

By: \_\_\_\_\_ .B. No. \_\_\_\_\_

Substitute the following for \_\_\_\_B. No. \_\_\_\_\_:

By: \_\_\_\_\_ C.S.\_\_\_\_B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the compensation of public school educators and to the  
3 public school finance system, including enrollment-based funding  
4 for certain allotments under the Foundation School Program.

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

6 ARTICLE 1. CHANGES EFFECTIVE FOR 2023-2024 SCHOOL YEAR

7 SECTION 1.01. Section 12.106(a-2), Education Code, is  
8 amended to read as follows:

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

13 (1) the product of:

14 (A) the quotient of:

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

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

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

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

24 (ii) the total number of students in

1 average daily attendance in school districts statewide; and

2 (2) \$500 [~~\$125~~].

3 SECTION 1.02. Section 13.054, Education Code, is amended by  
4 amending Subsection (f) and adding Subsections (i-1), (i-2), (i-3),  
5 (i-4), and (i-5) to read as follows:

6 (f) For five years beginning with the school year in which  
7 the annexation occurs, a school district shall receive additional  
8 funding under this subsection or Subsection (h). The amount of  
9 funding shall be determined by multiplying the lesser of the  
10 enlarged district's local fund assignment computed under Section  
11 48.256 or the enlarged district's total cost of tier one by a  
12 fraction, the numerator of which is the number of students residing  
13 in the territory annexed to the receiving district preceding the  
14 date of the annexation and the denominator of which is the number of  
15 students residing in the district as enlarged on the date of the  
16 annexation, and multiplying the resulting product by the quotient  
17 of the enlarged district's maximum compressed tax rate, as  
18 determined under Section 48.2551, for the current school year  
19 divided by the receiving district's maximum compressed tax rate, as  
20 determined under Section 48.2551, for the year in which the  
21 annexation occurred. The commissioner shall provide the funding  
22 under this subsection from funds appropriated for purposes of the  
23 Foundation School Program. A determination by the commissioner  
24 under this subsection is final and may not be appealed.

25 (i-1) Notwithstanding any other law, a school district is  
26 entitled to funding under Subsection (f) for an annexation that  
27 occurs on or after June 1, 2013.

1       (i-2) For each school district entitled to funding under  
2 Subsection (f) as provided by Subsection (i-1) that, as of  
3 September 1, 2023, has not received the full amount of funding to  
4 which the district would have been entitled under Subsection (f) if  
5 Subsection (i-1) had been in effect since June 1, 2013, the  
6 commissioner shall:

7           (1) determine the difference between:

8                   (A) the amount of funding to which the district  
9 would have been entitled under Subsection (f) if Subsection (i-1)  
10 had been in effect since June 1, 2013; and

11                   (B) the amount of funding the district has  
12 received under Subsection (f); and

13           (2) provide the amount determined under Subdivision  
14 (1) to the district in the form of:

15                   (A) a lump sum; or

16                   (B) equal annual installments over a period not  
17 to exceed three years.

18       (i-3) In addition to the funding provided to a school  
19 district under Subsection (i-2), the commissioner may allocate  
20 money to the district from funds appropriated for purposes of the  
21 Foundation School Program to pay for facilities improvements the  
22 commissioner determines necessary as a result of the annexation.

23       (i-4) Each school district that receives funding under  
24 Subsection (f) as provided by Subsection (i-2) or under Subsection  
25 (i-3) for any year shall submit to the commissioner in the form and  
26 manner provided by commissioner rule a report on the district's use  
27 of the funding for that year.

1           (i-5) This subsection and Subsections (i-2), (i-3), and  
2 (i-4) expire September 1, 2027.

3           SECTION 1.03. Section 19.009(d-2), Education Code, is  
4 amended to read as follows:

5           (d-2) Beginning with the 2009-2010 school year, the  
6 district shall increase the [~~monthly~~] salary of each classroom  
7 teacher, full-time speech pathologist, full-time librarian,  
8 full-time school counselor certified under Subchapter B, Chapter  
9 21, and full-time school nurse employed by the district by the  
10 greater of:

11                   (1) \$80 per month; or

12                   (2) the maximum uniform amount per month that, when  
13 combined with any resulting increases in the amount of  
14 contributions made by the district for social security coverage for  
15 the specified employees or by the district on behalf of the  
16 specified employees under Section 825.405, Government Code, may be  
17 provided using an amount equal to the product of \$60 multiplied by  
18 the number of students in weighted average daily attendance in the  
19 district during the 2009-2010 school year.

20           SECTION 1.04. (a) This section takes effect only if H.B.  
21 11, 88th Legislature, Regular Session, 2023, or another Act of that  
22 legislature establishing a residency partnership program and  
23 authorizing the issuance of a residency educator certificate  
24 becomes law.

