

By: _____ .B. No. _____

Substitute the following for ____B. No. _____:

By: _____ C.S.____B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the public school finance system and public education.

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

SECTION 1. Section 12.106, Education Code, is amended by adding Subsections (a-5) and (a-6) to read as follows:

(a-5) To ensure compliance with the requirements for the maintenance of state financial support for special education under 20 U.S.C. Section 1412(a)(18), in determining the funding for an open-enrollment charter school under Subsection (a) for the Section 48.102 allotment, the commissioner shall:

(1) if necessary, increase the amount of that allotment to an amount equal to the amount the charter holder was entitled to receive for the charter school under the allotment under former Section 42.151, Education Code, for the 2018-2019 school year; and

(2) reduce the amount of the allotment the charter holder is entitled to receive for the charter school under Subsection (a-2) by the amount of any increase provided for the charter school under Subdivision (1).

(a-6) Subsection (a-5) and this subsection expire September 1, 2025.

SECTION 2. Sections 12.133(b), (b-1), and (c), Education Code, are amended to read as follows:

(b) Each school year, ~~[using state funds received by the~~

1 ~~charter holder for that purpose under Subsection (d),]~~ a charter
2 holder that participated in the program under Chapter 1579,
3 Insurance Code, for the 2005-2006 school year shall provide
4 employees of the charter holder, other than administrators,
5 compensation in the form of annual salaries, incentives, or other
6 compensation determined appropriate by the charter holder that
7 results in an average compensation increase for classroom teachers,
8 full-time librarians, full-time school counselors, and full-time
9 school nurses who are employed by the charter holder and who would
10 be entitled to a minimum salary under Section 21.402 if employed by
11 a school district, in an amount at least equal to \$2,500.

12 (b-1) A ~~[Using state funds received by the charter holder~~
13 ~~for that purpose under Subsection (d-1), a]~~ charter holder that
14 participated in the program under Chapter 1579, Insurance Code, for
15 the 2005-2006 school year shall provide employees of the charter
16 holder, other than administrators, compensation in the form of
17 annual salaries, incentives, or other compensation determined
18 appropriate by the charter holder that results in average
19 compensation increases as follows:

20 (1) for full-time employees other than employees who
21 would be entitled to a minimum salary under Section 21.402 if
22 employed by a school district, an average increase at least equal to
23 \$500; and

24 (2) for part-time employees, an average increase at
25 least equal to \$250.

26 (c) Each school year, ~~[using state funds received by the~~
27 ~~charter holder for that purpose under Subsection (e),]~~ a charter

1 holder that did not participate in the program under Chapter 1579,
2 Insurance Code, for the 2005-2006 school year shall provide
3 employees of the charter holder, other than administrators,
4 compensation in the form of annual salaries, incentives, or other
5 compensation determined appropriate by the charter holder that
6 results in an average compensation increase for classroom teachers,
7 full-time librarians, full-time school counselors, and full-time
8 school nurses who are employed by the charter holder and who would
9 be entitled to a minimum salary under Section 21.402 if employed by
10 a school district, in an amount at least equal to \$2,000.

11 SECTION 3. Section 21.3521(a), Education Code, is amended
12 to read as follows:

13 (a) Subject to Subsection (b), a school district or
14 open-enrollment charter school may designate a ~~[certified]~~
15 classroom teacher as a master, exemplary, or recognized teacher for
16 a five-year period based on the results from single year or
17 multiyear appraisals that comply with Section 21.351 or 21.352.

18 SECTION 4. Section 25.001(h), Education Code, is amended to
19 read as follows:

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

27 ~~[(1) the maximum tuition fee the district may charge~~

1 ~~under Section 25.038, or~~

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

4 SECTION 5. Section 28.0062(a), Education Code, is amended
5 to read as follows:

6 (a) Each school district and open-enrollment charter school
7 shall:

8 (1) provide for the use of a phonics curriculum that
9 uses systematic direct instruction in kindergarten through third
10 grade to ensure all students obtain necessary early literacy
11 skills;

12 (2) ensure that:

13 (A) not later than the 2022-2023 ~~[2021-2022]~~
14 school year, each classroom teacher in kindergarten or first,
15 second, or third grade and each principal at a campus with
16 kindergarten or first, second, or third grade has attended a
17 teacher literacy achievement academy developed under Section
18 21.4552; and

19 (B) each classroom teacher and each principal
20 initially employed in a grade level or at a campus described by
21 Paragraph (A) for the 2022-2023 ~~[2021-2022]~~ school year or a
22 subsequent school year has attended a teacher literacy achievement
23 academy developed under Section 21.4552 by the end of ~~[before]~~ the
24 teacher's or principal's first year of placement in that grade level
25 or campus; and

26 (3) certify to the agency that the district or school:

27 (A) prioritizes placement of highly effective

1 teachers in kindergarten through second grade; and

2 (B) has integrated reading instruments used to
3 diagnose reading development and comprehension to support each
4 student in prekindergarten through third grade.

