year.

TEA assumes there would be an initial cost of \$2,083,959 in fiscal year 2026 and ongoing costs of \$49,972 annually to develop the Adaptive Vocabulary Pilot Program to provide vocabulary assessment for students in kindergarten through third grade. TEA also assumes there would be ongoing costs beginning in fiscal year 2027 of \$457,828 to administer the vocabulary assessment.

The agency assumes there would be a cost to develop and implement the Mathematics Achievement Academies for Kindergarten-3rd grade teachers and for elementary leaders. The agency assumes the cost would be \$1.3 million in fiscal year 2026, \$1.1 million in fiscal year 2027 increasing to \$2.8 million in fiscal year 2030.

TEA estimates the cost to support and designate four prekindergarten intermediaries would be \$2.0 million annually.

To provide prekindergarten to the children of certain classroom teachers, TEA estimates 6,000 newly eligible FSP kindergarten students would generate 2,790 students in ADA.

This analysis assumes the cost to acquire and maintain a third-party data management system related to vision screening as required by the bill would be \$1.6 million in fiscal year 2028 and \$1.0 million in subsequent fiscal years.

TEA estimates the cost to develop the open education resource instructional materials program to assist districts and open-enrollment charters to be \$243.0 million in fiscal year 2026.

The Texas Higher Education Coordinating Board (THECB) estimates that to provide TEA with identified data on postsecondary outcomes would require an annual \$1.2 million contract to obtain national student data.

The THECB states that costs relating to providing dual credit courses to students who have graduated under the FAST program cannot be determined at this time as data on the number of students who would qualify for the additional funding is not available.

THECB assumes that all other provisions could be implemented with existing resources.

TEA assumes there would be a cost to the state if the State Board of Education were to adopt Texas Essential Knowledge and Skill (TEKS) for JROTC courses to be included in a CTE program. TEA assumes \$34,200 in committee costs would be required in fiscal year 2026 to develop TEKS recommendations.

TEA estimates the cost of increased student subsidies for passing CTE examinations would be \$1.9 million annually and that costs to provide a subsidy for passing CTE certification examinations, including any costs paid for associated fingerprinting or criminal history record information review, would be \$0.4 million annually.

The bill would amend or create other allotments and provisions the FSP as outlined in the Fiscal Analysis section above. This analysis assumes the cost to the FSP would be \$3.6 billion in fiscal year 2026, \$4.2 billion in fiscal year 2027, increasing to \$4.9 billion in fiscal year 2030.

The cost to the FSP includes estimated decreases in Recapture Payments - Attendance Credits revenue of \$381.7 million in fiscal year 2026, \$547.3 million in fiscal year 2027, and \$549.0 million in fiscal year 2030.

Based on information provided by TWC, this estimate assumes the agency would require 19.0 additional FTEs

in fiscal year 2026, 14.5 FTEs in fiscal year 2027, and 13.0 FTEs in subsequent fiscal years. Additionally, to capture all the data elements as required by the bill, TWC would need \$501,270 as a one-time cost in fiscal year 2026 to upgrade their Unemployment Insurance Tax System. The total annual costs for TWC are \$2,648,237 in fiscal year 2026, \$1,560,794 in fiscal year 2027 and \$1,488,186 in each fiscal year from 2028 through 2030 in General Revenue Funds.

This analysis assumes that TEA would require 85.0 FTEs to implement provisions of the bill at a cost of \$10.7 million in fiscal year 2026 and \$10.3 million in subsequent fiscal years. TEA indicates that 5.0 of these FTEs would be funded from federal IDEA funds at a cost of \$0.6 million annually; the remainder of the positions would be funded from General Revenue Funds.

Technology

TEA assumes IT costs associated with implementing the provisions of the bill would be \$3.5 million in fiscal year 2026, and \$9.9 million in fiscal year 2027, and \$0.3 million in subsequent fiscal years.

Local Government Impact

This analysis assumes LEAs would receive additional funding through the FSP and TEA grant programs under the bill. LEAs would be required to spend certain funding increases under the bill on salary and benefit costs to provide employee compensation increases. LEAs may incur costs related to implementation of provisions of the bill including requiring data collection on teacher vacancy information, reporting on alternative language education methods, salary deductions, regularly assessing the language acquisition of certain students, and reporting facility usage.

Source Agencies:

LBB Staff: JMc, NC, ASA, ENA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (relating to public education and public school finance.), Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, Committee Report 2nd House, Substituted: a negative impact of (\$7,811,768,734) through the biennium ending August 31, 2027.

Costs associated with changes to special education funding in the Foundation School Program (FSP) for fiscal years 2028-30 cannot be determined, as the tiers, service groups, and weights are unknown; however, this analysis assumes funding would at least maintain funding levels that would be provided under current law.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$3,752,527,562)
2027	(\$4,059,241,172)
2028	(\$4,184,162,991)
2029	(\$4,137,714,695)
2030	(\$4,798,760,614)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain/(Loss) from <i>Recapture Payments Atten</i> <i>Crdts</i> 8905
2026	(\$363,491,657)	(\$3,389,035,905)	(\$628,064)	(\$332,721,665)
2027	(\$134,238,192)	(\$3,925,002,980)	(\$603,289)	(\$505,268,740)
2028	(\$130,687,825)	(\$4,053,475,166)	(\$603,289)	(\$500,516,358)
2029	(\$138,703,740)	(\$3,999,010,955)	(\$603,289)	(\$650,782,421)
2030	(\$145,338,312)	(\$4,653,422,302)	(\$603,289)	(\$541,868,013)

<i>Fiscal Year</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	109.5
2027	105.0
2028	103.5
2029	103.5
2030	103.5

Fiscal Analysis

The bill would add an additional designation level to the Teacher Incentive Allotment (TIA) and would change the designation of nationally board-certified teachers. The bill would also direct the Commissioner to designate schools as enhanced teacher incentive allotment schools and expand the technical assistance duties of the Texas Education Agency (TEA) related to implementation of local optional teacher designation systems.

The bill would establish the local optional teacher designation system grant program. From funds appropriated or available, TEA would develop and administer a grant program with money and technical assistance for districts and open-enrollment charter schools to expand implementation of local optional teacher designation systems and increase the number of teachers eligible for a designation. Grants that would be awarded under this section would be required to meet the needs of individual school districts and enable regional leadership capacity.

The bill would require TEA to provide resources, including liability insurance, for classroom teachers. From funds appropriated or otherwise available for the purpose, the agency would be required to contract with a third party to provide services for a classroom teacher employed under a probationary, continuing, or term contract.

The bill would entitle school district employees to salary deductions for fees to an entity providing liability insurance.

The bill would increase the Foundation School Program (FSP) allotments and rural and high needs factors for TIA, and add an additional weight for enhanced teacher incentive allotment schools.

The bill would establish a teacher retention allotment, which would provide additional funding for classroom teacher compensation based on teaching experience and district size.

The bill would provide additional state aid to certain districts receiving an adjustment under Education Code, Section 48.257.

The bill would amend Education Code, Section 48.051, to repeal the sections that would require districts to use 30 percent of new revenue in a year in which the basic allotment is increased to provide compensation increases to full-time district employees other than administrators.

The bill would provide one-time payments for certain uncertified teachers who earn a standard certificate.

The bill would require State Board for Educator Certification (SBEC) to develop rules and procedures relating to evaluating educator preparation programs (EPP) for approval and the renewal of approval, including educator literacy and mathematics achievement academies.

The bill would require the commissioner to develop and make available instructional materials for educator preparation programs and training for faculty responsible for preparing educator candidates.

The bill would require school districts to pay a teacher with zero years of experience who holds a certification under Education Code, Section 21.0412(a), a minimum salary that is greater than a teacher with equivalent experience who does not hold a certification under that section. The bill would prohibit school districts from adopting a salary schedule for teachers with five or more years of experience that differentiates minimum

salaries based solely on certification.

The bill would direct school districts to provide onetime payments to certain teacher candidates for completing literacy or math academies.

The bill would establish the Preparing and Retaining Educators through Partnership (PREP) Programs to provide preservice practice opportunities for teacher candidates in a prekindergarten through grade 12 classroom through partnerships between school districts or open-enrollment charter schools and EPPs. TEA would be required to provide technical assistance and support to participating schools and EPPs.

The bill would establish the Preparing and Retaining Educators through Partnership Program Allotment for the PREP Programs. For each teacher candidate completing preservice practice hours at the district under Subchapter Q, Chapter 21, the district would be entitled to an allotment equal to the sum of a base amount ranging from \$8,000 to \$24,000, and an amount ranging from \$1,000 to \$3,000 multiplied by the high needs and rural factor, which would have a maximum value of 4.0, as determined under Subsection (c). The Texas School for the Deaf (TSD), the Texas School for the Blind and Visually Impaired (TSBVI), and schools in the Texas Department of Criminal Justice would be entitled to the allotment under this section. Eligible districts with candidates for special or bilingual education certification employed in a residency position would be entitled to an additional \$2,000 allotment.

The bill would repeal the Mentor Program Allotment under the FSP.

The bill would repeal Government Code, Section 825.4092(f), to allow employers to pass on surcharges to employed retirees.

The bill would require SBEC to waive bilingual and special education certification application fees and exam fees for a candidate's first test attempt and would require SBEC to pay the vendor who administers the certification exams the fee associated with the exam for which the fee was waived.

The bill would create the Employed Retiree Teacher Reimbursement Grant Program to reimburse school districts that employ Teacher Retirement System (TRS) retirees for the contribution amount that the district would be responsible for paying when employing a TRS retiree. The grants provided under this section may be modified by appropriation and the grant program would be established and administered by the commissioner.

From funds appropriated, TEA would be required to provide school districts with information and technical assistance regarding staffing models, scheduling, and teacher compensation models; programs that would encourage high school students to become teachers, including apprenticeships; and programs that school leaders may use to establish behavior expectations while positively supporting students.

The bill would require TEA to develop and maintain a technical assistance program to support school districts and open-enrollment charter schools in studying how the district's or school's staff and student schedules, required noninstructional duties for classroom teachers, and professional development requirements for educators are affecting the amount of time classroom teachers work each week; refining the schedules for students or staff as necessary to ensure teachers have sufficient time during normal work hours to fulfill all job duties, including addressing the needs of students; and studying how to reduce teacher tasks and duties. The bill would require TEA to periodically make findings and recommendations for best practices publicly available using information from participating school districts and open-enrollment charter schools.

The bill would direct TEA to collect certain data from public schools to address teacher retention and recruitment.

The bill would require TEA to provide certain technical assistance, and oversight, and support for the education of students with disabilities.

The bill would require the Health and Human Services Commission (HHSC), in collaboration with TEA and stakeholders, to develop and provide materials to certain students regarding educational residential placements.

The bill would require the commissioner to adopt rules for and develop a list of approved public or private

facilities, institutions, agencies, or businesses inside or outside that state that provide services to students with disabilities in a residential or day placement program.

The bill would establish the Grant Program Providing Training in Dyslexia for Teachers and Staff.

The bill would require that each school district, instead of the commissioner and the executive commissioner of HHSC, ensure the language acquisition of deaf or hard of hearing students under the age of eight is regularly assessed. School districts would be required to report assessment data set by commissioner rule to the agency through PEIMS.

The bill would reduce the amount for which a district is required to contribute for a student admitted to TSD or TSBVI if the district is required to reduce local revenue under Education Code, Section 48.257.

Beginning in fiscal year 2027, the bill would amend the special education allotment under the FSP to provide for weighted funding based on tiers of intensity of service to be defined by the commissioner. The commissioner would be required to submit proposed weights for each tier to the LBB for the upcoming biennium.

Beginning in fiscal year 2027, the bill would create the Special Education Service Group Allotment under the FSP and would require the Commissioner to establish at least four service groups to determine funding for special education students under this section. For each student that receives eligible special education services, a district would be entitled to an allotment in an amount set by the legislature in the General Appropriations Act (GAA) for the service group for which the student receives services.

The commissioner would be required to submit proposed amounts of funding for the special education service groups to the LBB not later than December 1 of each even-numbered year.

The bill would establish the Special Education Transition Funding Allotment for fiscal year 2027. For the 2026-27 school year, the bill would require the commissioner to determine the formulas through which districts would receive special education funding through the Special Education Allotment and the Special Education Service Group Allotment. In determining the formulas for fiscal year 2027, the bill would require the commissioner to ensure that the estimated statewide increase through the Special Education Allotment and the Special Education Service Group Allotment would be approximately \$350 million above what would have been provided under Section 48.102, as it existed in fiscal year 2026 but using the basic allotment amount in effect for fiscal year 2027.

The bill would increase the College, Career and Military Readiness Outcomes Bonus for special education students from \$2,000 to \$4,000.

The bill would increase the transportation allotment for special education students from \$1.08 to \$1.13 per mile or a greater amount by appropriation.

The bill would establish the Special Education Full Individual and Initial Evaluation Allotment which would provide districts with \$1,000, or a greater amount by appropriation, for each student for whom the district conducts a full individual and initial evaluation (FIIIE).

For the 2026-27 biennium, the bill would provide additional funding to a school district that provides Special Education FIIIEs for students not enrolled in a school district or open-enrollment charter school. The amount of funding provided for this purpose would be \$3,000 per evaluation and the total amount of funding provided for the 2026-27 biennium would be limited to \$67.0 million in each school year.

The bill would establish day placement program or cooperative funding under the FSP for which Education Service Centers (ESCs) and Local Education Agencies (LEAs) could receive an annual allotment for each qualifying program or cooperative of \$250,000 for the first year and, for subsequent years, \$100,000 plus \$150,000 if at least three students are enrolled.

The bill would create the Parent Directed Services for Students Receiving Special Education Services Grant in the FSP. Eligible students would be entitled to one award of \$1,500. Award amounts and number of awards may

be increased by appropriation to an amount not to exceed \$150 million in fiscal year 2026 and \$80 million in subsequent fiscal years. An ESC designated to administer the program would be entitled to four percent of each grant awarded.

The bill would shift funding for regional day school programs for the deaf to the FSP.

The bill would require TEA to develop a method for evaluating the effectiveness of literacy achievement academies, including their impact on teaching practices and student literacy proficiency. School districts and charter schools would be required to provide any requested information for purposes of evaluation. The bill would require the commissioner to develop and make available reading intervention academies for teachers providing reading interventions to students who need accelerated instruction in foundational reading skills.

The bill would authorize the commissioner to establish an advisory board to assist with implementation of the reading intervention academies.