25           (b) Section 21.402(a), Education Code, is amended to read as  
26 follows:

27           (a) Except as provided by Subsection (c-2) [~~(e-1) or (f)~~], a

1 school district must pay each employee who is employed as a  
2 classroom teacher, full-time librarian, full-time school counselor  
3 certified under Subchapter B, or full-time school nurse not less  
4 than the highest annual minimum [~~minimum monthly~~] salary described  
5 by the following schedule applicable to [~~based on~~] the employee's  
6 certification, if any, and years [~~level~~] of experience:

7 (1) for an employee with less than five years of  
8 experience who:

9 (A) holds no certification . . . . . \$35,000;

10 (B) holds a teacher intern, teacher trainee, or  
11 probationary certificate issued under Subchapter B . . . \$37,000;

12 (C) holds the base certificate required under  
13 Section 21.003(a) for employment in the employee's position other  
14 than a certificate described by Paragraph (B) . . . . . \$40,000;

15 (D) holds a designation under Section 21.3521 . .  
16 \$43,000; or

17 (E) holds a residency educator certificate or has  
18 successfully completed a residency partnership program . . \$43,000;

19 (2) for an employee with at least five years of  
20 experience who holds:

21 (A) no certification . . . . . \$45,000;

22 (B) a teacher intern, teacher trainee, or  
23 probationary certificate issued under Subchapter B . . . \$47,000;

24 (C) the base certificate required under Section  
25 21.003(a) for employment in the employee's position other than a  
26 certificate described by Paragraph (B) . . . . . \$50,000; or

27 (D) a designation under Section 21.3521 . . . . .

1 \$53,000; or

2 (3) for an employee with at least 10 years of  
3 experience who holds:

4 (A) no certification . . . . . \$55,000;

5 (B) a teacher intern, teacher trainee, or  
6 probationary certificate issued under Subchapter B . . . \$57,000;

7 (C) the base certificate required under Section  
8 21.003(a) for employment in the employee's  
9 position . . . . . \$60,000; or

10 (D) a designation under Section 21.3521 . . . . .  
11 \$63,000 [~~in addition to other factors, as determined by~~

12 ~~commissioner rule, determined by the following formula:~~

13 
$$[\text{MS} = \text{SF} \times \text{FS}]$$

14 [~~where:~~

15 ~~["MS" is the minimum monthly salary;~~

16 ~~["SF" is the applicable salary factor specified by Subsection~~  
17 ~~(c); and~~

18 ~~["FS" is the amount, as determined by the commissioner under~~  
19 ~~Subsection (b), of the basic allotment as provided by Section~~  
20 ~~48.051(a) or (b) for a school district with a maintenance and~~  
21 ~~operations tax rate at least equal to the state maximum compressed~~  
22 ~~tax rate, as defined by Section 48.051(a)].~~

23 SECTION 1.05. (a) This section takes effect only if H.B.  
24 11, 88th Legislature, Regular Session, 2023, or another Act of that  
25 legislature establishing a residency partnership program and  
26 authorizing the issuance of a residency educator certificate does  
27 not become law.

1 (b) Section 21.402(a), Education Code, is amended to read as  
2 follows:

3 (a) Except as provided by Subsection (c-2) [~~(e-1)~~ or ~~(f)~~], a  
4 school district must pay each employee who is employed as a  
5 classroom teacher, full-time librarian, full-time school counselor  
6 certified under Subchapter B, or full-time school nurse not less  
7 than the highest annual minimum [~~minimum monthly~~] salary described  
8 by the following schedule applicable to [~~, based on~~] the employee's  
9 certification, if any, and years [~~level~~] of experience:

10 (1) for an employee with less than five years of  
11 experience who holds:

12 (A) no certification . . . . . \$35,000;

13 (B) a teacher intern, teacher trainee, or  
14 probationary certificate issued under Subchapter B . . . \$37,000;

15 (C) the base certificate required under Section  
16 21.003(a) for employment in the employee's position other than a  
17 certificate described by Paragraph (B) . . . . . \$40,000; or

18 (D) a designation under Section 21.3521 . .  
19 \$43,000;

20 (2) for an employee with at least five years of  
21 experience who holds:

22 (A) no certification . . . . . \$45,000;

23 (B) a teacher intern, teacher trainee, or  
24 probationary certificate issued under Subchapter B . . . \$47,000;

25 (C) the base certificate required under Section  
26 21.003(a) for employment in the employee's position other than a  
27 certificate described by Paragraph (B) . . . . . \$50,000; or

1 (D) a designation under Section 21.3521 . . . . .

2 \$53,000; or

3 (3) for an employee with at least 10 years of  
4 experience who holds:

5 (A) no certification . . . . . \$55,000;

6 (B) a teacher intern, teacher trainee, or  
7 probationary certificate issued under Subchapter B . . . \$57,000;

8 (C) the base certificate required under Section  
9 21.003(a) for employment in the employee's  
10 position . . . . . \$60,000; or

11 (D) a designation under Section 21.3521 . . . . .