5 SECTION 6. Section 29.153(d-1), Education Code, is amended
6 to read as follows:

7 (d-1) A district may not receive an exemption under
8 Subsection (d) unless the district has solicited [~~and considered at~~
9 ~~a public meeting~~] proposals for partnerships with public or private
10 entities regarding prekindergarten classes required under this
11 section in accordance with guidance provided by the agency
12 regarding soliciting partnerships and considered submitted
13 proposals at a public meeting. A decision of the board of trustees
14 regarding a partnership described by this subsection is final.

15 SECTION 7. Section 31.0211(c), Education Code, is amended
16 to read as follows:

17 (c) Subject to Subsection (d), funds allotted under this
18 section may be used to:

19 (1) purchase:

20 (A) materials on the list adopted by the
21 commissioner, as provided by Section 31.0231;

22 (B) instructional materials, regardless of
23 whether the instructional materials are on the list adopted under
24 Section 31.024;

25 (C) consumable instructional materials,
26 including workbooks;

27 (D) instructional materials for use in bilingual

1 education classes, as provided by Section 31.029;

2 (E) instructional materials for use in college
3 preparatory courses under Section 28.014, as provided by Section
4 31.031;

5 (F) supplemental instructional materials, as
6 provided by Section 31.035;

7 (G) state-developed open education resource
8 instructional materials, as provided by Subchapter B-1;

9 (H) instructional materials and technological
10 equipment under any continuing contracts of the district in effect
11 on September 1, 2011;

12 (I) technological equipment necessary to support
13 the use of materials included on the list adopted by the
14 commissioner under Section 31.0231 or any instructional materials
15 purchased with an allotment under this section; and

16 (J) inventory software or systems for storing,
17 managing, and accessing instructional materials and analyzing the
18 usage and effectiveness of the instructional materials; and

19 (2) pay:

20 (A) for training educational personnel directly
21 involved in student learning in the appropriate use of
22 instructional materials and for providing for access to
23 technological equipment for instructional use; ~~and~~

24 (B) the salary and other expenses of an employee
25 who provides technical support for the use of technological
26 equipment directly involved in student learning; and

27 (C) for costs associated with distance learning,

1 including Wi-Fi, Internet access hotspots, wireless network
2 service, broadband service, and other services and technological
3 equipment necessary to facilitate Internet access.

4 SECTION 8. Section 37.108(b-1), Education Code, is amended
5 to read as follows:

6 (b-1) In a school district's safety and security audit
7 required under Subsection (b), the district must certify that the
8 district used the funds provided to the district through the school
9 safety allotment under Section 48.115 ~~[42.168]~~ only for the
10 purposes provided by that section.

11 SECTION 9. Section 39.0261, Education Code, is amended by
12 adding Subsection (a-1) and amending Subsection (b) to read as
13 follows:

14 (a-1) Notwithstanding Subsection (a)(3), the commissioner
15 by rule may allow a student to take at state cost an assessment
16 instrument described by that subdivision if circumstances existed
17 that prevented the student from taking the assessment instrument
18 before the student graduated from high school.

19 (b) The agency shall:

20 (1) select and approve vendors of the specific
21 assessment instruments administered under this section and
22 negotiate with each approved vendor a price for each assessment
23 instrument; and

24 (2) provide reimbursement to a school district in the
25 amount negotiated under Subdivision (1) for ~~[all fees associated~~
26 ~~with]~~ the administration of the assessment instrument from funds
27 appropriated for that purpose.

1 SECTION 10. Section 39.053(g-4), Education Code, is amended
2 to read as follows:

3 (g-4) For purposes of the computation of dropout and
4 completion rates such as high school graduation rates under
5 Subsection (c)(1)(B)(ix), the commissioner shall exclude a student
6 who was reported as having dropped out of school under Section
7 48.009(b-4) [~~42.006(a-9)~~], and the student may not be considered to
8 have dropped out from the school district or campus in which the
9 student was last enrolled.

10 SECTION 11. Section 45.0021, Education Code, is amended by
11 amending Subsection (a) and adding Subsections (c), (d), (e), and
12 (f) to read as follows:

13 (a) A school district may not levy [~~increase the rate of~~]
14 the district's maintenance taxes described by Section 45.002 at a
15 rate intended to create a surplus in maintenance tax revenue for the
16 purpose of paying the district's debt service.

17 (c) The agency shall:

18 (1) develop a method to identify school districts that
19 may have adopted a maintenance tax rate in violation of Subsection
20 (a), which must include a review of data over multiple years;

21 (2) for each school district identified under the
22 method developed under Subdivision (1), investigate as necessary to
23 determine whether the district has adopted a maintenance tax rate
24 in violation of Subsection (a);

25 (3) if the agency determines that a school district
26 has adopted a maintenance tax rate in violation of Subsection (a):

27 (A) order the district to comply with Subsection

1 (a) not later than three years after the date of the order; and

2 (B) assist the district in developing a
3 corrective action plan that, to the extent feasible, does not
4 result in a net increase in the district's total tax rate; and

5 (4) post on the agency's Internet website a list of
6 each school district the agency has determined to have adopted a
7 maintenance tax rate in violation of Subsection (a).