The bill would require TEA to develop a method for evaluating mathematics achievement academies to assess their effectiveness, including their impact on teaching practices and student mathematics proficiency. School districts and charter schools would be required to provide any requested information for purposes of evaluation. The bill would require the commissioner to develop and make available mathematics interventionist academies for teachers or other professionals who provide mathematics interventions to students who require targeted instruction in foundational mathematics skills.

The bill would authorize the commissioner to establish an advisory board to assist the agency with the development and implementation of mathematics interventionist academies.

The bill would establish the Additional Days School Year Planning Grant Program. From funds appropriated or available, TEA would be required to develop and administer a grant program to provide money and technical assistance for districts and open-enrollment charter schools to qualify for the Incentive for Additional Instructional Days under Education Code, Section 48.0051. School districts and open-enrollment charter schools that seek to maximize the additional instructional days incentive would be prioritized for grant awards under this program.

The bill would require the commissioner to adopt a list of reading and mathematics instruments for use in kindergarten through grade three to measure foundational literacy skills in reading development and comprehension and foundational numeracy skills in mathematics. The commissioner would be required to: update the list not less than every four years; ensure that the lists include multiple instruments for both reading and math; develop a process to allow school districts to submit instruments to the commissioner for approval; and make publicly available the criteria for evaluation and approval of an instrument.

The bill would establish an early literacy intervention program for certain at-risk students, as would be determined by the agency. The agency would be required to approve products for reading interventions and ensure at least one product is available at no or reduced cost. The commissioner would be required to adopt a list of reading and math instruments to be used by districts.

The bill would establish the Adaptive Vocabulary Pilot Program which would require TEA to develop and implement an adaptive vocabulary assessment to assess vocabulary development in students in kindergarten through third grade.

The bill would require each school district and open-enrollment charter school to ensure that by the 2030-2031 school year, all classroom teachers providing mathematics instruction in grades K-8, along with principals, assistant principals, mathematics instructional coaches, and mathematics interventionists at campuses serving those grades, must attend a teacher mathematics achievement academy. TEA would be required to assist school districts and charter schools in meeting these requirements, monitor implementation and report periodically to the legislature on progress and impact.

The bill would require the commissioner to establish and administer a program for students at or below the third grade level who meet certain criteria. TEA would be required to provide to eligible students a grant in the amount provided under Education Code, Section 48.317, to purchase from an agency-approved provider

tutoring services designed to help improve the student's proficiency in reading.

The bill would require the commissioner to support and designate at least four prekindergarten intermediaries that will work with school districts and private prekindergarten providers to develop partnerships. TEA would be required to develop guidelines for successful prekindergarten partnerships.

The bill would expand eligibility for prekindergarten enrollment to include children of classroom teachers employed in the district offering the prekindergarten class.

The bill would amend resource campus designations, including by adding certain requirements related to teacher designations.

The bill would require TEA to develop and maintain a program to assist school districts and open-enrollment charter schools in adopting and using open education resource instructional materials.

The bill would expand the Incentive for Additional Instructional Days to include districts offering 30 days of half-day instruction for students in prekindergarten through eighth grade and would reduce the required minimum number of minutes of operational and instruction time from 180 to 175 instructional days. The bill would also provide a 50 percent increase to the incentive amount for districts offering at least 200 full days of instruction to students in prekindergarten through eighth grade.

The bill would require the commissioner to adjust average daily attendance (ADA) for a district that would not qualify for funding under Education Code, Section 48.005, and that provides the minimum number of operational minutes and offers up to an additional 30 days of half-day instruction consisting of reading interventions for certain students.

The bill would amend the Early Education Allotment under the FSP to provide an allotment to all students in ADA in kindergarten through third grade of 0.01 multiplied by the Basic Allotment. The bill would amend allowable uses of funds provided under this section.

The bill would redistribute FSP funding provided under the Early Education Allotment under Education Code, Section 48.108(a-1) to provide funding for full-day prekindergarten to districts operating a full-day prekindergarten program. Any remaining funds would be distributed back to school districts through the Early Education Allotment.

The bill would establish the Early Literacy Intervention Allotment under the FSP which would provide a district with \$250, or a greater amount provided by appropriation, for each enrolled student receiving certain reading interventions. Not more than 10.0 percent of students in kindergarten through third grade could generate entitlement under this allotment. The bill would exclude students eligible for the Allotment for Students with Dyslexia or Related Disorders from also receiving the Early Literacy Intervention Allotment.

The bill would entitle each student that receives a supplementary support grant under the bill to an allotment of \$400, or a greater amount provided by appropriation. Beginning in fiscal year 2031, TEA would be required to reduce a district's entitlement under the FSP by the total amount of grant money received by a student under the supplementary supports grant program for each student who: fails to perform satisfactorily on the third grade reading assessment; received and used a supplementary supports grant; and was enrolled in the district from kindergarten through third grade. For each student who received and used a supplementary supports grant and is eligible to participate in a district's special education program, TEA would be required to reduce a district's entitlement by one-half of the amount of grant money received by the student.

The bill would require TEA to post on TEA's Internet website certain de-identified data, disaggregated by school district or open-enrollment charter school, high school campus, and annual cohort for the most 10 recent annual cohorts.

The bill would allow students who have graduated from high school but are enrolled in a district or charter school designated as a Pathways in Technology Early College High School (P-TECH) or Rural Pathway Excellence Partnership (R-PEP) school and are completing a course of study offered through the P-TECH or R-PEP programs to enroll at no cost in a dual credit course under the Financial Aid for Swift Transfer (FAST)

program.

The bill would include courses under a Junior Reserve Officer Training Corps (JROTC) program in what is considered career and technology education programs and for which a district could generate entitlement under the Career and Technology Education Allotment under the FSP.

The bill would increase the number of subsidies students may receive for Career and Technology Education (CTE) certification examinations from one to two and would provide a subsidy to teachers completing certain certification examinations related to CTE instead of cybersecurity.

The bill would establish the Military Pathway Grant Program which would provide funds to school districts to establish a JROTC program for students enrolled in high school in the district, administer the Armed Services Vocational Aptitude Battery test, and provide college and career counseling to participating students. Each participating district would receive a grant of \$50,000 and the total amount of grants that could be awarded would be limited to \$2 million each year.

The bill would amend the commissioner's duties related to College, Career, and Military Readiness (CCMR) indicators. The bill would require the commissioner to modify indicators, collect certain data on military-related testing and actions, and to study and report on the results.

The bill would increase the per student amount under P-TECH from \$50 per ADA to \$150 per ADA.

The bill would cap funding provided under the CTE allotment for JROTC courses at \$20 million in each fiscal year.

The bill would increase the cap on the R-PEP Allotment and Outcomes Bonus under the FSP to \$20.0 million in each year.

The bill would extend the allowable uses of funds under New Instructional Facilities Allotment (NIFA) and would increase the amount appropriated for NIFA from \$100 million to \$150 million each year.

The bill would cap Certification Examination Reimbursements provided under the FSP to \$15.0 million each year; of which not more than \$500,000 could be used to reimburse costs incurred from fingerprinting or criminal history record information reviews.

The bill would require the Texas Workforce Commission (TWC) to work with employers to enhance reporting of certain employment and earnings data.

The bill would require LEAs to annually report to TEA information relating to facility space and usage. TEA would be required to produce and make available the report for LEAs to use.

The bill would amend operational funding received by charters and would provide certain open-enrollment charter schools with an annual per ADA allotment equal to the lesser of the state average interest sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of state and local funds per student per cent of tax effort under Education Code, Section 46.032(a) or the Basic Allotment multiplied by 0.07. The bill would remove the \$60 million cap on charter facilities funding.

The bill would amend the Basic Allotment under the FSP to include the new Guaranteed Yield Increment Adjustment that would be established under this bill for each student in ADA, not including time spent in career and technology education programs or special education programs in a setting other than a general education setting.

The bill would amend the School Safety Allotment under the Foundation School Program (FSP). The allotment would be increased from \$10 per ADA and \$15,000 per campus to \$20 per ADA and \$34,000 per campus.

The bill would increase the weights for the Small and Midsized Allotment under the FSP and would exclude students enrolled in a full-time virtual program that do not reside in the district from the district's ADA under this section.

The bill would set the guaranteed yield under Education Code, Section 48.202(a-1)(1) to 0.02084 multiplied by the Basic Allotment, or a greater amount provided under Education Code, Section 48.051(b).

The bill would allow certain districts to include tax revenue from a county-wide equalization tax in the calculation of Tier 2 for the purposes of entitlement under enrichment.

The bill would amend funding under the Bilingual Education Allotment under the FSP for districts offering approved alternative language education methods at an amount not to exceed \$10 million for each biennium.

The bill would establish the Guaranteed Yield Increment Adjustment to be determined by the agency. The adjustment would be equal to the difference between the cost per weighted student of maintaining the gold yield at the 96th percentile of wealth per weighted student and the cost per weighted student of maintaining the gold yield at the amount set in Education Code, Section 48.202(a-1)(1). For the 2026-27 biennium, the bill would set the adjustment at \$55. This amount would be added to the Basic Allotment in the first year of each biennium. Thus, the Basic Allotment under this bill would increase from \$6,160 to \$6,215 in fiscal year 2026.

The bill would provide additional state aid for regional insurance cost differentials for school districts and open-enrollment charter schools if their central administrative office and majority of campuses are located within a first tier coastal county or catastrophe area.

The bill would repeal the provision that compresses Tier 2 pennies above the first eight cents of enrichment when the guaranteed yield under Education Code, Section 48.202(a-1)(2), is increased due to a basic allotment increase.

Methodology

TEA estimates that there would be an annual cost of \$15.0 million for implementation of expanded technical assistance requirements for TIA.

TEA estimates the local optional teacher designation system grant program would cost \$30.0 million annually to implement.

TEA assumes the agency would run a competitive solicitation process to select a third party vendor to provide the liability insurance and other supports for classroom teachers. TEA estimates that the annual liability insurance cost would be \$125 per educator with the educator contributing \$25 and a \$100 subsidy from the state. After an initial planning year in fiscal year 2026, TEA estimates an uptake of 17,000 teachers annually at a cost to the state of \$1.7 million in fiscal year 2027, increasing to \$6.8 million in fiscal year 2030.

This analysis assumes that salary increases provided by the bill would require \$20.5 million for the Teacher Retirement System in statutorily-required state contributions to TRS-Care in fiscal year 2026, \$24.7 million in fiscal year 2027, increasing to \$32.6 million in fiscal year 2030.

This analysis assumes that compensation increases provided by the bill for teachers at the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf would total \$1.0 million in fiscal year 2026, \$1.0 million in 2027, increasing to \$1.1 million in fiscal year 2030.

TEA assumes costs for the TIA would increase based on increased adoption of local optional teacher designation systems, the additional designation band, the higher allotment values in the calculation, and the additional funding for enhanced teacher incentive allotment schools.

TEA assumes total costs to provide onetime payments of \$1,000 to certain previously uncertified teachers would total \$10.0 million for fiscal year 2026 and \$6.0 million for fiscal year 2027, based on the assumption that approximately 16,000 uncertified teachers would earn a standard certificate.

TEA assumes the cost to evaluate EPPs for approval and renewal of approval would be \$6.5 million in fiscal year 2026, \$5.8 million in fiscal year 2027, increasing to \$6.2 million in fiscal year 2030.

TEA assumes the cost for developing instructional materials and faculty training for educator preparation

programs would be \$2.3 million in fiscal year 2026, \$2.5 million in fiscal year 2027, increasing to \$4.8 million in fiscal year 2030.

The cost to require different statewide minimum salaries to teachers based on certification types cannot be determined, as the required salary differences between certification categories and which teachers the new certification types would apply to are unknown.

TEA estimates that provisions of the bill establishing the PREP Programs, including programmatic supports and a dedicated application management system, would total \$21.3 million in fiscal year 2026, \$28.1 million in fiscal year 2027, increasing to \$35.0 million in fiscal year 2030.

TRS assumes there would be no significant fiscal impact to the state from allowing employers to pass on surcharges to employed retirees.

TEA estimates that provisions of the bill requiring the waiver of certain examination and certification fees, including vendor costs for administration, would cost \$3.0 million in fiscal year 2026, \$3.2 million in fiscal year 2027, and \$3.2 million in fiscal year 2030.

The amount appropriated to the Employed Retiree Teacher Reimbursement Grant Program is unspecified, and the Legislature may restrict eligibility for the program by appropriation; therefore, costs cannot be determined. As an illustrative example of the potential cost, in fiscal year 2024 TRS received a total of approximately \$57.9 million for retirement program surcharges and \$16.3 million for TRS-Care surcharges, including both employee and employer surcharges for all positions. The bill would not make changes to the amount of the TRS retirement contribution, just the source of the funding; therefore, TRS assumes there would be no significant impact to the agency from this provision.

To administer Teacher Quality Assistance, TEA assumes funding would be required for development and implementation of supports, technical assistance to support LEAs in implementing improvements, and grants to LEAs. This analysis assumes development of strategic scheduling, staffing, and compensation modules to support technical assistance would cost \$1.5 million in fiscal year 2026. The agency assumes grants for delivery of technical assistance would cost \$2.3 million in fiscal year 2026 and \$4.5 million annually in fiscal years 2027-30. Grants to LEAs to support implementation of strategic staffing, scheduling, and compensation systems are assumed to cost \$4.0 million annually in fiscal years 2027-30. Technical assistance grants to support school leaders develop school culture routines and discipline systems would cost \$3.0 million annually beginning in fiscal years 2026. Technical assistance grants to LEAs to establish apprenticeship partnerships are assumed to cost \$1.5 million annually. The development of teacher leader and co-teacher training modules would cost \$500,000 annually in fiscal years 2026-27 and \$100,000 annually in fiscal years 2028-30. Technical assistance grants to LEAs to support the development of teacher leadership roles are assumed to cost \$1.3 million annually.

To administer the Teacher Time Study, TEA assumes a cost of \$500,000 in fiscal year 2026 and \$50,000 annually in fiscal years 2027-30 would be required for the development and implementation of the study. TEA assumes that \$750,000 in fiscal year 2026 and \$1.5 million annually in fiscal years 2027-30 would be required for technical assistance to LEAs. TEA assumes \$3.0 million annually in fiscal years 2027-30 would be required to provide grants to LEAs under this section.

According to HHSC, the agency could develop materials regarding educational residential placements with existing resources.

TEA assumes that the cost of the Grant Program Providing Training in Dyslexia for Teachers and Staff would be \$10 million each fiscal year.