12 \$63,000 [~~in addition to other factors, as determined by~~  
13 ~~commissioner rule, determined by the following formula:~~

14 ~~[MS = SF x FS~~

15 [~~where:~~

16 [~~"MS" is the minimum monthly salary;~~

17 [~~"SF" is the applicable salary factor specified by Subsection~~  
18 ~~(c); and~~

19 [~~"FS" is the amount, as determined by the commissioner under~~  
20 ~~Subsection (b), of the basic allotment as provided by Section~~  
21 ~~48.051(a) or (b) for a school district with a maintenance and~~  
22 ~~operations tax rate at least equal to the state maximum compressed~~  
23 ~~tax rate, as defined by Section 48.051(a)].~~

24 SECTION 1.06. Section 21.402, Education Code, is amended by  
25 adding Subsections (a-1), (c-2), (i), (j), (k), and (l) and  
26 amending Subsection (g) to read as follows:

27 (a-1) For purposes of Subsection (a), a full-time school



1 nurse is considered to hold the base certificate required under  
2 Section 21.003(a) for employment as a school nurse, regardless of  
3 the other certifications held by the nurse.

4 (c-2) A school district is not required to pay an employee  
5 who is employed as a classroom teacher, full-time librarian,  
6 full-time school counselor certified under Subchapter B, or  
7 full-time school nurse the minimum salary required under Subsection  
8 (a) for the school year following a school year during which the  
9 district reviews the employee's performance and finds the  
10 employee's performance unsatisfactory.

11 (g) The commissioner may adopt rules to govern the  
12 application of this section, including rules that:

13 (1) require the payment of a minimum salary under this  
14 section to a person employed in more than one capacity for which a  
15 minimum salary is provided and whose combined employment in those  
16 capacities constitutes full-time employment; and

17 (2) specify the credentials a person must hold to be  
18 considered a [~~speech pathologist or~~] school nurse under this  
19 section.

20 (i) A school district must use at least 50 percent of the  
21 difference between what the district would have paid under Section  
22 825.405, Government Code, based on the salaries paid under this  
23 section as it existed on January 1, 2023, and what the district pays  
24 under Section 825.405, Government Code, based on the salaries paid  
25 under this section as it exists after September 1, 2023, to increase  
26 the average total compensation per district employee employed as a  
27 classroom teacher, full-time librarian, full-time school counselor

1 certified under Subchapter B, or full-time school nurse. In  
2 calculating average total compensation per district employee under  
3 this subsection, a district may not include compensation paid to a  
4 classroom teacher, full-time librarian, full-time school counselor  
5 certified under Subchapter B, or full-time school nurse in a  
6 position added by the school district for the current school year  
7 that increases the ratio of those employees to enrolled students  
8 over the ratio of those employees to enrolled students for the  
9 preceding year.

10 (j) A school district that increases employee compensation  
11 in the 2023-2024 school year to comply with Subsection (a), as  
12 amended by H.B. 100, Acts of the 88th Legislature, Regular Session,  
13 2023, is providing compensation for services rendered  
14 independently of an existing employment contract applicable to that  
15 year and is not in violation of Section 53, Article III, Texas  
16 Constitution. A school district that does not meet the  
17 requirements of Subsection (a) in the 2023-2024 school year may  
18 satisfy the requirements of this section by providing an employee a  
19 one-time bonus payment during the 2024-2025 school year in an  
20 amount equal to the difference between the compensation earned by  
21 the employee during the 2023-2024 school year and the compensation  
22 the employee should have received during that school year if the  
23 district had complied with Subsection (a).

24 (k) Notwithstanding the minimum salary schedule under  
25 Subsection (a), a school district that increases the amount a  
26 classroom teacher, full-time librarian, full-time school counselor  
27 certified under Subchapter B, or full-time school nurse is

1 compensated during the 2023-2024 school year by at least \$8,000  
2 more than the amount the employee was compensated during the  
3 2022-2023 school year complies with the requirements of this  
4 section for the 2023-2024 school year.

5 (l) Subsections (i), (j), and (k) and this subsection expire  
6 September 1, 2025.

7 SECTION 1.07. The heading to Section 21.403, Education  
8 Code, is amended to read as follows:

9 Sec. 21.403. DETERMINATION OF YEARS OF EXPERIENCE  
10 [PLACEMENT ON MINIMUM SALARY SCHEDULE].

11 SECTION 1.08. Sections 21.403(b) and (c), Education Code,  
12 are amended to read as follows:

13 (b) For each year of work experience required for  
14 certification in a career or technological field, up to a maximum of  
15 two years, a certified career or technology education teacher is  
16 entitled to ~~[salary step]~~ credit as if the work experience were  
17 teaching experience.