8 (d) The implementation of a corrective action plan under
9 Subsection (c)(3)(B) does not prohibit a school district from
10 increasing the district's total tax rate as necessary to achieve
11 other legal purposes.

12 (e) If a school district fails to take action under a
13 corrective action plan developed under Subsection (c)(3)(B), the
14 commissioner may reduce the district's entitlement under Chapter 48
15 by an amount equal to the difference between:

16 (1) the amount of state and local funding the district
17 received as a result of adopting a maintenance tax rate in violation
18 of Subsection (a); and

19 (2) the amount of state and local funding the district
20 would have received if the district had not adopted a maintenance
21 tax rate in violation of Subsection (a).

22 (f) This section does not prohibit a school district from:

23 (1) using a surplus in maintenance tax revenue to pay
24 the district's debt service if:

25 (A) the district's interest and sinking fund tax
26 revenue is insufficient to pay the district's debt service due to
27 circumstances beyond the district's control; and

1 (B) the use of the surplus maintenance tax
2 revenue to pay the district's debt service is necessary to prevent a
3 default on the district's debt;

4 (2) paying a portion of the district's maintenance tax
5 revenue into the tax increment fund for a reinvestment zone under
6 Chapter 311, Tax Code; or

7 (3) using money disbursed from the tax increment fund
8 for a reinvestment zone under Chapter 311, Tax Code, in accordance
9 with the agreement entered into by the district with the governing
10 body of the municipality or county that designated the zone under
11 Section 311.013(f) of that code.

12 SECTION 12. Section 48.009, Education Code, is amended by
13 amending Subsection (b) and adding Subsection (b-4) to read as
14 follows:

15 (b) The commissioner by rule shall require each school
16 district and open-enrollment charter school to report through the
17 Public Education Information Management System information
18 regarding:

19 (1) the number of students enrolled in the district or
20 school who are identified as having dyslexia;

21 (2) the availability of school counselors, including
22 the number of full-time equivalent school counselors, at each
23 campus;

24 (3) the availability of expanded learning
25 opportunities as described by Section 33.252 at each campus;

26 (4) the total number of students, other than students
27 described by Subdivision (5), enrolled in the district or school

1 with whom the district or school, as applicable, used intervention
2 strategies, as that term is defined by Section 26.004, at any time
3 during the year for which the report is made; ~~and~~

4 (5) the total number of students enrolled in the
5 district or school to whom the district or school provided aids,
6 accommodations, or services under Section 504, Rehabilitation Act
7 of 1973 (29 U.S.C. Section 794), at any time during the year for
8 which the report is made;

9 (6) disaggregated by campus and grade, the number of:

10 (A) children who are required to attend school
11 under Section 25.085, are not exempted under Section 25.086, and
12 fail to attend school without excuse for 10 or more days or parts of
13 days within a six-month period in the same school year;

14 (B) students for whom the district initiates a
15 truancy prevention measure under Section 25.0915(a-4); and

16 (C) parents of students against whom an
17 attendance officer or other appropriate school official has filed a
18 complaint under Section 25.093; and

19 (7) the number of students who are enrolled in a high
20 school equivalency program, a dropout recovery school, or an adult
21 education program provided under a high school diploma and industry
22 certification charter school program provided by the district or
23 school and who:

24 (A) are at least 18 years of age and under 26
25 years of age;

26 (B) have not previously been reported to the
27 agency as dropouts; and

1 (C) enroll in the program at the district or
2 school after not attending school for a period of at least nine
3 months.

4 (b-4) A student reported under Subsection (b)(7) as having
5 enrolled in a high school equivalency program, a dropout recovery
6 school, or an adult education program provided under a high school
7 diploma and industry certification charter school program must be
8 reported through the Public Education Information Management
9 System as having previously dropped out of school.

10 SECTION 13. Section 48.104, Education Code, is amended by
11 adding Subsection (e-1) and amending Subsections (j-1) and (k) to
12 read as follows:

13 (e-1) For each student who is a homeless child or youth as
14 defined by 42 U.S.C. Section 11434a, a school district is entitled
15 to an annual allotment equal to the basic allotment multiplied by
16 the highest weight provided under Subsection (d).

17 (j-1) In addition to other purposes for which funds
18 allocated under this section may be used, those funds may also be
19 used to:

20 (1) provide child-care services or assistance with
21 child-care expenses for students at risk of dropping out of school,
22 as described by Section 29.081(d)(5); ~~or~~

23 (2) pay the costs associated with services provided
24 through a life skills program in accordance with Sections
25 29.085(b)(1) and (3)-(7); or

26 (3) pay costs for services provided by an
27 instructional coach to raise student achievement at a campus in

1 which educationally disadvantaged students are enrolled.