This analysis assumes the cost associated with changes to special education FSP funding as proposed by the bill would be \$350 million in fiscal year 2027 above increases related to basic allotment increases under the bill, pursuant to Section 48.1022. For subsequent fiscal years, this analysis assumes costs cannot be determined as it would depend on the amount set by the legislature in the GAA. However, this analysis assumes funding for special education would at least maintain the funding levels that would be provided under current law.

The agency assumes there would be 200,000 Special Education Full Individual and Initial Evaluations each year that would be eligible for funding of \$1,000 per evaluation.

TEA assumes there would be sufficient demand for Special Education FIEs for students not enrolled in a public school to meet the \$67.0 million cap for fiscal years 2026 and 2027.

The agency assumes the cost of Day Placement Program or Cooperative Funding would be \$5.0 million in fiscal year 2027, \$10.0 million in fiscal year 2028, increasing to \$20.0 million in fiscal year 2030.

TEA assumes costs of the Parent-Directed Services for Students Receiving Special Education Services Grant program would be partially offset by a reduction of \$30.0 million each year as a result of the program moving to the FSP.

The agency assumes the cost to the FSP for the Parent Directed Services for Students Receiving Special Education Services Grant would be \$150 million in fiscal year 2026 and \$80 million in subsequent fiscal years.

The agency assumes the cost associated with developing and implementing a reading intervention academy training course would be \$1.0 million in fiscal year 2026, \$0.4 million in fiscal year 2027, increasing to \$0.7 million in fiscal year 2030.

TEA assumes the cost of convening a reading practices advisory board would be \$20,240 annually.

TEA assumes the cost associated with developing a mathematics interventionist academy training course would be \$315,500 in fiscal year 2026, \$91,750 in fiscal year 2028, and \$29,375 in fiscal year 2029. Additionally, TEA estimates the cost to collect classroom observation data relating to interventionist academies to be \$2.0 million annually.

TEA assumes the cost of convening a mathematics practices advisory board would be \$20,240 annually.

TEA assumes the cost to provide grants under the Additional Days School Year Planning Grant Program would be \$7.5 million each year.

TEA estimates the cost to review early reading and mathematics instruments submitted by school districts and to communicate results of the instruments to parents would be \$1.1 million annually. Additionally, TEA estimates the cost to conduct instrument comparability studies and to ensure that solicited instruments meet certain requirements would be approximately \$3.2 million in fiscal years 2026 and 2030.

TEA assumes there would be a cost to adopt or approve reading intervention programs and offer them at no cost to school districts. The agency assumes that approximately 1.6 million students would require the intervention statewide at a total cost of approximately \$9.6 million in each year.

TEA assumes there would be an initial cost of \$2,083,959 in fiscal year 2026 and ongoing costs of \$49,972 annually to develop the Adaptive Vocabulary Pilot Program to provide vocabulary assessment for students in kindergarten through third grade. TEA also assumes there would be ongoing costs beginning in fiscal year 2027 of \$457,828 to administer the vocabulary assessment.

The agency assumes there would be a cost to develop and implement the Mathematics Achievement Academies for Kindergarten-8th grade teachers and for elementary and secondary leaders. The agency assumes the cost would be \$3.8 million in fiscal year 2026, \$1.8 million in fiscal year 2027 increasing to \$3.0 million in fiscal year 2030.

TEA estimates the cost to support and designate four prekindergarten intermediaries would be \$2.0 million annually.

To provide prekindergarten to the children of certain classroom teachers, TEA estimates 6,000 newly eligible FSP kindergarten students would generate 2,790 students in average daily attendance.

TEA estimates the cost to develop the open education resource instructional materials program to assist

districts and open-enrollment charters to be \$243.0 million in fiscal year 2026.

The Texas Higher Education Coordinating Board (THECB) estimates that to provide TEA with identified data on postsecondary outcomes would require an annual \$1.2 million contract to obtain national student data.

THECB states that costs relating to providing dual credit courses to students who have graduated under the FAST program cannot be determined at this time as data on the number of students who would qualify for the additional funding is not available.

TEA assumes there would be a cost to the state if the State Board of Education (SBOE) were to adopt TEKS for JROTC courses to be included in a CTE program. TEA assumes \$34,200 in committee costs would be required in fiscal year 2026 to develop TEKS recommendations.

TEA estimates the cost of increased student subsidies for passing CTE examinations would be \$1.9 million annually and that costs to provide a subsidy for passing CTE certification examinations, including any costs paid for associated fingerprinting or criminal history record information review, would be \$0.4 million annually.

The agency assumes the cost to provide grants to districts to establish a JROTC program would be limited by the \$2.0 million cap each fiscal year.

Based on information provided by TWC, this estimate assumes the agency would require 19.0 additional FTEs in fiscal year 2026, 14.5 FTEs in fiscal year 2027, and 13.0 FTEs in subsequent fiscal years. Additionally, to capture all the data elements as required by the bill, TWC would need \$501,270 as a one-time cost in fiscal year 2026 to upgrade their Unemployment Insurance Tax System. The total annual costs for TWC are \$2,648,237 in fiscal year 2026, \$1,560,794 in fiscal year 2027 and \$1,488,186 in each fiscal year from 2028 through 2030 in General Revenue Funds.

The cost to the FSP includes estimated decreases in Recapture Payments - Attendance Credits revenue of \$332.7 million in fiscal year 2026, \$505.3 million in fiscal year 2027, and \$541.9 million in fiscal year 2030.

The bill would amend or create other allotments and provisions the FSP as outlined in the Fiscal Analysis section above. This analysis assumes the cost to the FSP would be \$3.3 billion in fiscal year 2026, \$3.9 billion in fiscal year 2027, increasing to \$4.7 billion in fiscal year 2030.

This analysis assumes that TEA would require 90.5 FTEs to implement provisions of the bill at a cost of \$11.4 million in fiscal year 2026 and \$11.0 million in subsequent fiscal years. TEA indicates that 5.0 of these FTEs would be funded from federal IDEA funds at a cost of \$0.6 million annually; the remainder of the positions would be funded from General Revenue Funds.

Technology

TEA assumes IT costs associated with implementing the provisions of the bill would be \$3.5 million in fiscal year 2026, and \$9.9 million in fiscal year 2027, and \$0.3 million in subsequent fiscal years.

Local Government Impact

This analysis assumes LEAs would receive additional funding through the FSP under the bill. LEAs would be required to spend certain funding increases under the bill on salary and benefit costs to provide employee compensation increases. LEAs may incur costs related to implementation of provisions of the bill including requiring data collection on teacher vacancy information, salary deductions, regularly assessing the language acquisition of certain students, and reporting facility usage.

Source Agencies: 320 Texas Workforce Commission, 323 Teacher Retirement System, 529 Health and Human Services Commission, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 771 School for the Blind and Visually Impaired, 772 School for the Deaf, 781 Higher

Education Coordinating Board

LBB Staff: JMc, ASA, ENA, CMA, MJe

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 14, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2** by Buckley (Relating to public education and public school finance.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, As Engrossed: a negative impact of (\$7,819,922,536) through the biennium ending August 31, 2027.

Costs associated with changes to special education funding in the Foundation School Program (FSP) for fiscal years 2028-30 cannot be determined, as the tiers, service groups, and weights are unknown; however, this analysis assumes funding would at least maintain funding levels that would be provided under current law.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$3,853,204,926)
2027	(\$3,966,717,610)
2028	(\$4,621,977,187)
2029	(\$4,077,580,463)
2030	(\$4,278,418,006)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain/(Loss) from <i>Recapture Payments Atten</i> <i>Crdts</i> 8905
2026	(\$75,567,163)	(\$3,777,637,763)	(\$628,064)	(\$461,717,466)
2027	(\$97,365,610)	(\$3,869,352,000)	(\$603,289)	(\$610,216,194)
2028	(\$100,180,005)	(\$4,521,797,182)	(\$603,289)	(\$628,914,422)
2029	(\$102,112,170)	(\$3,975,468,293)	(\$603,289)	(\$761,226,709)
2030	(\$120,124,732)	(\$4,158,293,274)	(\$603,289)	(\$601,112,798)

<i>Fiscal Year</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	27.0
2027	27.0
2028	27.0
2029	27.0
2030	27.0

Fiscal Analysis

The bill would amend operational funding received by charters and would provide certain open-enrollment charter schools with an annual per student in average daily attendance (ADA) allotment equal to the lesser of the state average interest sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of state and local funds per student per cent of tax effort under Education Code, Section 46.032(a) or the Basic Allotment multiplied by 0.07. The bill would increase the cap on charter facilities funding from \$60 million to \$100 million in fiscal year 2026 and \$160 million in fiscal year 2027. The bill would repeal the cap after fiscal year 2027.

The bill would add an additional designation level to the teacher incentive allotment (TIA) and would change the designation of nationally board-certified teachers. The bill would also direct the Commissioner to designate schools as enhanced teacher incentive allotment schools and expand the technical assistance duties of the Texas Education Agency (TEA) related to implementation of local optional teacher designation systems.

The bill would establish the local optional teacher designation system grant program. From funds appropriated or available, TEA would develop and administer a grant program with money and technical assistance for districts and open-enrollment charter schools to expand implementation of local optional teacher designation systems and increase the number of teachers eligible for a designation. Grants that would be awarded under this section would be required to meet the needs of individual school districts and enable regional leadership capacity.

The bill would establish the Additional Days School Year (ADSY) Planning Grant Program. From funds appropriated or available, TEA would be required to develop and administer a grant program to provide money and technical assistance for districts and open-enrollment charter schools to qualify for the Incentive for Additional Instructional Days under Education Code, Section 48.0051. School districts and open-enrollment charter schools that seek to maximize the additional instructional days incentive would be prioritized for grant awards under this program.

The bill would allow a child who is at least three years of age to enroll in a prekindergarten class if the class is provided through a partnership between a district or open enrollment charter school and certain community based childcare providers and if the child receives subsidized childcare services provided through the Texas Workforce Commission (TWC).

The bill would amend resource campus designations including adding certain requirements related to teacher designations.

The bill would establish the Grant Program to Promote Parental Engagement.

The bill would postpone the abolishment of the Task Force on Public School Mental Health Services and the expiration of the related subchapter to December 1, 2031.

The bill would amend the Education Code to provide for the reduction of the additional state aid for debt service if the sum of a district's interest and sinking tax collections and state assistance for servicing debt exceeds the amount required to service the district's debt.

The bill would require that a school district experiencing a decline in ADA of more than 2.0 percent be funded

based on an ADA of 98.0 percent of the actual ADA of the preceding school year. Funding would be limited to \$300 million in each year or a greater amount provided by appropriation.

The bill would provide how ADA for students enrolled in a half-day or full-day prekindergarten program provided by an eligible provider and at a campus operated under a contract entered into by a district or open-enrollment charter school be calculated.

The bill would expand the Incentive for Additional Instructional Days to include districts offering 30 days of half-day instruction for students in prekindergarten through eighth grade and would reduce the required minimum number of minutes of operational and instruction time from 180 to 175 instructional days. The bill would also provide a 50 percent increase to the incentive amount for districts offering at least 200 full days of instruction to students in prekindergarten through grade eight.

The bill would increase the Basic Allotment under the Foundation School Program (FSP) to \$6,500 plus new Guaranteed Yield Increment Adjustment (GYIA) that would be established under this bill for each student in ADA, not including time spent in career and technology education programs or special education programs in a setting other than a general education setting. The bill would require that a district use 40 percent of new funding to provide compensation increases to full-time district employees during a year in which the Basic Allotment is increased. Of that amount, 75 percent would be required to be used for salary increases for classroom teachers and a district would be required to follow certain prioritization criteria. The remaining 25 percent could be used to provide compensation increases to other full-time district employees not including administrators. New funding received under the School Safety Allotment and Additional State Aid for Regional Insurance Cost Differentials would be excluded from the calculation of the 40 percent of new funding.

The bill would require that a school district employee who receives a salary increase due to a Basic Allotment increase continue to be paid a salary at least equal to the employee's salary from the preceding school year if the employee remains employed by the same district and if the district receives the same level of funding as the preceding school year. The requirement would not apply if certain criteria are met. A school district would not be required to provide a salary increase exceeding \$15,000 to an employee and could use excess funds calculated under the 40 percent of new revenue for other allowed purposes.

The bill would increase the weights for the Small and Midsized Allotment under the FSP and would exclude students enrolled in a full-time virtual program that do not reside in the district from the district's ADA under this section.

Beginning in fiscal year 2027, the bill would increase the weights for the Compensatory Education Allotment under the FSP.

The bill would redistribute FSP funding provided under the Compensatory Education Allotment and funding under the new Early Education Allotment funding that would be generated by prekindergarten students under the bill to provide funding for three-quarter day prekindergarten to districts operating a full-day prekindergarten program. Any remaining funds would be distributed back to school districts through the Compensatory Education Allotment.

Beginning in fiscal year 2027, the bill would increase the Bilingual Education Allotment weights under the FSP.

The bill would expand the Early Education Allotment under the FSP to include eligible prekindergarten ADA.

The bill would increase the allotments and rural and high needs factors for TIA. A district designated as an enhanced teacher incentive allotment school would receive an increased allotment by multiplying their allotment under TIA by 1.1. For districts receiving the enhanced teacher incentive allotment, the bill would require the district to certify that the additional funds were used for an allowable purpose.

The bill would amend the School Safety Allotment such that the per ADA amount would increase by \$1 per every \$50 by which the district's maximum basic allotment exceeds \$6,555, instead of \$6,160.

The bill would establish the Fine Arts Allotment that would provide an allotment for each student in ADA in grade levels 6 through 12 enrolled in an approved fine arts education course. For students who are not

educationally disadvantaged, the allotment would equal the Basic Allotment, or, if applicable, the sum of the Basic Allotment and the allotment under Education Code, Section 48.101, to which the district is entitled, multiplied by 0.008. The allotment for educationally disadvantaged students would be twice this amount. The bill would cap the total cost of the allotment at \$15.0 million per school year.

TEA would be required to publish annually a list of approved fine arts education courses that qualify for the Fine Arts Allotment.

The bill would set the guaranteed yield for gold pennies at \$129.52 per penny of tax effort per WADA or a greater amount set by appropriation. As a result of the Basic Allotment increase included in the bill, the copper penny yield would increase from \$49.28 per penny per WADA to \$52.44 per penny per WADA in fiscal year 2026.

The bill would allow certain districts to include tax revenue from a county-wide equalization tax in the calculation of Tier 2 for the purposes of entitlement under enrichment.