18 (c) The commissioner shall adopt rules for determining the  
19 experience for which a teacher, librarian, school counselor, or  
20 nurse is to be given credit for purposes of the minimum salary  
21 schedule under Section 21.402(a) [in placing the teacher,  
22 librarian, school counselor, or nurse on the minimum salary  
23 schedule]. A district shall credit the teacher, librarian, school  
24 counselor, or nurse for each year of experience without regard to  
25 whether the years are consecutive.

26 SECTION 1.09. Section 21.4552(d), Education Code, is  
27 amended to read as follows:

1 (d) From funds appropriated for that purpose, a teacher who  
2 attends a literacy achievement academy is entitled to receive a  
3 stipend in the amount determined by the commissioner. A stipend  
4 received under this subsection is not considered in determining  
5 whether a school district is paying the teacher the minimum  
6 ~~monthly~~ salary under Section 21.402.

7 SECTION 1.10. Section 21.4553(d), Education Code, is  
8 amended to read as follows:

9 (d) From funds appropriated for that purpose, a teacher who  
10 attends a mathematics achievement academy is entitled to receive a  
11 stipend in the amount determined by the commissioner. A stipend  
12 received under this subsection is not considered in determining  
13 whether a district is paying the teacher the minimum ~~monthly~~  
14 salary under Section 21.402.

15 SECTION 1.11. Section 21.4555(f), Education Code, is  
16 amended to read as follows:

17 (f) From funds available for that purpose, a teacher who  
18 attends a civics training program may receive a stipend in an amount  
19 determined by the commissioner. A stipend received under this  
20 section is not included in determining whether a district is paying  
21 the teacher the minimum ~~monthly~~ salary under Section 21.402.

22 SECTION 1.12. Subchapter Z, Chapter 29, Education Code, is  
23 amended by adding Section 29.912 to read as follows:

24 Sec. 29.912. RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP)  
25 PROGRAM. (a) In this section, "program" means the Rural Pathway  
26 Excellence Partnership (R-PEP) program established under this  
27 section.

1           (b) The commissioner shall establish and administer the  
2 Rural Pathway Excellence Partnership (R-PEP) program to  
3 incentivize and support multidistrict, cross-sector, rural college  
4 and career pathway partnerships that expand opportunities for  
5 underserved students to succeed in school and life while promoting  
6 economic development in rural areas.

7           (c) The program must enable an eligible school district that  
8 lacks an economy of scale, as determined by commissioner rule, to  
9 partner with at least one other school district to offer a broader  
10 array of robust college and career pathways. Each partnership must:

11                   (1) offer college and career pathways that align with  
12 regional labor market projections for high-wage, high-demand  
13 careers; and

14                   (2) be managed by a coordinating entity that:

15                           (A) has or will have at the time students are  
16 served under the partnership the capacity to effectively coordinate  
17 the partnership;

18                           (B) has entered into a performance agreement  
19 approved by the board of trustees of each partnering school  
20 district that confers to the coordinating entity the same authority  
21 with respect to the partnership as provided to an entity that  
22 contracts to operate a district campus under Section 11.174;

23                           (C) is eligible to be awarded a charter under  
24 Section 12.101(a);

25                           (D) has been granted a charter by each partnering  
26 school district under Subchapter C, Chapter 12; and

27                           (E) has on the entity's governing board as either

1 voting or ex officio members representatives of each partnering  
2 school district and members of regional higher education and  
3 workforce organizations.

4 (d) The performance agreement described by Subsection  
5 (c)(2)(B) must:

6 (1) include ambitious and measurable performance  
7 goals and progress measures tied to current college, career, and  
8 military readiness outcomes and longitudinal postsecondary  
9 completion and employment-related outcomes;

10 (2) allocate responsibilities for accessing and  
11 managing progress and outcome information and annually publishing  
12 that information on the Internet website of each partnering  
13 district and the coordinating entity;

14 (3) authorize the coordinating entity to optimize the  
15 value of each college and career pathway offered through the  
16 partnership by determining scheduling, adding or removing a  
17 pathway, hiring of pathway-specific personnel, setting  
18 pathway-specific budgets, and other matters critical to the  
19 efficacy of the pathways; and

20 (4) provide that any eligible student residing in a  
21 partnering school district may participate in a college or career  
22 pathway offered through the partnership.

23 (e) An employee of a coordinating entity that manages a  
24 partnership under the program is eligible for membership in and  
25 benefits from the Teacher Retirement System of Texas if the  
26 employee would be eligible for membership and benefits by holding  
27 the same position at a partnering school district.

1       (f) A student enrolled in a college or career pathway  
2 offered through a partnership under the program is not considered  
3 for accountability purposes under Chapter 39 to have dropped out of  
4 high school or failed to complete the curriculum requirements for  
5 high school graduation until the sixth anniversary of the student's  
6 first day in high school.