2 (k) At least 55 percent of the funds allocated under this
3 section must be used to:

4 (1) fund supplemental programs and services,
5 including services provided by an instructional coach, designed to
6 eliminate any disparity in performance on assessment instruments
7 administered under Subchapter B, Chapter 39, or disparity in the
8 rates of high school completion between:

9 (A) students who are educationally disadvantaged
10 and students who are not educationally disadvantaged; and

11 (B) students at risk of dropping out of school,
12 as defined by Section 29.081, and all other students; or

13 (2) support a program eligible under Title I of the
14 Elementary and Secondary Education Act of 1965, as provided by Pub.
15 L. No. 103-382 and its subsequent amendments, and by federal
16 regulations implementing that Act.

17 SECTION 14. Section 48.106, Education Code, is amended by
18 amending Subsection (a) and adding Subsections (a-1) and (d) to
19 read as follows:

20 (a) For each full-time equivalent student in average daily
21 attendance in an approved career and technology education program
22 in grades 7 through 12, a district is entitled to~~+~~

23 ~~[(1)]~~ an annual allotment equal to the basic
24 allotment, or, if applicable, the sum of the basic allotment and the
25 allotment under Section 48.101 to which the district is entitled,
26 multiplied by:

27 (1) 1.1 for a full-time equivalent student in career

1 and technology education courses not in an approved program of
2 study;

3 (2) 1.28 for a full-time equivalent student in levels
4 one and two career and technology education courses in an approved
5 program of study, as identified by the agency [a weight of 1.35];
6 and

7 (3) 1.47 for a full-time equivalent student in levels
8 three and four career and technology education courses in an
9 approved program of study, as identified by the agency.

10 (a-1) In addition to the amounts under Subsection (a), for
11 each student in average daily attendance, a district is entitled to

12 [~~(2)~~] \$50 for each of the following in which the
13 student is enrolled:

14 (1) [~~(A)~~ two or more advanced career and technology
15 education classes for a total of three or more credits;

16 [~~(B)~~] a campus designated as a P-TECH school
17 under Section 29.556; or

18 (2) [~~(C)~~] a campus that is a member of the New Tech
19 Network and that focuses on project-based learning and work-based
20 education.

21 (d) The agency shall annually publish a list of career and
22 technology courses that qualify for an allotment under Subsection
23 (a), disaggregated by the weight for which the course qualifies.

24 SECTION 15. Section 48.106(b), Education Code, is amended
25 by amending Subdivision (1) and adding Subdivision (1-a) to read as
26 follows:

27 (1) "Approved [~~Career and technology education class~~]"

1 ~~and "~~]career and technology education program":

2 (A) means a sequence of career and technology
3 education courses, including ~~[include]~~ technology applications
4 courses, authorized by the State Board of Education; and

5 (B) includes only courses that qualify for high
6 school credit.

7 (1-a) "Approved program of study" means a course
8 sequence that:

9 (A) provides students with the knowledge and
10 skills necessary for success in the students' chosen careers; and

11 (B) is approved by the agency for purposes of the
12 Strengthening Career and Technical Education for the 21st Century
13 Act (Pub. L. No. 115-224).

14 SECTION 16. Section 48.110(f), Education Code, is amended
15 to read as follows:

16 (f) For purposes of this section, an annual graduate
17 demonstrates:

18 (1) collegereadiness if the annual graduate:

19 (A) both:

20 (i) achieves college readiness standards
21 used for accountability purposes under Chapter 39 on the ACT, the
22 SAT, or an assessment instrument designated by the Texas Higher
23 Education Coordinating Board under Section 51.334; and

24 (ii) ~~(B)~~ during a time period established
25 by commissioner rule, enrolls at a postsecondary educational
26 institution; or

27 (B) earns an associate degree from a

1 postsecondary educational institution approved by the Texas Higher
2 Education Coordinating Board while attending high school or during
3 a time period established by commissioner rule;

4 (2) career readiness if the annual graduate:

5 (A) achieves college readiness standards used
6 for accountability purposes under Chapter 39 on the ACT, the SAT, or
7 an assessment instrument designated by the Texas Higher Education
8 Coordinating Board under Section 51.334; and

9 (B) during a time period established by
10 commissioner rule, earns an industry-accepted certificate; and

11 (3) military readiness if the annual graduate:

12 (A) achieves a passing score set by the
13 applicable military branch on the Armed Services Vocational
14 Aptitude Battery; and

15 (B) during a time period established by
16 commissioner rule, enlists in the armed forces of the United
17 States.

18 SECTION 17. Section 48.111, Education Code, is amended to
19 read as follows:

20 Sec. 48.111. FAST GROWTH ALLOTMENT. (a) Except as provided
21 by Subsection (c), a [A] school district [in which the growth in
22 student enrollment in the district over the preceding three school
23 years is in the top quartile of student enrollment growth in school
24 districts in the state for that period, as determined by the
25 commissioner, is entitled to an annual allotment equal to the
26 basic allotment multiplied by 0.35 [~~0.04~~] for each enrolled student
27 equal to the difference, if the difference is greater than zero,

1 that results from subtracting 250 from the difference between the
2 number of students enrolled in the district during the school year
3 immediately preceding the current school year and the number of
4 students enrolled in the district during the school year six years
5 preceding the current school year [~~in average daily attendance~~].