The bill would establish the Guaranteed Yield Increment Adjustment to be determined by the agency. The adjustment would be equal to the difference between the cost per weighted student of maintaining the gold yield at the 96th percentile of wealth per weighted student and the cost per weighted student of maintaining the gold yield at the amount set in Education Code, Section 48.202(a-1)(1). For the 2026-27 biennium, the bill would set the adjustment at \$55. This amount would be added to the Basic Allotment in the first year of each biennium. Thus, the Basic Allotment under this bill would increase from \$6,160 to \$6,555 in fiscal year 2026.

The bill would provide for an adjustment for revenue losses to school districts if the state assigned value from the Comptroller's Property Value Study is used to determine the Local Fund Assignment instead of locally assigned property value. The total amount a district would receive from an adjustment would be reduced for every consecutive year in which the district receives an adjustment. The total amount provided under this section would be capped at \$60 million each year.

The bill would establish the Additional State Aid to Ensure Minimum Funding Level which would ensure districts would receive at least \$200 per weighted student in average daily attendance (WADA) above the level of funding they would have received under current law per student in WADA.

The bill would provide additional state aid for regional insurance cost differentials for school districts and open-enrollment charter schools if their central administrative office and majority of campuses are located within a first tier coastal county or catastrophe area.

The bill would provide onetime payments for certain uncertified teachers who earn a standard certificate.

The bill would require the SBEC to waive bilingual and special education certification application fees and exam fees for a candidate's first test attempt, and would require SBEC to pay the vendor who administers the certification exams the fee associated with the exam for which the fee was waived.

The bill would create the Employed Retiree Educator Reimbursement Grant Program to reimburse public schools that employ Teacher Retirement System (TRS) retirees for the contribution amount that the district would be responsible for paying when employing a TRS retiree. The grants provided under this section may be modified by appropriation and the grant program would be established and administered by the commissioner.

The bill would establish the Grow Your Own Partnership program to form partnerships between school districts or open-enrollment charter schools and qualified institutions of higher learning or EPPs to establish teacher staffing pipelines for certain high school students and current public school employees.

The bill would create the grow your own partnership program allotment to provide an annual allotment for certain participating district employees. The allotment per employee would be equal to \$8,000 and certain additional amounts based on the determined high needs and rural factors. TEA would provide half of the entitlement to the school district only upon the employee's successful completion of a bachelor's degree by an established deadline.

The bill would require TEA to provide certain technical assistance, and oversight, and support for the education of students with disabilities.

The bill would require the commissioner to develop a list of approved public or private facilities, institutions, agencies, or businesses inside or outside that state that provide services to students with disabilities in residential or day placement programs.

The bill would provide eligibility for a district to apply for a grant under existing Education Code, Section 29.018 if the district does not receive sufficient state funds under Education Code, Sections 48.102 and 48.1021 and federal funds to pay for special education services provided to the district's special education students. The grant program under Education Code, Section 29.018 is subject to appropriation.

The bill would establish the Grant Program Providing Training in Dyslexia for Teachers, Staff, and Other Personnel for school districts, open-enrollment charter schools, TJJD, juvenile boards, and juvenile probation departments.

The bill would provide a grant program to Local Education Agencies (LEAs), administered by TEA or Education Service Providers (ESCs), to support recruitment and retention of qualified and appropriately credentialed special education staff, including special education teachers, paraprofessionals, evaluation personnel, ancillary instructional personnel, certified interpreters, board-certified behavior analysts, registered behavior technicians, and related service personnel.

The bill would expand free prekindergarten eligibility to students receiving special education services.

The bill would require that each school district, instead of the commissioner and the executive commissioner of the Health and Human Services Commission (HHSC), ensure the language acquisition of deaf or hard of hearing students under the age of eight is regularly assessed. School districts would be required to report assessment data set by commissioner rule to the agency through PEIMS.

The bill would reduce the amount for which a district is required to contribute for a student admitted to the Texas School for the Deaf (TSD) or Texas School for the Blind and Visually Impaired (TSBVI) if the district is required to reduce local revenue under Education Code, Section 48.257.

The bill would require TEA by rule to develop procedures to allow TEA to ensure school district compliance with the program for screening and treatment of dyslexia and related disorders as approved by the State Board of Education (SBOE). Strategies to address noncompliance could include publication of recommended evidence-based dyslexia program list.

The bill would amend the Special Education Allotment under the FSP to provide for weighted funding in an amount set by the legislature in the General Appropriations Act (GAA) based on tiers of intensity of service to be defined by the commissioner. The commissioner would be required to submit proposed weights for each tier to the LBB for the upcoming biennium.

The bill would create the Special Education Service Group Allotment under the FSP and would require the commissioner to establish at least four service groups to determine funding for special education students under this section. The commissioner would be required to submit proposed amounts of funding for the special education service groups to the LBB not later than December 1 of each even-numbered year.

The bill would establish the Special Education Transition Funding Allotment. For the 2025-26 school year, the bill would require the commissioner to ensure that the proposed weights for the amended Special Education Allotment under Education Code, Section 48.102, and the new service group allotment under Education Code, Section 48.1021, would result in a statewide increase of approximately \$800.0 million from the special education allotment funding provided during the 2024-25 school year.

The bill would increase the College, Career and Military Readiness Outcomes Bonus for special education students from \$2,000 to \$4,000.

The bill would increase the transportation allotment for special education students from \$1.08 to \$1.13 per

mile or a greater amount by appropriation.

The bill would establish the Special Education Full Individual and Initial Evaluation Allotment which would provide districts with \$1,000, or a greater amount by appropriation, for each student for whom the district conducts a full individual and initial evaluation.

The bill would establish day placement program funding under the FSP for which ESCs and LEAs could receive an annual allotment for each qualifying program or cooperative for \$250,000 for the first year and, for subsequent years, \$100,000 and an additional \$150,000 if at least three students are enrolled for that school year.

The bill would create the Parent Directed Services for Students Receiving Special Education Services Grant. Eligible students would be entitled one award of \$1,500. Award amounts and number of awards may be increased by appropriation. An ESC designated to administer the program would be entitled to four percent of each grant awarded.

The bill would shift funding for regional day school programs for the deaf to the FSP.

Methodology

TEA estimates that there would be an annual cost of \$15.0 million for implementation of expanded technical assistance requirements for TIA.

TEA estimates the local optional teacher designation system grant program would cost \$30.0 million annually to implement.

TEA assumes the cost to provide grants under the Additional Days School Year Planning Grant Program would be \$7.5 million each year.

The agency assumes the cost to provide grants under the Grant Program to Promote Parental Engagement would be \$4.0 million each year.

Agencies of higher education assume costs associated with extending the Task Force on Public School Mental Health Services could be absorbed using existing resources.

The total TRS benefits costs of applicable salary increases provided by the bill would be \$55.2 million in fiscal year 2026, \$59.3 million in fiscal year 2027, increasing to \$100.9 million in fiscal year 2030. The cost of TRS benefits for salary increases related to teacher preparation partnerships and potential changes to the minimum salary schedule cannot be determined.

Exact costs associated with providing an adjustment for loss of district revenue due to the use of state values cannot be determined at this time; however, TEA assumes the cost would be approximately \$25.0 million in each year.

This analysis assumes total costs to provide onetime payments of \$1,000 to certain previously uncertified teachers would total \$15.0 million, based on TEA's assumption that approximately 15,000 uncertified teachers would earn a standard certificate.

TEA estimates that provisions of the bill requiring the waiver of certain examination and certification fees, including vendor costs for administration, would cost \$3.0 million in fiscal year 2026, \$3.2 million in fiscal year 2027, and \$3.2 million in fiscal year 2030.

The amount appropriated to the Employed Retiree Educator Reimbursement Grant Program is unspecified, and the legislature may restrict eligibility for the program by appropriation; therefore, costs cannot be determined. As an illustrative example of the potential cost, in fiscal year 2024 TRS received a total of approximately \$57.9 million for retirement program surcharges and \$16.3 million for TRS-Care surcharges, including both employee and employer surcharges for all positions. The bill would not make changes to the amount of the TRS retirement contribution, just the source of the funding; therefore, TRS assumes there would be no significant

impact to the agency from this provision.

HHSC assumes any costs associated with implementation of the bill could be absorbed using existing resources.

This analysis assumes that the cost related to providing grants to districts that do not receive sufficient state and federal funds to pay for special education services provided to the district's special education students cannot be determined at this time.

TEA assumes that the cost of the Grant Program Providing Training in Dyslexia for Teachers, Staff, and Other Personnel would be \$10.0 million each fiscal year.

The bill would allow TEA to provide grants to LEAs to support recruitment and retention of qualified and appropriately credentialed special education staff. TEA assumes that this grant program would cost \$10.0 million per fiscal year.

This analysis assumes the cost associated with changes to special education FSP funding as proposed by the bill would be limited to approximately \$800.0 million in additional funding compared to the special education allotment in fiscal year 2025 for fiscal year 2026. For fiscal year 2027, this analysis assumes funding would at least maintain fiscal year 2026 levels. For subsequent fiscal years, this analysis assumes the fiscal impact of the amendments to the special education allotment and the new service group allotment cannot be determined, as weights, tiers, service groups, and the amount to be specified in the GAA are unknown; however, this analysis assumes funding would at least maintain funding levels that would be provided under current law.

The agency assumes there would be 200,000 Special Education Full Individual and Initial Evaluations each year that would be eligible for funding of \$1,000 per evaluation.

The agency assumes the cost associated with the Day Placement Program or Cooperative Funding would be \$5.0 million in fiscal year 2027, \$10.0 million in fiscal year 2028, increasing to \$20.0 million in fiscal year 2030.

TEA assumes costs of the Parent-Directed Services for Students Receiving Special Education Services Grant program would be partially offset by a reduction of \$30.0 million each year as a result of the program moving to the FSP.

The analysis assumes that TEA would require 27.0 FTEs to implement provisions of the bill at a cost of \$3.4 million in fiscal year 2026 and \$3.3 million in subsequent fiscal years. TEA indicates that 5.0 of these FTEs would be funded from federal IDEA funds at a cost of \$0.6 million annually; the remainder of positions would be funded from General Revenue Funds.

The bill would amend or create other allotments and provisions the FSP as outlined in the Fiscal Analysis section above. This analysis assumes the cost to the FSP would be \$3.8 billion in fiscal year 2026, \$3.9 billion in fiscal year 2027, increasing to \$4.2 billion in fiscal year 2030.

The cost to the FSP includes estimated decreases in Recapture Payments - Attendance Credits revenue of \$461.7 million in fiscal year 2026, \$610.2 million in fiscal year 2027, and \$601.2 million in fiscal year 2030.

Technology

TEA assumes IT costs to implement the provisions of the bill would total \$1.3 million in fiscal year 2026 and \$3.9 million in fiscal year 2027.

Local Government Impact

This analysis assumes LEAs would receive additional funding through the FSP under the bill. LEAs would be required to spend certain funding increases under the bill on salary and benefit costs to provide employee compensation increases. Certain districts would receive additional state aid through enrichment from the inclusion of local tax revenue from a county-wide equalization tax. LEAs may incur costs related to regularly

assessing the language acquisition of deaf and hard of hearing students.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 323 Teacher Retirement System, 529 Health and Human Services Commission, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 771 School for the Blind and Visually Impaired, 772 School for the Deaf, 781 Higher Education Coordinating Board

LBB Staff: JMc, NC, ASA, MJe

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2** by Buckley (relating to public education and public school finance.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, Committee Report 1st House, Substituted: a negative impact of (\$7,757,076,290) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Costs associated with changes to special education funding in the Foundation School Program (FSP) for fiscal years 2028-30 cannot be determined, as the tiers, service groups, and weights are unknown; however, this analysis assumes funding would at least maintain funding levels that would be provided under current law.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$4,014,694,978)
2027	(\$3,742,381,312)
2028	(\$4,117,817,544)
2029	(\$3,526,598,262)
2030	(\$3,565,163,341)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Probable Revenue Gain/(Loss) from <i>Recapture Payments Atten</i> <i>Crdts</i> 8905	Probable Savings/(Cost) from <i>Federal Funds</i> 555
2026	(\$78,853,625)	(\$3,935,841,353)	(\$480,346,734)	(\$628,064)
2027	(\$97,999,448)	(\$3,644,381,864)	(\$574,821,195)	(\$603,289)
2028	(\$99,262,670)	(\$4,018,554,874)	(\$609,808,082)	(\$603,289)
2029	(\$101,308,628)	(\$3,425,289,634)	(\$737,027,837)	(\$603,289)
2030	(\$119,160,506)	(\$3,446,002,835)	(\$579,995,367)	(\$603,289)

<i>Fiscal Year</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	27.0
2027	27.0
2028	27.0
2029	27.0
2030	27.0

Fiscal Analysis

Article 1

The bill would amend operational funding received by charters and would amend charter facilities funding to remove the \$60 million cap and provide certain open-enrollment charter schools with an annual per average daily attendance (ADA) allotment equal to the lesser of the state average interest sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of state and local funds per student per cent of tax effort under Education Code, Section 46.032(a) or the Basic Allotment multiplied by 0.07.

The bill would add an additional designation level to the teacher incentive allotment (TIA) and would change the designation of nationally board-certified teachers. The bill would also direct the commissioner to designate schools as enhanced teacher incentive allotment schools and expand the technical assistance duties of the Texas Education Agency (TEA) related to implementation of local optional teacher designation systems.

The bill would establish the local optional teacher designation system grant program. From funds appropriated or available, TEA would develop and administer a grant program with money and technical assistance for districts and open-enrollment charter schools to expand implementation of local optional teacher designation systems and increase the number of teachers eligible for a designation. Grants that would be awarded under this section would be required to meet the needs of individual school districts and enable regional leadership capacity.

The bill would establish the Additional Days School Year Planning Grant Program. From funds appropriated or available, TEA would be required to develop and administer a grant program to provide money and technical assistance for districts and open-enrollment charter schools to qualify for the Incentive for Additional Instructional Days under Education Code, Section 48.0051. School districts and open-enrollment charter schools that seek to maximize the additional instructional days incentive would be prioritized for grant awards under this program.

The bill would allow a child who is at least three years of age to enroll in a prekindergarten class if the class is provided through a partnership between a district or open enrollment charter school and certain community based childcare providers and if the child receives subsidized childcare services provided through the Texas Workforce Commission (TWC).

The bill would amend resource campus designations including adding certain requirements related to teacher designations.

The bill would establish the Grant Program to Promote Parental Engagement.

The bill would amend the Education Code to provide for the reduction of the additional state aid for debt service if the sum of a district's interest and sinking tax collections and state assistance for servicing debt exceeds the amount required to service the district's debt.