7       (g) A school district proposing to enter into a performance  
8 agreement under this section shall notify the commissioner of the  
9 district's intent to enter into the agreement. The commissioner  
10 shall establish procedures for a district to notify the  
11 commissioner, including the period within which notification is  
12 required before the school year in which the proposed agreement  
13 would take effect, and to provide any additional information  
14 required by the commissioner. The commissioner shall notify the  
15 district whether the proposed agreement is approved or denied not  
16 later than the 60th day after the date the commissioner receives  
17 notification of the proposed agreement and all other information  
18 required by the commissioner. If the commissioner fails to notify  
19 the district that the proposed agreement has been approved or  
20 denied within the period prescribed by this subsection, the  
21 proposed agreement is considered approved.

22       (h) From money appropriated for that purpose, the  
23 commissioner shall establish a grant program to assist in the  
24 planning and implementation of a partnership under the program.  
25 The commissioner may award a grant only to a coordinating entity  
26 that has entered into a performance agreement approved under  
27 Subsection (g). The commissioner may use not more than 15 percent

1 of the money appropriated for the grant program to cover the cost of  
2 administering the grant program and to provide technical assistance  
3 and support to partnerships under the program.

4 (i) The commissioner shall adopt rules as necessary to  
5 implement this section, including rules establishing:

6 (1) requirements for a coordinating entity and a  
7 performance agreement with the entity;

8 (2) the period for which a partnership under the  
9 program may operate after commissioner approval before renewal of  
10 commissioner approval is required; and

11 (3) standards for renewal of commissioner approval for  
12 a partnership under the program.

13 (j) This section does not prohibit an agreement between a  
14 school district and another entity for the provision of services at  
15 a district campus.

16 (k) The commissioner may accept gifts, grants, and  
17 donations from any source, including private and nonprofit  
18 organizations, for the program. A private or nonprofit  
19 organization that contributes to the program may receive an award  
20 under Section 7.113.

21 SECTION 1.13. Section 30.003, Education Code, is amended by  
22 amending Subsections (b) and (f-1) and adding Subsection (b-1) to  
23 read as follows:

24 (b) If the student is admitted to the school for a full-time  
25 program for the equivalent of two long semesters, the district's  
26 share of the cost is an amount equal to the dollar amount of  
27 maintenance and debt service taxes imposed by the district for that



1 year, subject to Subsection (b-1), divided by the district's  
2 average daily attendance for the preceding year.

3 (b-1) For purposes of Subsection (b), the commissioner  
4 shall reduce the dollar amount of maintenance and debt service  
5 taxes imposed by the district for a year by the amount, if any, by  
6 which the district is required to reduce the district's local  
7 revenue level under Section 48.257 for that year.

8 (f-1) The commissioner shall determine the total amount  
9 that the Texas School for the Blind and Visually Impaired and the  
10 Texas School for the Deaf would have received from school districts  
11 in accordance with this section if the following provisions had not  
12 reduced the districts' share of the cost of providing education  
13 services:

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

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

17 (3) Section 45.0032;

18 (4) [~~3~~] Section 48.255; and

19 (5) [~~4~~] Section 48.2551.

20 SECTION 1.14. Section 30.102(b), Education Code, is amended  
21 to read as follows:

22 (b) A classroom teacher, full-time librarian, full-time  
23 school counselor certified under Subchapter B, Chapter 21, or  
24 full-time school nurse employed by the department is entitled to  
25 receive as a minimum salary the [~~monthly~~] salary specified by  
26 Section 21.402. A classroom teacher, full-time librarian,  
27 full-time school counselor, or full-time school nurse may be paid,

1 from funds appropriated to the department, a salary in excess of the  
2 minimum specified by that section, but the salary may not exceed the  
3 rate of pay for a similar position in the public schools of an  
4 adjacent school district.

5 SECTION 1.15. Section 33.009(h), Education Code, is amended  
6 to read as follows:

7 (h) From funds appropriated for that purpose, a school  
8 counselor who attends the academy under this section is entitled to  
9 receive a stipend in the amount determined by the coordinating  
10 board. If funds are available after all eligible school counselors  
11 have received a stipend under this subsection, the coordinating  
12 board shall pay a stipend in the amount determined by the  
13 coordinating board to a teacher who attends the academy under this  
14 section. A stipend received under this subsection is not  
15 considered in determining whether a district is paying the school  
16 counselor or teacher the minimum [~~monthly~~] salary under Section  
17 21.402.

18 SECTION 1.16. Subchapter A, Chapter 48, Education Code, is  
19 amended by adding Section 48.0055 to read as follows:

20 Sec. 48.0055. ENROLLMENT-BASED FUNDING. The commissioner  
21 by rule shall establish the method for determining average  
22 enrollment for purposes of funding provided based on average  
23 enrollment under Chapter 46 and this chapter.