6 (a-1) Notwithstanding Subsection (a), instead of using the
7 weight of "0.35" in Subsection (a), the agency shall substitute the
8 following weights:

9 (1) for the 2021-2022 school year, "0.30"; and

10 (2) for the 2022-2023 school year, "0.348".

11 (a-2) Subsection (a-1) and this subsection expire September
12 1, 2024.

13 (b) For purposes of Subsection (a), in determining the
14 number of students enrolled in a school district, the commissioner
15 shall exclude students enrolled in the district who receive
16 full-time instruction through the state virtual school network
17 under Chapter 30A.

18 (c) Notwithstanding Subsection (a), the total amount that
19 may be used to provide allotments under Subsection (a) may not
20 exceed \$320 million. If the total amount of allotments to which
21 districts are entitled under Subsection (a) for a school year
22 exceeds the amount permitted under this subsection, the
23 commissioner shall reduce each district's allotment under this
24 section in the manner provided by Section 48.266(f).

25 (c-1) Notwithstanding Subsection (c), the total amount that
26 may be used to provide allotments under Subsection (a) may not
27 exceed:

1 (1) for the 2021-2022 school year, \$270 million;

2 (2) for the 2022-2023 school year, \$310 million; and

3 (3) for the 2023-2024 school year, \$315 million.

4 (c-2) Subsection (c-1) and this subsection expire September
5 1, 2025.

6 (d) For the 2021-2022 school year, the agency shall provide
7 to each school district that received an allotment under this
8 section for the 2019-2020 school year but is not entitled to an
9 allotment for the 2021-2022 school year an amount equal to the
10 amount of the allotment provided to the district under this section
11 for the 2019-2020 school year.

12 (d-1) The total amount that may be used to provide funding
13 under Subsection (d) may not exceed \$40 million. If the total amount
14 of funding to which districts are entitled under Subsection (d) for
15 a school year exceeds the amount permitted under this subsection,
16 the commissioner shall reduce each district's amount under
17 Subsection (d) in the manner provided by Section 48.266(f).

18 (d-2) The amounts to which school districts are entitled
19 under Subsection (d) are not subject to the amount limitations
20 described by Subsections (c) and (c-1).

21 (d-3) Subsections (d), (d-1), (d-2), and this subsection
22 expire September 1, 2023.

23 SECTION 18. Section 48.112, Education Code, is amended by
24 adding Subsection (j) to read as follows:

25 (j) The Texas School for the Deaf and the Texas School for
26 the Blind and Visually Impaired are entitled to an allotment under
27 this section. If the commissioner determines that assigning point

1 values under Subsections (e) and (f) to students enrolled in the
2 Texas School for the Deaf or the Texas School for the Blind and
3 Visually Impaired is impractical, the commissioner may use the
4 average point value assigned for those students' home districts for
5 purposes of calculating the high needs and rural factor.

6 SECTION 19. Section 42.168, Education Code, as added by
7 Chapter 464 (S.B. 11), Acts of the 86th Legislature, Regular
8 Session, 2019, is transferred to Subchapter C, Chapter 48,
9 Education Code, redesignated as Section 48.115, Education Code, and
10 amended to read as follows:

11 Sec. 48.115 [~~42.168~~]. SCHOOL SAFETY ALLOTMENT. (a) From
12 funds appropriated for that purpose, the commissioner shall provide
13 to a school district an annual allotment in the amount provided by
14 appropriation for each student in average daily attendance.

15 (b) Funds allocated under this section must be used to
16 improve school safety and security, including costs associated
17 with:

18 (1) securing school facilities, including:

19 (A) improvements to school infrastructure;

20 (B) the use or installation of physical barriers;

21 and

22 (C) the purchase and maintenance of:

23 (i) security cameras or other security
24 equipment; and

25 (ii) technology, including communications
26 systems or devices, that facilitates communication and information
27 sharing between students, school personnel, and first responders in

1 an emergency;

2 (2) providing security for the district, including:

3 (A) employing school district peace officers,

4 private security officers, and school marshals; and

5 (B) collaborating with local law enforcement

6 agencies, such as entering into a memorandum of understanding for

7 the assignment of school resource officers to schools in the

8 district;

9 (3) school safety and security training and planning,

10 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, including:

17 (i) providing mental health personnel and

18 support;

19 (ii) providing behavioral health services;

20 and

21 (iii) establishing threat reporting

22 systems; and

23 (4) providing programs related to suicide prevention,

24 intervention, and postvention.

25 (c) A school district may use funds allocated under this

26 section for equipment or software that is used for a school safety

27 and security purpose and an instructional purpose, provided that

1 the instructional use does not compromise the safety and security
2 purpose of the equipment or software.