The bill would require that a school district experiencing a decline in ADA of more than 5.0 percent be funded based on an ADA of 95.0 percent of the actual ADA of the preceding school year. Open-enrollment charter schools would not be eligible for this funding.

The bill would provide that ADA for students enrolled in a half-day or full-day prekindergarten program provided by an eligible provider and at a campus operated under a contract entered into by a district or open-enrollment charter school be calculated.

The bill would expand the Incentive for Additional Instructional Days to include districts offering 30 days of half-day instruction for students in prekindergarten through eighth grade and would reduce the required minimum number of minutes of operational and instruction time from 180 to 175 instructional days. The bill would also provide a 50 percent increase to the incentive amount for districts offering at least 200 full days of instruction to students in prekindergarten through grade eight.

The bill would increase the Basic Allotment under the Foundation School Program (FSP) to \$6,500 plus new Guaranteed Yield Increment Adjustment that would be established under this bill for each student in ADA, not including time spent in career and technology education programs or special education programs in a setting other than a general education setting. The bill would require that a district use 40 percent of new funding to provide compensation increases to full-time district employees during a year in which the Basic Allotment is increased. Of that amount, 75 percent would be required to be used for salary increases for classroom teachers and a district would be required to follow certain prioritization criteria. The remaining 25 percent could be used to provide compensation increases to other full-time district employees not including administrators.

The bill would require that a school district employee who receives a salary increase due to a Basic Allotment increase continue to be paid a salary at least equal to the employee's salary from the preceding school year if the employee remains employed by the same district and if the district receives the same level of funding as the preceding school year. The requirement would not apply if certain criteria are met.

The bill would increase the weights for the Small and Midsized Allotment under the FSP and would exclude students enrolled in a full-time virtual program that do not reside in the district from the district's ADA under this section.

The bill would increase the weights for the Compensatory Education Allotment under the FSP.

The bill would increase the Bilingual Education Allotment weights under the FSP.

The bill would expand the Early Education Allotment under the FSP to include eligible prekindergarten ADA.

The bill would increase the allotments and rural and high needs factors for TIA. A district designated as an enhanced teacher incentive allotment school would receive an increased allotment by multiplying their allotment under TIA by 1.1. For districts receiving the enhanced teacher incentive allotment, the bill would require the district to certify that the additional funds were used for an allowable purpose.

The bill would establish the Fine Arts Allotment that would provide an allotment for each student in ADA in grades 6 through 12 enrolled in an approved fine arts education course. For students who are not educationally disadvantaged, the allotment would equal the Basic Allotment, or, if applicable, the sum of the Basic Allotment and the allotment under Education Code, Section 48.101, to which the district is entitled, multiplied by 0.008. The allotment for educationally disadvantaged students would be twice this amount. The bill would cap the total cost of the allotment at \$15.0 million per school year.

TEA would be required to publish annually a list of approved fine arts education courses that qualify for the Fine Arts Allotment.

The bill would set the guaranteed yield for gold pennies at \$129.52 per penny of tax effort per weighted average daily attendance (WADA) or a greater amount set by appropriation. As a result of the Basic Allotment increase included in the bill, the copper penny yield would increase from \$49.28 per penny per WADA to \$52.44 per penny per WADA in fiscal year 2026.

The bill would amend and repeal certain hold harmless provisions to entitle districts to additional state aid to the extent that a district's state and local revenue used for maintenance and operations would be less than the state and local revenue that would have been available to the district absent certain property tax relief provisions provided by the Eighty-eighth Legislature.

The bill would establish the Guaranteed Yield Increment Adjustment to be determined by the agency. The adjustment would be equal to difference between the cost per weighted student of maintaining the gold yield at the 96th percentile of wealth per weighted student and the cost per weighted student of maintaining the gold yield at the amount set in Education Code, Section 48.202(a-1)(1). For the 2026-27 biennium, the bill would set the adjustment at \$55. This amount would be added to the Basic Allotment in the first year of each biennium. Thus, the Basic Allotment under this bill would increase from \$6,160 to \$6,555 in fiscal year 2026.

The bill would provide for an adjustment for revenue losses to school districts if the state assigned value from the Comptroller's Property Value Study is used to determine the Local Fund Assignment instead of locally assigned property value. The total amount a district would receive from an adjustment would be reduced for every consecutive year in which the district receives an adjustment. The total amount provided under this section would be capped at \$60 million each year.

The bill would establish the Additional State Aid to Ensure Minimum Funding Level which would ensure districts would receive at least \$200 per weighted student above the level of funding they would have received under current law. Beginning in fiscal year 2028, the amount would be reduced by a factor of 0.2 each year and would expire by fiscal year 2032.

The bill would provide additional state aid for regional insurance cost differentials for school districts and open-enrollment charter schools if their central administrative office and majority of campuses are located within a first tier coastal county or catastrophe area.

Article 2

In fiscal year 2027, the bill would provide onetime payments for certain uncertified teachers who earn a standard certificate.

The bill would require the State Board for Educator Certification (SBEC) to waive bilingual and special education certification application fees and exam fees for a candidate's first test attempt, and would require SBEC to pay the vendor who administers the certification exams the fee associated with the exam for which the fee was waived.

The bill would create the Employed Retiree Educator Reimbursement Grant Program to reimburse public schools that employ Teacher Retirement System (TRS) retirees for the contribution amount that the district would be responsible for paying when employing a TRS retiree. The grants provided under this section may be modified by appropriation and the grant program would be established and administered by the commissioner.

The bill would establish the Grow Your Own Partnership program to form partnerships between school districts or open-enrollment charter schools and qualified institutions of higher learning or Educator Preparation Programs (EPP) to establish teacher staffing pipelines for certain high school students and current public school employees.

The bill would create the Grow Your Own Partnership Program Allotment to provide an annual allotment for certain participating district employees. The allotment per employee would be equal to \$8,000 and certain additional amounts based on the determined high needs and rural factors. TEA would provide half of the entitlement to the school district only upon the employee's successful completion of a bachelor's degree by an established deadline.

Article 3

The bill would require TEA to provide certain technical assistance, and oversight, and support for the education of students with disabilities.

The bill would require the Health and Human Services Commission (HHSC), in collaboration with TEA and stakeholders, to develop and provide materials to certain students regarding educational residential placements.

The bill would require the commissioner to develop a list of approved public or private facilities, institutions, agencies, or businesses inside or outside that state that provide services to students with disabilities in

residential or day placement programs.

The bill would provide eligibility for a district to apply for a grant under existing Education Code, Section 29.018 if the district does not receive sufficient state funds under Education Code, Sections 48.102 and 48.1021 and federal funds to pay for special education services provided to the district's special education students. The grant program under Education Code, Section 29.018 is subject to appropriation.

The bill would establish the Grant Program Providing Training in Dyslexia for Teachers and Staff.

The bill would provide a grant program to local education agencies (LEA), administered by TEA or regional education service centers (ESCs), to support recruitment and retention of qualified and appropriately credentialed special education staff, including special education teachers, paraprofessionals, evaluation personnel, ancillary instructional personnel, certified interpreters, board-certified behavior analysts, registered behavior technicians, and related service personnel.

The bill would expand free prekindergarten eligibility to students receiving special education services.

The bill would require that each school district, instead of the commissioner and the executive commissioner of HHSC, ensure the language acquisition of deaf or hard of hearing students under the age of eight is regularly assessed. School districts would be required to report assessment data set by commissioner rule to the agency through the Public Education Information Management System.

The bill would reduce the amount for which a district is required to contribute for a student admitted to the Texas School for the Deaf or the Texas School for the Blind and Visually Impaired if the district is required to reduce local revenue under Education Code, Section 48.257.

The bill would require TEA by rule to develop procedures to allow TEA to ensure school district compliance with the program for screening and treatment of dyslexia and related disorders as approved by the State Board of Education (SBOE). Strategies to address noncompliance could include publication of recommended evidence-based dyslexia program list.

The bill would amend the Special Education Allotment under the FSP to provide for weighted funding in an amount set by the Legislature in the General Appropriations Act (GAA) based on tiers of intensity of service to be defined by the commissioner. The commissioner would be required to submit proposed weights for each tier to the Legislative Budget Board (LBB) for the upcoming biennium.

The bill would create the Special Education Service Group Allotment under the FSP and would require the commissioner to establish at least four service groups to determine funding for special education students under this section. The commissioner would be required to submit proposed amounts of funding for the special education service groups to the LBB not later than December 1 of each even-numbered year.

The bill would establish the Special Education Transition Funding Allotment. For the 2025-26 school year, the bill would require the commissioner to ensure that the proposed weights for the amended Special Education Allotment under Education Code, Section 48.102, and the new service group allotment under Education Code, Section 48.1021, would result in a statewide increase of approximately \$800.0 million from the special education allotment funding provided during the 2024-25 school year.

The bill would increase the College, Career and Military Readiness Outcomes Bonus for special education students from \$2,000 to \$4,000.

The bill would increase the transportation allotment for special education students from \$1.08 to \$1.13 per mile or a greater amount by appropriation.

The bill would establish the Special Education Full Individual and Initial Evaluation Allotment which would provide districts with \$1,000, or a greater amount by appropriation, for each student for whom the district conducts a full individual and initial evaluation.

The bill would establish day placement program funding under the FSP for which ESCs and LEAs could receive

an annual allotment for each qualifying program or cooperative for \$250,000 for the first year and, for subsequent years, \$100,000 and an additional \$150,000 if at least three students are enrolled for that school year.

The bill would create the Parent Directed Services for Students Receiving Special Education Services Grant. Eligible students would be entitled to one award of \$1,500. Award amounts and number of awards may be increased by appropriation. An ESC designated to administer the program would be entitled to four percent of each grant awarded.

The bill would shift funding for regional day school programs for the deaf to the FSP.

Methodology

TEA estimates that there would be an annual cost of \$15.0 million for implementation of expanded technical assistance requirements for TIA.

TEA estimates the local optional teacher designation system grant program would cost \$30.0 million annually to implement.

TEA assumes the cost to provide grants under the Additional Days School Year Planning Grant Program would be \$7.5 million each year.

The agency assumes the cost to provide grants under the Grant Program to Promote Parental Engagement would be \$4.0 million each year.

The total TRS benefits costs of applicable salary increases provided by the bill would be \$58.5 million in fiscal year 2026, \$60.0 million in fiscal year 2027, increasing to \$100.0 million in fiscal year 2030. The cost of TRS benefits for salary increases related to teacher preparation partnerships and potential changes to the minimum salary schedule cannot be determined.

Exact costs associated with providing an adjustment for loss of district revenue due to the use of state values cannot be determined at this time; however, TEA assumes the cost would be approximately \$25.0 million each year.

This analysis assumes total costs to provide onetime payments of \$1,000 to certain previously uncertified teachers would total \$15.0 million for fiscal year 2027, based on TEA's assumption that approximately 15,000 uncertified teachers would earn a standard certificate.

TEA estimates that provisions of the bill requiring the waiver of certain examination and certification fees, including vendor costs for administration, would cost \$3.0 million in fiscal year 2026, \$3.2 million in fiscal year 2027, and \$3.2 million in fiscal year 2030.

The amount appropriated to the Employed Retiree Educator Reimbursement Grant Program is unspecified, and the Legislature may restrict eligibility for the program by appropriation; therefore, costs cannot be determined. As an illustrative example of the potential cost, in fiscal year 2024 TRS received a total of approximately \$57.9 million for retirement program surcharges and \$16.3 million for TRS-Care surcharges, including both employee and employer surcharges for all positions. The bill would not make changes to the amount of the TRS retirement contribution, just the source of the funding; therefore, TRS assumes there would be no significant impact to the agency from this provision.

According to HHSC, the agency could develop materials regarding educational residential placements with existing resources.

This analysis assumes that the cost related to providing grants to districts that do not receive sufficient state and federal funds to pay for special education services provided to the district's special education students cannot be determined at this time.

TEA assumes that the cost of the grant program providing training in dyslexia for teachers and staff would be

\$10.0 million each fiscal year.

The bill would allow TEA to provide grants to LEAs to support the recruitment and retention of qualified and appropriately credentialed special education staff. TEA assumes that this grant program would cost \$10.0 million per fiscal year.

This analysis assumes the cost associated with changes to special education FSP funding as proposed by the bill would be limited to approximately \$800.0 million in additional funding compared to the special education allotment in fiscal year 2025 for fiscal year 2026. For fiscal year 2027, this analysis assumes funding would at least maintain fiscal year 2026 levels. For subsequent fiscal years, this analysis assumes the fiscal impact of the amendments to the special education allotment and the new service group allotment cannot be determined, as weights, tiers, service groups, and the amount to be specified in the GAA are unknown; however, this analysis assumes funding would at least maintain funding levels that would be provided under current law.

The agency assumes there would be 200,000 Special Education Full Individual and Initial Evaluations each year that would be eligible for funding of \$1,000 per evaluation.

The agency assumes the cost associated with the Day Placement Program or Cooperative Funding would be \$5.0 million in fiscal year 2027, \$10.0 million in fiscal year 2028, increasing to \$20.0 million in fiscal year 2030.

TEA assumes the costs of the Parent-Directed Services for Students Receiving Special Education Services Grant program would be partially offset by a reduction of \$30.0 million each year as a result of the program moving to the FSP.

The analysis assumes that TEA would require 27.0 FTEs to implement provisions of the bill at a cost of \$3.4 million in fiscal year 2026 and \$3.3 million in subsequent fiscal years. TEA indicates that 5.0 of these FTEs would be funded from federal IDEA funds at a cost of \$0.6 million annually; the remainder of positions would be funded from General Revenue Funds.

The bill would amend or create other allotments and provisions the FSP as outlined in the Fiscal Analysis section above. This analysis assumes the cost to the FSP would be \$3.9 billion in fiscal year 2026, \$3.6 billion in fiscal year 2027, decreasing to \$3.4 billion in fiscal year 2030.

The cost to the FSP includes estimated decreases in Recapture Payments - Attendance Credits revenue of \$480.3 million in fiscal year 2026, \$574.8 million in fiscal year 2027, increasing to \$580.0 million in fiscal year 2030.

Technology

TEA assumes IT costs to implement the provisions of the bill would total \$1.3 million in fiscal year 2026 and \$3.8 million in fiscal year 2027.

Local Government Impact

This analysis assumes LEAs would receive additional funding through the FSP under the bill.

LEAs would be required to spend certain funding increases under the bill on salary and benefit costs to provide employee compensation increases.