24 SECTION 1.17. Section 48.051, Education Code, is amended by  
25 amending Subsections (a) and (c) and adding Subsections (c-3) and  
26 (c-4) to read as follows:

27 (a) For each student in average daily attendance, not

1 including the time students spend each day in special education  
2 programs in an instructional arrangement other than mainstream or  
3 career and technology education programs, for which an additional  
4 allotment is made under Subchapter C, a district is entitled to an  
5 allotment equal to [~~the lesser of \$6,160 or~~] the amount that results  
6 from the following formula:

7 
$$A = \underline{B} [\underline{\$6,160}] \times \text{TR/MCR}$$

8 where:

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

10 "B" is the base amount, which equals the greater of:

11 (1) \$6,250;

12 (2) an amount equal to the district's base amount under  
13 this section for the preceding school year; or

14 (3) the amount appropriated under Subsection (b);

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

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

19 (c) During any school year for which the value of "A"  
20 determined [~~maximum amount of the basic allotment provided~~] under  
21 Subsection (a) or, if applicable, the sum of the value of "A" and  
22 the allotment under Section 48.101 to which the district is  
23 entitled, [~~or (b)~~] is greater than the value of "A" or, if  
24 applicable, the sum of the value of "A" and the allotment under  
25 Section 48.101 to which the district is entitled, [~~maximum amount~~  
26 provided] for the preceding school year, a school district must use  
27 at least 50 [~~30~~] percent of the amount [~~, if the amount is greater~~

1 ~~than zero,~~] that equals the product of the average daily attendance  
2 of the district multiplied by the amount of the difference between  
3 the district's funding under this chapter per student in average  
4 daily attendance for the current school year and the preceding  
5 school year to increase the average total compensation per employee  
6 employed by the district as [~~provide compensation increases to~~  
7 ~~full-time district employees other than administrators as follows:~~

8           [(1) ~~75 percent must be used to increase the~~  
9 ~~compensation paid to~~] classroom teachers, full-time librarians,  
10 full-time school counselors certified under Subchapter B, Chapter  
11 21, and full-time school nurses [~~, prioritizing differentiated~~  
12 ~~compensation for classroom teachers with more than five years of~~  
13 ~~experience, and~~

14           [(2) ~~25 percent may be used as determined by the~~  
15 ~~district to increase compensation paid to full-time district~~  
16 ~~employees~~]. In calculating average total compensation per employee  
17 under this subsection, a school district may not consider  
18 compensation paid to a district employee employed in a position  
19 described by this subsection added by the school district for the  
20 current school year that increases the ratio of those employees to  
21 the students enrolled in the district compared to the preceding  
22 school year.

23           (c-3) If a school district increases employee compensation  
24 in a school year to comply with Subsection (c), as amended by  
25 H.B. 100, Acts of the 88th Legislature, Regular Session, 2023, the  
26 district is providing compensation for services rendered  
27 independently of an existing employment contract applicable to that

1 year and is not a violation of Section 53, Article III, Texas  
2 Constitution.

3 (c-4) A school district that does not meet the requirements  
4 of Subsection (c) during a school year may satisfy the requirements  
5 of this section by providing an employee a one-time bonus payment  
6 during the following school year in an amount equal to the  
7 difference between the compensation earned by the employee and the  
8 compensation the employee should have received during the school  
9 year if the district had complied with Subsection (c).

10 SECTION 1.18. Subchapter C, Chapter 48, Education Code, is  
11 amended by adding Section 48.1022 to read as follows:

12 Sec. 48.1022. SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL  
13 EVALUATION. For each student for whom a school district conducts a  
14 full individual and initial evaluation under Section 29.004 or 20  
15 U.S.C. Section 1414(a)(1), the district is entitled to an allotment  
16 of \$500 or a greater amount provided by appropriation.

17 SECTION 1.19. Section 48.111(a), Education Code, is amended  
18 to read as follows:

19 (a) A [~~Except as provided by Subsection (c), a~~] school  
20 district is entitled to an annual allotment equal to the basic  
21 allotment multiplied by the applicable weight under Subsection  
22 (a-1) for each enrolled student equal to the difference, if the  
23 difference is greater than zero, that results from subtracting 250  
24 from the difference between the number of students enrolled in the  
25 district during the school year immediately preceding the current  
26 school year and the number of students enrolled in the district  
27 during the school year six years preceding the current school year.

1 SECTION 1.20. Subchapter C, Chapter 48, Education Code, is  
2 amended by adding Sections 48.116 and 48.118 to read as follows:

3 Sec. 48.116. FINE ARTS ALLOTMENT. (a) For each student in  
4 average daily attendance enrolled in a fine arts education course  
5 approved by the agency under Subsection (b) in grades 6 through 12,  
6 a school district is entitled to an annual allotment equal to the  
7 basic allotment, or, if applicable, the sum of the basic allotment  
8 and the allotment under Section 48.101 to which the district is  
9 entitled, multiplied by .008.

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

13 (1) are authorized by the State Board of Education,  
14 including music, art, theater, and dance;

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

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

19 (c) The agency shall annually publish a list of fine arts  
20 courses approved under Subsection (b).