3 ~~[(d) A school district that is required to take action under~~
4 ~~Chapter 41 to reduce its wealth per student to the equalized wealth~~
5 ~~level is entitled to a credit, in the amount of the allotments to~~
6 ~~which the district is to receive as provided by appropriation,~~
7 ~~against the total amount required under Section 41.093 for the~~
8 ~~district to purchase attendance credits.~~

9 ~~[(e) The commissioner may adopt rules to implement this~~
10 ~~section.]~~

11 SECTION 20. Section 48.2551, Education Code, is amended by
12 amending Subsections (a) and (c) and adding Subsections (d-1) and
13 (d-2) to read as follows:

14 (a) In this section:

15 (1) "DPV" is the taxable value of property in the
16 school district, as determined by the agency by rule, using locally
17 determined property values adjusted in accordance with Section
18 403.302(d), Government Code ~~[has the meaning assigned by Section~~
19 ~~48.256];~~

20 (2) "E" is the expiration of the exclusion of
21 appraised property value for the preceding tax year that is
22 recognized as taxable property value for the current tax year,
23 which is the sum of the following:

24 (A) property value that is no longer subject to a
25 limitation on appraised value under Chapter 313, Tax Code; and

26 (B) property value under Section 311.013(n), Tax
27 Code, that is no longer excluded from the calculation of "DPV" from

1 the preceding year because of refinancing or renewal after
2 September 1, 2019;

3 (3) "MCR" is the district's maximum compressed rate,
4 which is the tax rate for the current tax year per \$100 of valuation
5 of taxable property at which the district must levy a maintenance
6 and operations tax to receive the full amount of the tier one
7 allotment to which the district is entitled under this chapter;

8 (4) "PYDPV" is the district's value of "DPV" for the
9 preceding tax year; and

10 (5) "PYMCR" is the district's value of "MCR" for the
11 preceding tax year.

12 (c) Notwithstanding Subsection (b), for a district to which
13 Section 48.2552(b) applies, the district's maximum compressed rate
14 is the value calculated in accordance with Section 48.2552(b) [~~for~~
15 ~~"MCR" under Subsection (b)(1)(B)~~].

16 (d-1) Local appraisal districts, school districts, and the
17 comptroller shall provide any information necessary to the agency
18 to implement this section.

19 (d-2) A school district may appeal to the commissioner the
20 district's taxable property value as determined by the agency under
21 this section. A decision by the commissioner is final and may not be
22 appealed.

23 SECTION 21. Section 48.2552(b), Education Code, is amended
24 to read as follows:

25 (b) If a school district's [~~district has a~~] maximum
26 compressed rate as calculated under Section 48.2551(b) would be
27 [~~that is~~] less than 90 percent of another school district's maximum

1 compressed rate, the district's maximum compressed rate is the
2 value at which the district's maximum compressed rate would be
3 equal to 90 percent of the other district's maximum compressed rate
4 ~~[calculated under Section 48.2551(c) until the agency determines~~
5 ~~that the difference between the district's and another district's~~
6 ~~maximum compressed rates is not more than 10 percent]~~.

7 SECTION 22. Section 48.257(c), Education Code, is amended
8 to read as follows:

9 (c) For purposes of Subsection (a), state aid to which a
10 district is entitled under this chapter that is not described by
11 Section 48.266(a)(3) ~~[48.266(a)(1), (2), or (3)]~~ may offset the
12 amount by which a district must reduce the district's ~~[tier one]~~
13 revenue level under this section ~~[Subsection (a)]~~. Any amount of
14 state aid used as an offset under this subsection shall reduce the
15 amount of state aid to which the district is entitled.

16 SECTION 23. Subchapter F, Chapter 48, Education Code, is
17 amended by adding Section 48.2721 to read as follows:

18 Sec. 48.2721. RECOVERY OF FUNDS FROM EXCESSIVE TAXATION.
19 The commissioner shall reduce state aid or adjust the limit on local
20 revenue under Section 48.257 in an amount equal to the amount of
21 revenue generated by a school district's tax effort that is not in
22 compliance with Section 45.003 or this chapter.

23 SECTION 24. Section 48.277, Education Code, is amended by
24 adding Subsection (c-1) to read as follows:

25 (c-1) Notwithstanding any other provision of this chapter,
26 beginning with the 2021-2022 school year, if the total amount of
27 allotments to which school districts and open-enrollment charter

1 schools are entitled under this section for a school year exceeds
2 \$400 million, the commissioner shall reduce each district's or
3 school's allotment under this section in the manner provided by
4 Section 48.266(f). The reduction in the amount to which a district
5 or school is entitled under this section may not result in an amount
6 that is less than zero.

7 SECTION 25. Subchapter F, Chapter 48, Education Code, is
8 amended by adding Sections 48.281 and 48.282 to read as follows:

9 Sec. 48.281. MAINTENANCE OF EFFORT AND EQUITY FOR FEDERAL
10 MONEY RELATED TO COVID-19 PANDEMIC. (a) Subject to Subsection (b),
11 the commissioner may adjust a school district's or open-enrollment
12 charter school's entitlement under this chapter as necessary to
13 ensure compliance with requirements regarding maintenance of
14 effort and maintenance of equity under Section 317, Coronavirus
15 Response and Relief Supplemental Appropriations Act, 2021 (Div. M,
16 Pub. L. No. 116-260, reprinted in note, 20 U.S.C. Section 3401),
17 and Section 2001, American Rescue Plan Act of 2021 (Pub. L.
18 No. 117-2, reprinted in note, 20 U.S.C. Section 3401).