LEAs may incur costs related to regularly assessing the language acquisition of deaf and hard of hearing students.

Source Agencies:

LBB Staff: JMc, JPE, ASA, ENA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 4, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2** by Buckley (Relating to public education and public school finance.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, As Introduced: a negative impact of (\$7,568,572,060) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$3,626,701,227)
2027	(\$3,941,870,833)
2028	(\$4,173,361,508)
2029	(\$4,010,114,232)
2030	(\$4,758,217,853)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Probable Revenue Gain/(Loss) from <i>Recapture Payments Atten</i> <i>Crdts</i> 8905	<i>Change in Number of State</i> <i>Employees from FY 2025</i>
2026	(\$97,922,301)	(\$3,528,778,926)	(\$382,079,259)	66.0
2027	(\$134,249,940)	(\$3,807,620,893)	(\$490,740,912)	67.0
2028	(\$117,595,400)	(\$4,055,766,108)	(\$502,472,197)	67.0
2029	(\$126,294,402)	(\$3,883,819,830)	(\$579,327,594)	67.0
2030	(\$128,534,069)	(\$4,629,683,784)	(\$479,361,823)	67.0

Fiscal Analysis

Article 1

The bill would amend operational funding received by charters and would amend charter facilities funding to provide charter schools with an annual per ADA allotment equal to the basic allotment multiplied by 0.07 and would remove the annual \$60 million cap.

The bill would add an additional designation level to the teacher incentive allotment (TIA) and would change the designation of nationally board-certified teachers. The bill would also direct the Commissioner to designate

schools as enhanced teacher incentive allotment schools and expand the technical assistance duties of the Texas Education Agency (TEA) related to implementation of local optional teacher designation systems.

The bill would establish the local optional teacher designation system grant program. From funds appropriated or available, TEA would develop and administer a grant program with money and technical assistance for districts and open-enrollment charter schools to expand implementation of local optional teacher designations system and increase the number of teachers eligible for a designation. Grants that would be awarded under this section would be required to meet the needs of individual school districts and enable regional leadership capacity.

The bill would establish the Additional Days School Year Planning Grant Program. From funds appropriated or available, TEA would be required to develop and administer a grant program to provide money and technical assistance for districts and open-enrollment charter schools to qualify for the Incentive for Additional Instructional Days under Education Code, Section 48.0051. School districts and open-enrollment charter schools that seek to maximize the additional instructional days incentive would be prioritized for grant awards under this program.

The bill would allow a child who is at least three years of age to enroll in a prekindergarten class if the class is provided through a partnership between a district or open enrollment charter school and certain community based childcare providers and if the child receives subsidized childcare services provided through the Texas Workforce Commission (TWC).

The bill would create a high school advising program, administered by TEA, which would support participating districts and open-enrollment charter schools in providing college or career advising support to students. Participating districts and open-enrollment charter schools would be required to have a partnership agreement with a public institution of higher learning, or a vocational program at a public institution of higher education, to provide college or career advisors. Advisors would be required to be trained in practices relating to college or career advising, and would be prohibited from having caseloads of more than 200 students. Students in grade levels 11 and 12 would be prioritized. The bill would grant rulemaking authority to the commissioner to implement the high school advising program, and would require the commissioner to consult with TWC and the Texas Higher Education Coordinating Board.

The bill would require that a school district experiencing a decline in average daily attendance (ADA) of more than 5.0 percent be funded based on an ADA of 95.0 percent of the actual ADA of the preceding school year. Open-enrollment charter schools would not be eligible for this funding.

The bill would provide that ADA for students enrolled in a half-day or full-day prekindergarten program provided by an eligible provider and at a campus operated under a contract entered into by a district or open-enrollment charter school be calculated.

The bill would expand the Incentive for Additional Instructional Days to include districts offering 30 days of half-day instruction for students in prekindergarten through eighth grade and would reduce the required minimum number of minutes of operational and instruction time from 180 to 175 instructional days. The bill would also provide a 50 percent increase to the incentive amount for districts offering at least 200 full days of instruction to students in prekindergarten through eighth grade.

The bill would increase the Basic Allotment under the FSP to \$6,380 for each student in average daily attendance, not including time spent in career and technology education programs or in special education programs in a setting other than a general education setting. The bill would increase the requirement that a district use a portion of new funding to provide compensation increases in a year for which the basic allotment is increased from 30 percent to 40 percent.

The bill would require that a school district employee who receives a salary increase due to a Basic Allotment increase continue to be paid a salary at least equal to the employee's salary from the preceding school year if the employee remains employed by the same district and if the district receives the same level of funding as the preceding school year. The requirement would not apply if certain criteria are met.

The bill would increase the weights for the Small and Midsized Allotment under the FSP and would exclude

students enrolled in a full-time virtual program that do not reside in the district from the district's ADA under this section.

The bill would increase the weights for the Compensatory Education Allotment under the FSP.

The bill would add an additional designation level to the Teacher Incentive Allotment (TIA) and would change the designation of nationally board-certified teachers. The bill would increase the allotments and rural and high needs factors for TIA. A district designated as an enhanced teacher incentive allotment school would receive an increased allotment by multiplying their allotment under TIA by 1.1. For districts receiving the enhanced teacher incentive allotment, the bill would require the district to certify that the additional funds were used for an allowable purpose.

The bill would establish the Fine Arts Allotment that would provide an allotment for each student in ADA in grade levels 6 through 12 enrolled in an approved fine arts education course. For students who are not educationally disadvantaged, the allotment would equal the Basic Allotment, or, if applicable, the sum of the Basic Allotment and the allotment under Education Code, Section 48.101, to which the district is entitled, multiplied by 0.008. The allotment for educationally disadvantaged students would be twice this amount. The bill would cap the total cost of the allotment at \$15.0 million per school year.

TEA would be required to publish annually a list of approved fine arts education courses that qualify for the Fine Arts Allotment.

The bill would establish the High School Advising Allotment under the FSP. The allotment would provide \$50,000 for each full-time equivalent advisor or contracted service provider under the high school advising program and would limit the number of advisors for whom a district may receive the allotment to one advisor per 200 students enrolled in the district in grade levels 11 and 12. The allotment would be reduced by 20 percent for each school year, beginning in the fifth school year, unless the district's performance for the school year met certain criteria.

As a result of the basic allotment increase included in the bill, the copper penny yield would increase from \$49.28 per penny per WADA to \$51.04 per penny per WADA in fiscal year 2026. This analysis assumes the golden penny yield would still be tied to the 96th percentile district.

The bill would amend and repeal certain hold harmless provisions to entitle districts to additional state aid to the extent that a district's state and local revenue used for maintenance and operations would be less than the state and local revenue that would have been available to the district absent certain property tax relief provisions provided by the Eighty-eighth Legislature.

The bill would provide additional state aid to certain districts receiving an adjustment under Education Code, Section 48.257.

The bill would provide for an adjustment for revenue losses to school districts if the state assigned value from the Comptroller's Property Value Study is used to determine the Local Fund Assignment instead of locally assigned property value. The total amount a district would receive from an adjustment would be reduced for every consecutive year in which the district receives an adjustment. The total amount provided under this section would be capped at \$60 million each year.

The bill would provide additional state aid for regional insurance cost differentials for school districts and open-enrollment charter schools that own or lease property in areas served by certain regional education service centers. The additional state aid would be equal to \$55, or a greater amount by appropriation, per student in average daily attendance.

Article 2

The bill would provide one-time payments for certain uncertified teachers who earn a standard certificate.

The bill would require TEA to collect data from districts on teacher recruitment, retention, and positions.

The bill would require the State Board for Educator Certification (SBEC) to waive bilingual and special education certification application fees and exam fees for a candidate's first test attempt, and would require SBEC to pay the vendor who administers the certification exams the fee associated with the exam for which the fee was waived.

The bill would require SBEC to develop rules and procedures relating to evaluating educator preparation programs (EPP) for approval and the renewal of approval, including educator literacy and mathematics achievement academies.

The bill would require the commissioner to develop and make available instructional materials for educator preparation programs and training for faculty responsible for preparing educator candidates.

The bill would require school districts to pay a teacher with zero years of experience who holds a certification under Education Code, Section 21.0412(a), a minimum salary that is greater than a teacher with equivalent experience who does not hold a certification under that section. The bill would prohibit school districts from adopting a salary schedule for teachers with five or more years of experience that differentiates minimum salaries based solely on certification.

The bill would create the Employed Retiree Teacher Reimbursement Grant Program to reimburse school districts that employ TRS retirees for the contribution amount that the district would be responsible for paying when employing a TRS retiree. The grants provided under this section may be modified by appropriation and the grant program would be established and administered by the commissioner.

The bill would direct school districts to provide onetime payments to certain teacher candidates for completing literacy or math academies.

From funds appropriated, TEA would be required to provide school districts with information and technical assistance regarding staffing models, scheduling, and teacher compensation models; programs that would encourage high school students to become teachers, including apprenticeships; programs that school leaders may use to establish behavior expectations while positively supporting students; and studies related to non-instructional duties for teachers and best practices for refining schedules for students and teachers.

The bill would establish the Preparing and Retaining Educators through Preservice Partnership (PREPP) Program to provide preservice practice opportunities for teacher candidates in a prekindergarten through grade 12 classroom through partnerships between school districts or open-enrollment charter schools and EPPs. TEA would be required to provide technical assistance and support to participating schools and EPPs.

The bill would establish the Preparing and Retaining Educators through Preservice Partnership Program Allotment for the PREPP Program. For each teacher candidate completing preservice practice hours at the district under Subchapter Q, Chapter 21, the district would be entitled to an allotment equal to sum of a base amount ranging from \$8,000 to \$24,000, and an amount ranging from \$1,000 to \$3,000 multiplied by the high needs and rural factor, which would have a maximum value of 4.0, as determined under Subsection (c). The Texas School for the Deaf (TSD), the Texas School for the Blind and Visually Impaired (TSBVI), and schools in the Texas Department of Criminal Justice would be entitled to the allotment under this section. Eligible districts with candidates for special or bilingual education certification employed in a residency position would be entitled to an additional \$2,000 allotment.

The bill would repeal the Mentor Program Allotment under the FSP.

The bill would repeal Government Code, Section 825.4092(f), to allow employers to pass on surcharges to employed retirees.

Article 3

The bill would require TEA to provide certain technical assistance, and oversight, and support for the education of students with disabilities.

The bill would require the Health and Human Services Commission (HHSC), in collaboration with TEA and

stakeholders, to develop and provide materials to certain students regarding educational residential placements.

The bill would require the commissioner to develop a list of approved public or private facilities, institutions, agencies, or businesses inside or outside that state that provide services to students with disabilities in residential or day placement program.

The bill would provide eligibility for a district to apply for a grant under existing Section 29.018 if the district does not receive sufficient state funds under 48.102 and 48.1021 and federal funds to pay for special education services provided to the district's special education students. The grant program under Section 29.018 is subject to appropriation.

The bill would establish the Grant Program Providing Training in Dyslexia for Teachers and Staff.

The bill would provide a grant program, administered by TEA, to LEAs to increase the number of qualified and appropriately credentialed special education staff, to include special education teachers, paraprofessionals, evaluation personnel, ancillary instructional personnel, and related service personnel.

The bill would expand free prekindergarten eligibility to students receiving special education services.

The bill would require that each school district, instead of the commissioner and the executive commissioner of HHSC, ensure the language acquisition of deaf or hard of hearing students under the age of eight is regularly assessed. School districts would be required to report assessment data set by commissioner rule to the agency through PEIMS.

The bill would expand the Comprehensive Statewide Plan under Education Code, Section 31.002, to include students that are deaf or hard of hearing, as well as increase the maximum age of eligible students from 21 to 22.

The bill would reduce the amount for which a district is required to contribute for a student admitted to TSD or TSBVI if the district is required to reduce local revenue under Education Code, Section 48.257.

The bill would require TEA by rule to develop procedures to allow TEA to ensure school district compliance with the program for screening and treatment of dyslexia and related disorders as approved by the SBOE. Strategies to address noncompliance could include publication of recommended evidence-based dyslexia program list.

The bill would amend the special education allotment under the FSP to provide for weighted funding based on tiers of intensity of service to be defined by the commissioner. The commissioner would be required to submit proposed weights for each tier to the LBB for the upcoming biennium.

The bill would create the Special Education Service Group Allotment under the FSP and would require the Commissioner to establish four service groups to determine funding for special education students under this section. The commissioner would be required to submit proposed amounts of funding for the special education service groups to the LBB not later than December 1 of each even-numbered year.

The bill would establish the Special Education Transition Funding Allotment for fiscal years 2026 and 2027. For the 2025-26 and 2026-27 school years, the bill would require the commissioner to ensure that the proposed weights for the amended special education allotment under Education Code, Section 48.102, and the new service group allotment under Education Code, Section 48.1021, would result in a statewide increase of approximately \$615.0 million from the special education allotment funding provided during the 2024-25 school year.

The bill would increase the College, Career and Military Readiness Outcomes Bonus for special education students from \$2,000 to \$4,000.

The bill would increase the transportation allotment for special education students to from \$1.08 to \$1.13 per mile or a greater amount by appropriation.

The bill would establish the Special Education Full Individual and Initial Evaluation allotment which would provide districts with \$1,000, or a greater amount by appropriation, for each student for whom the district conducts a full individual and initial evaluation.

The bill would establish day placement program funding under the FSP for which ESCs and LEAs could receive an annual allotment for each qualifying program or cooperative for \$250,000 for the first year and for subsequent years \$50,000 each year for each student enrolled in the program, up to a maximum annual allotment of \$250,000.

The bill would create the Parent Directed Services for Students Receiving Special Education Services Grant. Eligible students would be entitled one award of \$1,500. Award amounts and number of awards may be increased by appropriation. An ESC designated to administer the program would be entitled to four percent of each grant awarded.

The bill would shift existing funding for regional day school programs for the deaf to the FSP.

Methodology

TEA estimates that there would be an annual cost of \$15.0 million for implementation of expanded technical assistance requirements for TIA.

TEA estimates the local optional teacher designation system grant program would cost \$30.0 million annually to implement.

TEA assumes the cost to provide grants under the Additional Days School Year Planning Grant Program would be \$7.5 million each year.

This analysis assumes that salary increases provided by the bill would require \$26.6 million for the Teacher Retirement System in statutorily-required state contributions to TRS-Care in fiscal year 2026, \$28.5 million in fiscal year 2027, increasing to \$38.3 million in fiscal year 2030.