21 Sec. 48.118. RURAL PATHWAY EXCELLENCE PARTNERSHIP (R-PEP)  
22 ALLOTMENT AND OUTCOME BONUS. (a) For each full-time equivalent  
23 student in average daily attendance in grades 9 through 12 in a  
24 college or career pathway offered through a partnership under the  
25 Rural Pathway Excellence Partnership (R-PEP) program under Section  
26 29.912, a school district is entitled to an allotment equal to the  
27 basic allotment or, if applicable, the sum of the basic allotment

1 and the allotment under Section 48.101 to which the district is  
2 entitled, multiplied by:

3 (1) 1.15, if the student is educationally  
4 disadvantaged; or

5 (2) 1.11, if the student is not educationally  
6 disadvantaged.

7 (b) Each year, the commissioner shall determine for each  
8 school district the minimum number of annual graduates of a college  
9 or career pathway described by Subsection (a) in each cohort  
10 described by Section 48.110(b) who would have to demonstrate  
11 college, career, or military readiness, as determined by  
12 commissioner rule, in order for the district to qualify for an  
13 outcomes bonus under Subsection (c).

14 (c) In addition to the allotment under Subsection (a), for  
15 each annual graduate in a cohort described by Subsection (b) who  
16 demonstrates college, career, or military readiness, as determined  
17 by commissioner rule, in excess of the minimum number of students  
18 determined for the applicable district cohort under Subsection (b),  
19 a school district is entitled to an annual outcomes bonus of:

20 (1) if the annual graduate is educationally  
21 disadvantaged, \$2,000;

22 (2) if the annual graduate is not educationally  
23 disadvantaged, \$1,000; and

24 (3) if the annual graduate is enrolled in a special  
25 education program under Subchapter A, Chapter 29, \$2,000,  
26 regardless of whether the annual graduate is educationally  
27 disadvantaged.

1           (d) A school district is entitled to an outcomes bonus under  
2 each subdivision of Subsection (c) for which an annual graduate  
3 qualifies.

4           (e) A school district may receive funding for a student  
5 under this section and any other section for which the student  
6 qualifies.

7           SECTION 1.21. Sections 48.151(c) and (g), Education Code,  
8 are amended to read as follows:

9           (c) Each district or county operating a regular  
10 transportation system is entitled to an allotment based on a rate of  
11 \$1.54 per mile per regular eligible student or a greater rate set by  
12 the legislature in the General Appropriations Act.

13           (g) A school district or county that provides special  
14 transportation services for eligible special education students is  
15 entitled to a state allocation at a [~~paid on a previous year's~~  
16 ~~cost-per-mile basis. The~~] rate of \$1.28 per mile or a greater  
17 amount provided [~~allowable shall be set~~] by appropriation [~~based on~~  
18 ~~data gathered from the first year of each preceding biennium~~].

19 Districts may use a portion of their support allocation to pay  
20 transportation costs, if necessary. The commissioner may grant an  
21 amount set by appropriation for private transportation to reimburse  
22 parents or their agents for transporting eligible special education  
23 students. The mileage allowed shall be computed along the shortest  
24 public road from the student's home to school and back, morning and  
25 afternoon. The need for this type of transportation shall be  
26 determined on an individual basis and shall be approved only in  
27 extreme hardship cases.



1 SECTION 1.22. Subchapter D, Chapter 48, Education Code, is  
2 amended by adding Section 48.160 to read as follows:

3 Sec. 48.160. ALLOTMENT FOR ADVANCED MATHEMATICS PATHWAYS  
4 AND CERTAIN PROGRAMS OF STUDY. (a) A school district is eligible  
5 to receive an allotment under this section if the district offers  
6 through in-person instruction, remote instruction, or a hybrid of  
7 in-person and remote instruction:

8 (1) an advanced mathematics pathway that begins with  
9 Algebra I in grade eight and continues through progressively more  
10 advanced mathematics courses in each grade from grade 9 through 12;

11 (2) a program of study in:

12 (A) computer programming and software  
13 development; or

14 (B) cybersecurity; and

15 (3) a program of study in a specialized skilled trade,  
16 such as:

17 (A) plumbing and pipefitting;

18 (B) electrical;

19 (C) welding;

20 (D) diesel and heavy equipment;

21 (E) aviation maintenance; or

22 (F) applied agricultural engineering.

23 (b) Notwithstanding Subsection (a), a school district is  
24 eligible for the allotment under this section for students enrolled  
25 in a high school in the district that does not offer a program of  
26 study described by Subsection (a)(2) or (3) if:

27 (1) high school students who reside in the attendance

1 zone of the high school may participate in the program of study by  
2 enrolling in another high school:

3 (A) that:

4 (i) is in the same district or a neighboring  
5 school district;

6 (ii) was assigned the same or a better  
7 campus overall performance rating under Section 39.054 as the high  
8 school in whose attendance zone the students reside; and

9 (iii) offers the program of study; and

10 (B) to and from which transportation is provided  
11 for those students; or

12 (2) students enrolled in the high school:

13 (A) are offered instruction for the program of  
14 study at another location, such as another high school in the same  
15 district or a neighboring school district; and

16 (B) receive transportation to and from the  
17 location described by Paragraph (A).