19 (b) Before making an adjustment under Subsection (a), the
20 commissioner shall notify the Legislative Budget Board and the
21 governor of the proposed adjustment. The adjustment is considered
22 to be approved unless the Legislative Budget Board or the governor
23 issues a written disapproval of the adjustment not later than the
24 30th day after the date on which the commissioner provides notice
25 under this subsection.

26 (c) If the total amount of money available to the
27 commissioner for purposes of making adjustments under this section

1 for a state fiscal year is insufficient to make an adjustment the
2 commissioner determines necessary under Subsection (a), the
3 commissioner shall submit to the legislature an estimate of the
4 amount of funding needed to make the adjustment for that state
5 fiscal year.

6 (d) This section expires September 1, 2025.

7 Sec. 48.282. SPENDING LIMITATIONS TO EXTEND INTERVENTIONS
8 PREVENTING GENERATIONAL EDUCATIONAL DECLINE. (a) Notwithstanding
9 any other provision of this code and except as provided by
10 Subsection (e), beginning with the 2021-2022 school year, each
11 school district or open-enrollment charter school shall reserve, in
12 an amount determined by the agency under Subsection (b), state and
13 local funds made available to the district or school through the
14 Foundation School Program under Chapter 12, 48, or 49.

15 (b) The agency shall determine the amount of funds a school
16 district or open-enrollment charter school must reserve under
17 Subsection (a) by:

18 (1) calculating the amount of total funding received
19 by the school district or open-enrollment charter school under
20 Section 2001, American Rescue Plan Act of 2021 (Pub. L. No. 117-2,
21 reprinted in note, 20 U.S.C. Section 3401) minus a fixed amount
22 identified by appropriation; and

23 (2) multiplying the amount under Subdivision (1) by a
24 percentage set by appropriation.

25 (c) Beginning with the 2021-2022 school year, a school
26 district or open-enrollment charter school may reserve the amount
27 of funds required under Subsection (a):

1 (1) in a lump sum; or
2 (2) on a schedule established by the district or
3 school not to exceed three years, reserving the total required
4 amount of funds by the end of the 2023-2024 school year.

5 (d) Beginning with the 2024-2025 school year, a school
6 district or open-enrollment charter school may use the funds
7 reserved under Subsection (a).

8 (e) The commissioner may grant a waiver of the requirement
9 that a school district or open-enrollment charter school reserve
10 funds under Subsection (a) if the district or school:

11 (1) demonstrates that complying with the requirement
12 under Subsection (a) would cause the district or school to not be in
13 compliance with a federal maintenance of effort or maintenance of
14 equity requirement; or

15 (2) submits a plan to the agency that provides for the
16 acceleration of all students who are not performing at grade level
17 by the 2023-2024 school year.

18 (f) If the commissioner provides a waiver to a school
19 district or open-enrollment charter school under Subsection
20 (e)(1), the commissioner may:

21 (1) set a lower amount of funds that the district or
22 school must reserve under Subsection (a) that allows the district
23 or school to comply with federal maintenance of effort and
24 maintenance of equity requirements; or

25 (2) fully waive the requirement under Subsection (a)
26 that the district or school reserve funds.

27 (g) Notwithstanding any other provision of this chapter,

1 during the time period in which a school district or
2 open-enrollment charter school must reserve funds to comply with
3 this section, the commissioner may reduce or waive a spending
4 requirement, or consider other expenditures for purposes of
5 complying with a spending requirement, under any of the following
6 provisions:

7 (1) Section 48.103;

8 (2) Section 48.104(k);

9 (3) Section 48.105(b);

10 (4) Section 48.106(c);

11 (5) Section 48.108(b);

12 (6) Section 48.110(i); or

13 (7) Section 48.112(i).

14 (h) This section expires September 1, 2026.

15 SECTION 26. Section 48.302(b), Education Code, is amended
16 to read as follows:

17 (b) The agency shall enter into a memorandum of
18 understanding with the commission for the agency to transfer funds
19 to the commission [~~funds specifically appropriated to the agency~~]
20 for the commission to provide to an individual who is 21 years of
21 age or older a subsidy in an amount equal to the cost of taking one
22 high school equivalency examination administered under Section
23 7.111.

24 SECTION 27. Subchapter G, Chapter 48, Education Code, is
25 amended by adding Section 48.303 to read as follows:

26 Sec. 48.303. ADDITIONAL STATE AID FOR REGIONAL EDUCATION
27 SERVICE CENTER STAFF SALARY INCREASES. (a) A regional education

1 service center is entitled to state aid in an amount equal to the
2 sum of:

3 (1) the product of \$500 multiplied by the number of
4 full-time center employees, other than administrators or classroom
5 teachers, full-time librarians, full-time school counselors
6 certified under Subchapter B, Chapter 21, or full-time school
7 nurses; and

8 (2) the product of \$250 multiplied by the number of
9 part-time center employees, other than administrators or teachers,
10 librarians, school counselors certified under Subchapter B,
11 Chapter 21, or school nurses.