Exact costs associated with providing an adjustment for loss of district revenue due to the use of state values cannot be determined at this time; however, this analysis assumes the total amount of funds that would be available for this purpose would equal the \$60 million cap each fiscal year under the bill.

This analysis assumes total costs to provide onetime payments of \$1,000 to certain previously uncertified teachers would total \$15.0 million for fiscal year 2027, based on TEA's assumption that approximately 15,000 uncertified teachers would earn a standard certificate.

TEA estimates that provisions of the bill requiring the waiver of certain examination and certification fees, including vendor costs for administration, would cost \$3.0 million in fiscal year 2026, \$3.2 million in fiscal year 2027, increasing to \$3.2 million in fiscal year 2030.

TEA assumes the cost to evaluate EPPs for approval and renewal of approval would be \$6.5 million in fiscal year 2026, \$5.8 million in fiscal year 2027, increasing to \$6.2 million in fiscal year 2030.

TEA assumes the cost for developing instructional materials and faculty training for educator preparation programs would be \$2.3 million in fiscal year 2026, \$2.5 million in fiscal year 2027, increasing to \$4.8 million in fiscal year 2030.

The cost to require different statewide minimum salaries to teachers based on certification types cannot be determined, as the required salary differences between certification categories and which teachers the new certification types would apply to are unknown.

The amount appropriated to the Employed Retiree Teacher Reimbursement Grant Program is unspecified, and the legislature may restrict eligibility for the program by appropriation; therefore, costs cannot be determined. As an illustrative example of the potential cost, in fiscal year 2024 TRS received a total of approximately \$57.9 million for retirement program surcharges and \$16.3 million for TRSCare surcharges, including both employee

and employer surcharges for all positions. The bill would not make changes to the amount of the TRS retirement contribution, just the source of the funding; therefore, TRS assumes there would be no significant impact to the agency from this provision.

TEA assumes that 35.0 percent of estimated teacher candidates in eligible preparation programs would complete certain program requirements and be eligible to receive onetime stipends for completion of literacy and math academies, with residency program candidates receiving stipends in fiscal year 2026 and candidates in other eligible preparation programs receiving stipends beginning in fiscal year 2027. TEA assumes that given the timeline of implementation, only literacy academies would be operational in fiscal years 2026 and 2027, with both trainings being operational and required beginning in fiscal year 2028. This analysis assumes the cost of these stipends would be \$0.5 million in fiscal year 2026, \$4.7 million in fiscal year 2027, increasing to \$9.1 million in fiscal year 2030.

To administer Teacher Quality Assistance, TEA assumes funding would be required for development and implementation of supports, technical assistance to support LEAs in implementing improvements, and grants to LEAs. This analysis assumes development of strategic scheduling, staffing, and compensation modules to support technical assistance would cost \$1.5 million in fiscal year 2026. The agency assumes grants for delivery of technical assistance would cost \$2.3 million in fiscal year 2026 and \$4.5 million annually in fiscal years 2027-30. Grants to LEAs to support implementation of strategic staffing, scheduling, and compensation systems are assumed to cost \$4.0 million annually in fiscal years 2027-30. Technical assistance grants to support school leaders develop school culture routines and discipline systems would cost \$3.0 million annually beginning in fiscal years 2026. Technical assistance grants to LEAs to establish grow-your-own partnerships are assumed to cost \$1.5 million annually. The development of teacher leader and co-teacher training modules would cost \$500,000 annually in fiscal years 2026-27 and \$100,000 annually in fiscal years 2028-30. Technical assistance grants to LEAs to support the development of teacher leadership roles are assumed to cost \$1.3 million annually.

To administer the Teacher Time Study, this analysis assumes a cost of \$500,000 in fiscal year 2026 and \$50,000 annually in fiscal years 2027-30 would be required for the development and implementation of the study. This analysis assumes that \$750,000 in fiscal year 2026 and \$1.5 million annually in fiscal years 2027-30 would be required for technical assistance to LEAs. This analysis assumes \$3.0 million annually in fiscal years 2027-30 would be required to provide grants to LEAs under this section.

TEA estimates that provisions of the bill establishing the PREPP program, including programmatic supports and a dedicated application management system, would total \$21.4 million in fiscal year 2026, \$28.1 million in fiscal year 2027, increasing to \$35.0 million in fiscal year 2030.

TRS assumes there would be no significant fiscal impact to the state from allowing employers to pass on surcharges to employed retirees.

According to HHSC, the agency could develop materials regarding educational residential placements with existing resources.

This analysis assumes that the cost related to providing grants to districts that do not receive sufficient state and federal funds to pay for special education services provided to the district's special education students cannot be determined at this time.

TEA assumes that the cost of the grant program providing training in dyslexia for teachers and staff would be \$10.0 million each fiscal year.

The bill would allow TEA to provide grants to LEAs to increase the number of qualified and appropriately credentialed special education staff. TEA assumes that this grant program would cost \$10.0 million per fiscal year.

This analysis assumes the cost associated with changes to special education FSP funding as proposed by the bill would be limited to approximately \$615.0 million in additional funding compared to the special education allotment in fiscal year 2025 for each fiscal year of the 2026-27 biennium, pursuant to the limitation specified in the bill. For subsequent years, this analysis assumes the fiscal impact related to the changes to the special

education allotment would be at least maintained at fiscal year 2027 levels, as weights and service groups would be determined by the Commissioner and exact amounts cannot be determined.

The agency assumes there would be 200,000 Special Education Full Individual and Initial Evaluations each year that would be eligible for funding of \$1,000 per evaluation.

The agency assumes the cost associated with the Day Placement Program or Cooperative Funding would be \$7.5 million in fiscal year 2027, doubling each year until it reaches \$60.0 million in fiscal year 2030.

TEA assumes costs of the Parent-Directed Services for Students Receiving Special Education Services Grant program would be partially offset by a reduction of \$30.0 million each year as a result of the program moving to the FSP.

The total TRS benefits costs of applicable salary increases provided by the bill would be \$33.0 million in fiscal year 2026, \$34.5 million in fiscal year 2027, increasing to \$42.6 million in fiscal year 2030. The cost of TRS benefits for salary increases related to teacher preparation partnerships and potential changes to the minimum salary schedule cannot be determined.

The bill would amend or create other allotments and provisions the FSP as outlined in the Fiscal Analysis section above. This analysis assumes the cost to the FSP would be \$3.5 billion in fiscal year 2026, \$3.8 billion in fiscal year 2027, increasing to \$4.6 billion in fiscal year 2030. The cost to the FSP includes estimated decreases in Recapture Payments - Attendance Credits revenue of \$382.1 million in fiscal year 2026, \$490.7 million in fiscal year 2027, decreasing to \$479.4 million in fiscal year 2030.

The analysis assumes that TEA would require 66.0 FTEs in fiscal year 2026 and 67.0 FTEs in subsequent fiscal years to implement provisions of the bill at a cost of \$8.2 million in fiscal year 2026 and \$8.1 million in subsequent fiscal years.

Technology

TEA assumes IT costs to implement the provisions of the bill would total \$3,066,165 in fiscal year 2026, \$8,360,177 in fiscal year 2027, and \$400,132 each subsequent fiscal year.

Local Government Impact

LEAs would be required to spend certain funding increases under the bill on salary and benefit costs to provide employee compensation increases.

This analysis assumes local education agencies (LEAs) would receive additional funding through the FSP under the bill.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 323 Teacher Retirement System, 529 Health and Human Services Commission, 644 Juvenile Justice Department, 701 Texas Education Agency, 771 School for the Blind and Visually Impaired, 772 School for the Deaf, 781 Higher Education Coordinating Board

LBB Staff: JMc, NC, ASA, MJe

LEGISLATIVE BUDGET BOARD

Austin, Texas

ACTUARIAL IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (relating to public education and public school finance.), **Committee Report 2nd House, Substituted**

ACTUARIAL EFFECTS

According to the actuarial analysis, the bill would be expected to increase salaries above expectations in fiscal year 2026 by \$1.6 billion based on information provided by the Legislative Budget Board (LBB), with additional amounts each year going forward growing more than 6 percent per year, including a 21 percent increase from fiscal year 2026 to fiscal year 2027. These salary increases would increase the unfunded actuarial accrued liability (UAAL) for the Teacher Retirement System of Texas (TRS) by \$4.9 billion and increase the pattern of future salary increases. This combination would be expected to increase the projected funding period to 35 years following the passage of this bill.

The actuarial review states under the current Pension Review Board (PRB) Pension Funding Guidelines, funding should be adequate to amortize the UAAL over a period which should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040. TRS statute defines actuarial soundness, for purposes of making modifications to benefit and contribution levels, as no more than 31 years. This bill does not make modifications to benefit or contribution levels. TRS is currently actuarially sound, with an amortization period of 28 years.

SYNOPSIS OF PROVISIONS

The bill would make several changes to statute related to public school finance, including several changes that would have a potential impact on TRS pension funding.

The bill would increase the basic and other allotment amounts in the Texas Education Code, increasing compensation for certain TRS members.

FINDINGS AND CONCLUSIONS

According to the actuarial analysis, although this bill does not explicitly change the benefit provisions of TRS, the benefits paid from, and contributions paid into TRS are based on the salaries of the individual active members and thus a significant change to the salary levels would have an impact to the financial position of the pension fund.

The actuarial analysis states, based on current contribution rates and assumptions, the UAAL would not begin to decline until fiscal year 2038, peaking at \$76.5 billion compared to the current \$60.6 billion as of August 31, 2024. Since the contribution rates into TRS are not increasing, the \$4.9 billion in additional UAAL would compound at 7 percent annually for the next 28 years until the current UAAL is paid off and then contributions could begin to pay off the balance from the bill. This cost could be decreased by increasing the contributions upfront instead of funding over the next 28 years.

According to the actuarial analysis, the impact is based on the LBB assumption that all salary increases are above the current salary levels and do not supplant federal Elementary and Secondary School Emergency Relief Funds. If this assumption does not come into fruition, the impact to the fund is diminished. The LBB also

provided that there was insufficient information to determine the salary impact of the minimum salary schedule change. The LBB stated that at this time there is insufficient information to determine the payroll impact of the preparation partnership programs outlined in the bill. It is possible the allotments will lead to salary increases higher than currently assumed but the impact to TRS will depend on the increased salary amounts realized.

METHODOLOGY AND STANDARDS

The TRS analysis relies on the participant data, benefit structure and actuarial assumptions and methods used in the TRS actuarial valuation for August 31, 2024, with the exception of the salary scale. Based on projected annual payroll increases through 2030 under the bill as provided by the LBB, GRS increased the salary scale assumption by 0.45 percent per year. The analysis also relies on financial information as of February 28, 2025.

According to the PRB staff actuary, the actuarial assumptions, methods and procedures are reasonable for the purpose of this analysis. All actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. Accordingly, actual results will be different from the results contained in the analysis to the extent actual future experience varies from the experience implied by the assumptions. This analysis is based on the assumption that no other legislative changes affecting the funding or benefits of TRS will be adopted. It should be noted that when several proposals are adopted, the effect of each may be compounded, resulting in a cost that is greater (or less) than the sum of each proposal considered independently.

SOURCES

Actuarial Analysis by Joseph P. Newton, FSA, EA, MAAA, GRS, May 19, 2025.

Actuarial Review by David Fee, ASA, EA, Staff Actuary, Pension Review Board, May 20, 2025.

GLOSSARY

Actuarial Accrued Liability (AAL) - The current value of benefits attributed to past years.

Actuarial Value of Assets (AVA) - The value of assets used for the actuarial valuation. The AVA can be either the market value (MVA) or a smoothed value of assets.

Amortization Payments - The portion of the total contribution used to reduce the unfunded actuarial accrued liability (UAAL).

Amortization Period - The specified length of time used when calculating the amortization payment portion of an actuarially determined contribution, or as the time it would theoretically take to fully fund the UAAL or fully recognize a surplus. The State Pension Review Board recommends that funding should be sufficient to cover the normal cost and to amortize the UAAL over a period that should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040.

Actuarial Cost Method - An actuarial cost method is a way to allocate pieces of a participant's total expected benefit to each year of their working career. In other words, it is a technique to determine how much of the present value of future benefits (PVFB) to assign to past service (AAL) vs. future service (present value of future normal costs, or PVFNC).

Funded Ratio (FR) - The ratio of actuarial assets to the actuarial accrued liabilities.

Market Value of Assets (MVA) - The fair market value of the system's assets.

Normal Cost (NC) - Computed differently under different actuarial cost methods, the normal cost generally represents the current value of benefits attributed to the present year. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.

Present Value of Future Benefits (PVFB) - The current value of all benefits expected to be paid from the plan to current plan participants.

Present Value of Future Normal Costs (PVFNC) - The current value of benefits attributed to the present year and all future years (includes the normal cost as the first year).

Unfunded Actuarial Accrued Liability (UAAL) - The difference between the actuarial accrued liability and the actuarial value of assets; therefore, the UAAL is the amount that is still owed to the fund for past obligations.

Source

Agencies: 338 Pension Review Board

LBB Staff: JMc, ASA, ENA, CMA

LEGISLATIVE BUDGET BOARD
Austin, Texas

ACTUARIAL IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

May 14, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (Relating to public education and public school finance.), **As Engrossed**

ACTUARIAL EFFECTS

According to the actuarial analysis, the bill would be expected to increase salaries above expectations in fiscal year 2026 by \$1.5 billion based on information provided by the Legislative Budget Board (LBB), with additional amounts each year going forward growing more than 10 percent per year, including a 40 percent increase from fiscal year 2027 to fiscal year 2028 and another 22 percent increase from fiscal year 2029 to 2030. These salary increases would increase the unfunded actuarial accrued liability (UAAL) for the Teacher Retirement System of Texas (TRS) by \$4.3 billion and increase the pattern of future salary increases. This combination would be expected to increase the projected funding period to 35 years following the passage of this bill.

The actuarial review states under the current Pension Review Board (PRB) Pension Funding Guidelines, funding should be adequate to amortize the UAAL over a period which should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040. TRS statute defines actuarial soundness, for purposes of making modifications to benefit and contribution levels, as no more than 31 years. This bill does not make modifications to benefit or contribution levels. TRS is currently actuarially sound, with an amortization period of 28 years.

SYNOPSIS OF PROVISIONS

The bill would make several changes to statute related to public school finance, including several changes that would have a potential impact on TRS pension funding.

The bill would increase the basic and other allotment amounts in the Texas Education Code, increasing compensation for certain TRS members.