12 (b) A determination by the commissioner under Subsection
13 (a) is final and may not be appealed.

14 SECTION 28. Subchapter A, Chapter 49, Education Code, is
15 amended by adding Section 49.0041 to read as follows:

16 Sec. 49.0041. LOCAL REVENUE LEVEL IN EXCESS OF ENTITLEMENT
17 AFTER REVIEW NOTIFICATION. If the commissioner determines that a
18 school district has a local revenue level in excess of entitlement
19 after the date the commissioner sends notification for the school
20 year under Section 49.004(a), the commissioner shall include the
21 amount of the district's local revenue level that exceeded the
22 level established under Section 48.257 for that school year in the
23 annual review for the following school year of the district's local
24 revenue levels under Section 49.004(a).

25 SECTION 29. Section 49.054(b), Education Code, is amended
26 to read as follows:

27 (b) A consolidated [~~Except as provided by Subsection (c), a~~]

1 district under this subchapter [~~receiving incentive aid payments~~
2 ~~under this section~~] is [~~not~~] entitled to incentive aid under
3 Subchapter G, Chapter 13.

4 SECTION 30. Section 822.201(b), Government Code, is amended
5 to read as follows:

6 (b) "Salary and wages" as used in Subsection (a) means:

7 (1) normal periodic payments of money for service the
8 right to which accrues on a regular basis in proportion to the
9 service performed;

10 (2) amounts by which the member's salary is reduced
11 under a salary reduction agreement authorized by Chapter 610;

12 (3) amounts that would otherwise qualify as salary and
13 wages under Subdivision (1) but are not received directly by the
14 member pursuant to a good faith, voluntary written salary reduction
15 agreement in order to finance payments to a deferred compensation
16 or tax sheltered annuity program specifically authorized by state
17 law or to finance benefit options under a cafeteria plan qualifying
18 under Section 125 of the Internal Revenue Code of 1986, if:

19 (A) the program or benefit options are made
20 available to all employees of the employer; and

21 (B) the benefit options in the cafeteria plan are
22 limited to one or more options that provide deferred compensation,
23 group health and disability insurance, group term life insurance,
24 dependent care assistance programs, or group legal services plans;

25 (4) performance pay awarded to an employee by a school
26 district as part of a total compensation plan approved by the board
27 of trustees of the district and meeting the requirements of

1 Subsection (e);

2 (5) the benefit replacement pay a person earns under
3 Subchapter H, Chapter 659, except as provided by Subsection (c);

4 (6) stipends paid to teachers in accordance with
5 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;

6 (7) amounts by which the member's salary is reduced or
7 that are deducted from the member's salary as authorized by
8 Subchapter J, Chapter 659;

9 (8) a merit salary increase made under Section 51.962,
10 Education Code;

11 (9) amounts received under the relevant parts of the
12 educator excellence awards program under Subchapter O, Chapter 21,
13 Education Code, or a mentoring program under Section 21.458,
14 Education Code, that authorize compensation for service;

15 (10) salary amounts designated as health care
16 supplementation by an employee under Subchapter D, Chapter 22,
17 Education Code; ~~and~~

18 (11) to the extent required by Sections 3401(h) and
19 414(u)(12), Internal Revenue Code of 1986, differential wage
20 payments received by an individual from an employer on or after
21 January 1, 2009, while the individual is performing qualified
22 military service as defined by Section 414(u), Internal Revenue
23 Code of 1986; and

24 (12) increased compensation paid to a teacher by a
25 school district using funds received by the district under the
26 teacher incentive allotment under Section 48.112, Education Code.

27 SECTION 31. (a) The following provisions of the Education

1 Code are repealed:

2 (1) Sections 12.133(d), (d-1), and (e);

3 (2) Section 25.038;

4 (3) Sections 25.039(b) and (c);

5 (4) Section 48.0051(a-1);

6 (5) Section 48.154; and

7 (6) Sections 49.054(a) and (c).

8 (b) The following provisions, which amended Section 42.006,
9 Education Code, are repealed:

10 (1) Section 2, Chapter 1036 (H.B. 548), Acts of the
11 86th Legislature, Regular Session, 2019; and

12 (2) Section 8, Chapter 1060 (H.B. 1051), Acts of the
13 86th Legislature, Regular Session, 2019.

14 SECTION 32. Section 45.0021, Education Code, as amended by
15 this Act, applies only to a tax rate adopted on or after the
16 effective date of this Act. A tax rate adopted before the effective
17 date of this Act is governed by the law in effect on the date the tax
18 rate was adopted, and the former law is continued in effect for that
19 purpose.

20 SECTION 33. To the extent of any conflict, this Act prevails
21 over another Act of the 87th Legislature, Regular Session, 2021,
22 relating to nonsubstantive additions to and corrections in enacted
23 codes.

24 SECTION 34. This Act takes effect September 1, 2021.