FINDINGS AND CONCLUSIONS

According to the actuarial analysis, although this bill does not explicitly change the benefit provisions of TRS, the benefits paid from, and contributions paid into TRS are based on the salaries of the individual active members and thus a significant change to the salary levels would have an impact to the financial position of the pension fund.

The actuarial analysis states the bill would allow for additional funding that would materially increase the salary levels for active TRS members, and this in turn would increase the benefits owed to those members once they retire. The actual cost of the bill would depend on how the salary increases are distributed. If teachers with more service receive a higher portion of the allotment, then the UAAL will likely increase by more than the estimated \$4.3 billion. However, if shorter service or lower paid teachers end up with a higher portion, the UAAL increase could be slightly less.

The actuarial review notes the bill would also increase the system's funding period by seven years based on current contribution levels. This increase could be mitigated with additional contributions of 0.45 percent of pay beginning in fiscal year 2026.

METHODOLOGY AND STANDARDS

The TRS analysis relies on the participant data, benefit structure and actuarial assumptions and methods used in the TRS actuarial valuation for August 31, 2024, with the exception of the salary scale. Based on projected annual payroll increases through 2030 under the bill as provided by the LBB, GRS increased the salary scale assumption by 0.45 percent per year. The analysis also relies on financial information as of February 28, 2025.

According to the PRB staff actuary, the actuarial assumptions, methods and procedures are reasonable for the purpose of this analysis. All actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. Accordingly, actual results will be different from the results contained in the analysis to the extent actual future experience varies from the experience implied by the assumptions. This analysis is based on the assumption that no other legislative changes affecting the funding or benefits of TRS will be adopted. It should be noted that when several proposals are adopted, the effect of each may be compounded, resulting in a cost that is greater (or less) than the sum of each proposal considered independently.

SOURCES

Actuarial Analysis by Joseph P. Newton, FSA, EA, MAAA, GRS, April 28, 2025.

Actuarial Review by David Fee, ASA, EA, Staff Actuary, Pension Review Board, April 28, 2025.

GLOSSARY

Actuarial Accrued Liability (AAL) - The current value of benefits attributed to past years.

Actuarial Value of Assets (AVA) - The value of assets used for the actuarial valuation. The AVA can be either the market value (MVA) or a smoothed value of assets.

Amortization Payments - The portion of the total contribution used to reduce the unfunded actuarial accrued liability (UAAL).

Amortization Period - The specified length of time used when calculating the amortization payment portion of an actuarially determined contribution, or as the time it would theoretically take to fully fund the UAAL or fully recognize a surplus. The State Pension Review Board recommends that funding should be sufficient to cover the normal cost and to amortize the UAAL over a period that should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040.

Actuarial Cost Method - An actuarial cost method is a way to allocate pieces of a participant's total expected benefit to each year of their working career. In other words, it is a technique to determine how much of the present value of future benefits (PVFB) to assign to past service (AAL) vs. future service (present value of future normal costs, or PVFNC).

Funded Ratio (FR) - The ratio of actuarial assets to the actuarial accrued liabilities.

Market Value of Assets (MVA) - The fair market value of the system's assets.

Normal Cost (NC) - Computed differently under different actuarial cost methods, the normal cost generally represents the current value of benefits attributed to the present year. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.

Present Value of Future Benefits (PVFB) - The current value of all benefits expected to be paid from the plan to current plan participants.

Present Value of Future Normal Costs (PVFNC) - The current value of benefits attributed to the present year and all future years (includes the normal cost as the first year).

Unfunded Actuarial Accrued Liability (UAAL) - The difference between the actuarial accrued liability and the actuarial value of assets; therefore, the UAAL is the amount that is still owed to the fund for past obligations.

Source

338 Pension Review Board

Agencies:

LBB Staff: JMc, NC, ASA, ENA

LEGISLATIVE BUDGET BOARD
Austin, Texas

ACTUARIAL IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (relating to public education and public school finance.), **Committee Report 1st House, Substituted**

ACTUARIAL EFFECTS

According to the actuarial analysis, the bill would be expected to increase salaries above expectations in fiscal year 2026 by \$1.8 billion based on information provided by the Legislative Budget Board (LBB), with additional amounts each year going forward growing more than 10 percent per year. These salary increases would increase the unfunded actuarial accrued liability (UAAL) for the Teacher Retirement System of Texas (TRS) by \$4.4 billion and increase the pattern of future salary increases. This combination would be expected to increase the projected funding period to 35 years following the passage of this bill.

The actuarial review states under the current Pension Review Board (PRB) Pension Funding Guidelines, funding should be adequate to amortize the UAAL over a period which should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040. TRS statute defines actuarial soundness, for purposes of making modifications to benefit and contribution levels, as no more than 31 years. This bill does not make modifications to benefit or contribution levels. TRS is currently actuarially sound, with an amortization period of 28 years.

SYNOPSIS OF PROVISIONS

The bill would make several changes to statute related to public school finance, including several changes that would have a potential impact on TRS pension funding.

The bill would increase the basic and other allotment amounts in the Texas Education Code, increasing compensation for certain TRS members.

FINDINGS AND CONCLUSIONS

According to the actuarial analysis, although this bill does not explicitly change the benefit provisions of TRS, the benefits paid from, and contributions paid into TRS are based on the salaries of the individual active members and thus a significant change to the salary levels would have an impact to the financial position of the pension fund.

The actuarial analysis states the bill would allow for additional funding that would materially increase the salary levels for certain teachers, and this in turn would increase the benefits owed to those members once they retire. The actual cost of the bill would depend on how the salary increases are distributed. If teachers with more service receive a higher portion of the allotment, then the UAAL will likely increase by more than the estimated \$4.4 billion. However, if shorter service or lower paid teachers end up with a higher portion, the UAAL increase could be slightly less.

The actuarial review notes the bill would also increase the system's funding period by seven years based on current contribution levels. This increase could be mitigated with additional contributions of 0.45 percent of pay beginning in fiscal year 2026.

METHODOLOGY AND STANDARDS

The TRS analysis relies on the participant data, benefit structure and actuarial assumptions and methods used in the TRS actuarial valuation for August 31, 2024, with the exception of the salary scale. Based on projected annual payroll increases through 2030 under the bill as provided by the LBB, GRS increased the salary scale assumption by 0.45 percent per year. The analysis also relies on financial information as of February 28, 2025.

According to the PRB staff actuary, the actuarial assumptions, methods and procedures are reasonable for the purpose of this analysis. All actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. Accordingly, actual results will be different from the results contained in the analysis to the extent actual future experience varies from the experience implied by the assumptions. This analysis is based on the assumption that no other legislative changes affecting the funding or benefits of TRS will be adopted. It should be noted that when several proposals are adopted, the effect of each may be compounded, resulting in a cost that is greater (or less) than the sum of each proposal considered independently.

SOURCES

Actuarial Analysis by Joseph P. Newton, FSA, EA, MAAA, GRS, April 3, 2025.

Actuarial Review by David Fee, ASA, EA, Staff Actuary, Pension Review Board, April 3, 2025.

GLOSSARY

Actuarial Accrued Liability (AAL) -The current value of benefits attributed to past years.

Actuarial Value of Assets (AVA) - The value of assets used for the actuarial valuation. The AVA can be either the market value (MVA) or a smoothed value of assets.

Amortization Payments - The portion of the total contribution used to reduce the unfunded actuarial accrued liability (UAAL).

Amortization Period - The specified length of time used when calculating the amortization payment portion of an actuarially determined contribution, or as the time it would theoretically take to fully fund the UAAL or fully recognize a surplus. The State Pension Review Board recommends that funding should be sufficient to cover the normal cost and to amortize the UAAL over a period that should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040.

Actuarial Cost Method -An actuarial cost method is a way to allocate pieces of a participant's total expected benefit to each year of their working career. In other words, it is a technique to determine how much of the present value of future benefits (PVFB) to assign to past service (AAL) vs. future service (present value of future normal costs, or PVFNC).

Funded Ratio (FR) - The ratio of actuarial assets to the actuarial accrued liabilities.

Market Value of Assets (MVA) - The fair market value of the system's assets.

Normal Cost (NC) - Computed differently under different actuarial cost methods, the normal cost generally represents the current value of benefits attributed to the present year. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.

Present Value of Future Benefits (PVFB) - The current value of all benefits expected to be paid from the plan to current plan participants.

Present Value of Future Normal Costs (PVFNC) - The current value of benefits attributed to the present year and all future years (includes the normal cost as the first year).

Unfunded Actuarial Accrued Liability (UAAL) - The difference between the actuarial accrued liability and the actuarial value of assets; therefore, the UAAL is the amount that is still owed to the fund for past

Source
Agencies: 338 Pension Review Board

LBB Staff: JMc, JPE, ASA, ENA

LEGISLATIVE BUDGET BOARD

Austin, Texas

ACTUARIAL IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

March 4, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (Relating to public education and public school finance.), **As Introduced**

ACTUARIAL EFFECTS

According to the actuarial analysis, the bill would be expected to increase salaries above expectations in fiscal year 2026 by \$1.1 billion based on information provided by the Legislative Budget Board (LBB), with additional amounts each year going forward growing more than 10 percent per year. These salary increases would increase the unfunded actuarial accrued liability (UAAL) for the Teacher Retirement System of Texas (TRS) by \$3.1 billion and increase the pattern of future salary increases. This combination would be expected to increase the projected funding period to 32 years following the passage of this bill.

The actuarial review states under the current Pension Review Board (PRB) Pension Funding Guidelines, funding should be adequate to amortize the UAAL over a period which should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040. TRS statute defines actuarial soundness, for purposes of making modifications to benefit and contribution levels, as no more than 31 years. This bill does not make modifications to benefit or contribution levels. TRS is currently actuarially sound, with an amortization period of 28 years.

SYNOPSIS OF PROVISIONS

The bill would make several changes to statute related to public school finance, including several changes that would have a potential impact on TRS pension funding.

The bill would increase the basic and other allotment amounts in the Texas Education Code, increasing compensation for certain TRS members.

It would also repeal the requirement under Section 825.4092(f), Texas Government Code, that prohibits school districts from passing the surcharge that is currently paid for rehiring retired teachers to the retiree.

FINDINGS AND CONCLUSIONS

According to the actuarial analysis, although this bill does not explicitly change the benefit provisions of TRS, the benefits paid from and contributions paid into TRS are based on the salaries of the individual active members and thus a significant change to the salary levels would have an impact to the financial position of the pension fund, at least over the short term.

The actuarial analysis states the bill would allow for additional funding that would materially increase the salary levels for certain teachers, and this in turn would increase the benefits owed to those members once they retire. The actual cost of the bill would depend on how the salary increases are distributed. If teachers with more service receive a higher portion of the allotment, then the UAAL will likely increase by more than the estimated \$3.1 billion. However, if shorter service or lower paid teachers end up with a higher portion, the UAAL increase could be slightly less.

The actuarial review notes the bill would also increase the system's funding period by four years based on current contribution levels. This increase could be mitigated with additional contributions of 0.15 percent of

pay beginning in fiscal year 2026.

METHODOLOGY AND STANDARDS

The TRS analysis relies on the participant data, financial information, benefit structure and actuarial assumptions and methods used in the TRS actuarial valuation for August 31, 2024, with the exception of the salary scale. Based on projected annual payroll increases through 2030 under the bill as provided by the LBB, GRS increased the salary scale assumption by 0.25 percent per year.

According to the PRB staff actuary, the actuarial assumptions, methods, and procedures are reasonable for the purpose of this analysis. All actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. Accordingly, actual results will be different from the results contained in the analysis to the extent actual future experience varies from the experience implied by the assumptions. This analysis is based on the assumption that no other legislative changes affecting the funding or benefits of TRS will be adopted. It should be noted that when several proposals are adopted, the effect of each may be compounded, resulting in a cost that is greater (or less) than the sum of each proposal considered independently.

SOURCES

Actuarial Analysis by Joseph P. Newton, FSA, EA, MAAA, GRS, March 2, 2025.
Actuarial Review by David Fee, ASA, EA, Staff Actuary, Pension Review Board, March 2, 2025.

GLOSSARY

Actuarial Accrued Liability (AAL) -The current value of benefits attributed to past years.
Actuarial Value of Assets (AVA) - The value of assets used for the actuarial valuation. The AVA can be either the market value (MVA) or a smoothed value of assets.
Amortization Payments - The portion of the total contribution used to reduce the unfunded actuarial accrued liability (UAAL).
Amortization Period - The specified length of time used when calculating the amortization payment portion of an actuarially determined contribution, or as the time it would theoretically take to fully fund the UAAL or fully recognize a surplus. The State Pension Review Board recommends that funding should be sufficient to cover the normal cost and to amortize the UAAL over a period that should not exceed 30 years as of September 1, 2025, and not to exceed 15 years after September 1, 2040.
Actuarial Cost Method -An actuarial cost method is a way to allocate pieces of a participant's total expected benefit to each year of their working career. In other words, it is a technique to determine how much of the present value of future benefits (PVFB) to assign to past service (AAL) vs. future service (present value of future normal costs, or PVFNC).
Funded Ratio (FR) - The ratio of actuarial assets to the actuarial accrued liabilities.
Market Value of Assets (MVA) - The fair market value of the system's assets.
Normal Cost (NC) - Computed differently under different actuarial cost methods, the normal cost generally represents the current value of benefits attributed to the present year. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.
Present Value of Future Benefits (PVFB) - The current value of all benefits expected to be paid from the plan to current plan participants.
Present Value of Future Normal Costs (PVFNC) - The current value of benefits attributed to the present year and all future years (includes the normal cost as the first year).
Unfunded Actuarial Accrued Liability (UAAL) - The difference between the actuarial accrued liability and the actuarial value of assets; therefore, the UAAL is the amount that is still owed to the fund for past obligations.

Source 338 Pension Review Board
Agencies:
LBB Staff: JMc, NC, ASA, ENA

LEGISLATIVE BUDGET BOARD

Austin, Texas

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (relating to public education and public school finance.), **Committee Report 1st House, Substituted**

The bill would make formula and/or structural changes to the Foundation School Program that would significantly improve equity compared to current law.

Source

Agencies:

LBB Staff: JMc, JPE, ASA, MJe

LEGISLATIVE BUDGET BOARD
Austin, Texas

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

89TH LEGISLATIVE REGULAR SESSION

March 4, 2025

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Buckley (Relating to public education and public school finance.), **As Introduced**

The bill would make formula and/or structural changes to the Foundation School Program that would significantly improve equity compared to current law.

Source

Agencies:

LBB Staff: JMc, NC, ASA, MJe