18 (c) An eligible school district is entitled to an annual  
19 allotment of \$10 for each student enrolled at a high school in the  
20 district that offers a pathway or program of study from each  
21 subdivision described by Subsection (a) if:

22 (1) each student enrolled at the high school takes a  
23 progressively more advanced mathematics course each year of  
24 enrollment; and

25 (2) for each of those pathways or programs of study, at  
26 least one student enrolled at the high school completes a course in  
27 the pathway or program of study.

1       (d) A school district that receives an allotment under  
2 Subsection (c) and Section 48.101 is entitled to receive an  
3 additional allotment in an amount equal to the product of 0.1 and  
4 the allotment to which the district is entitled under Section  
5 48.101 for each student for which the district receives an  
6 allotment under Subsection (c). An open-enrollment charter school  
7 is not eligible for an allotment under this subsection.

8       (e) The commissioner by rule may establish requirements to  
9 ensure students enrolled in a high school to which Subsection (b)  
10 applies have meaningful access to the programs of study described  
11 by Subsections (a)(2) and (3).

12       (f) The agency may reduce the amount of a school district's  
13 allotment under this section if the agency determines that the  
14 district has not complied with any provision of this section.

15       SECTION 1.23. Section 48.202(a-1), Education Code, is  
16 amended to read as 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 the amount of district tax revenue  
21 per weighted student per cent of tax effort available to a school  
22 district at the 96th percentile of wealth per weighted student or  
23 the amount that results from multiplying the maximum amount of the  
24 basic allotment provided under Section 48.051 for the applicable  
25 school year [~~6,160, or the greater amount provided under Section~~  
26 ~~48.051(b), if applicable,~~] by 0.016, for the first eight cents by  
27 which the district's maintenance and operations tax rate exceeds

1 the district's tier one tax rate; and

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

8 SECTION 1.24. Section 48.257(c), Education Code, is amended  
9 to read as follows:

10 (c) For purposes of Subsection (a), state aid to which a  
11 district is entitled under Section 13.054 or this chapter that is  
12 not described by Section 48.266(a)(3) may offset the amount by  
13 which a district must reduce the district's revenue level under  
14 this section. Any amount of state aid used as an offset under this  
15 subsection shall reduce the amount of state aid to which the  
16 district is entitled.

17 SECTION 1.25. Sections 48.277(d) and (e), Education Code,  
18 are amended to read as follows:

19 (d) A school district or open-enrollment charter school is  
20 not entitled to an allotment under Subsection (a) beginning with  
21 the 2029-2030 [~~2024-2025~~] school year.

22 (e) This section expires September 1, 2030 [~~2025~~].

23 SECTION 1.26. Subchapter F, Chapter 48, Education Code, is  
24 amended by adding Section 48.280 to read as follows:

25 Sec. 48.280. SALARY TRANSITION ALLOTMENT. (a) In the  
26 2023-2024, 2024-2025, and 2025-2026 school years, a school district  
27 is entitled to receive an annual salary transition allotment equal

1 to the difference, if that amount is greater than zero, between:

2 (1) the amount calculated under Subsection (b); and

3 (2) the amount calculated under Subsection (c).

4 (b) The agency shall calculate a school district's value for  
5 Subsection (a)(1) by determining the difference in the amount the  
6 district must pay in compensation to employees on the minimum  
7 salary schedule under Section 21.402, as amended by H.B. 100, Acts  
8 of the 88th Legislature, Regular Session, 2023, from the amount  
9 paid in compensation to employees on the minimum salary schedule  
10 under that section as effective in the 2022-2023 school year, less  
11 the difference between:

12 (1) the amount of employer contributions under Section  
13 825.4035, Government Code, and Section 1575.203, Insurance Code,  
14 the district paid in the 2022-2023 school year for employees on the  
15 minimum salary schedule under Section 21.402; and

16 (2) the amount the district would have paid in  
17 employer contributions under Section 825.4035, Government Code,  
18 and Section 1575.203, Insurance Code, in the 2022-2023 school year  
19 for employees on the minimum salary schedule if the changes made to  
20 Section 21.402 by H.B. 100, Acts of the 88th Legislature, Regular  
21 Session, 2023, had been in effect.

22 (c) The agency shall calculate a school district's value for  
23 Subsection (a)(2) by determining the total maintenance and  
24 operations revenue for the current school year less the total  
25 maintenance and operations revenue that would have been available  
26 to the district using the basic allotment formula provided by  
27 Section 48.051 and the small and mid-sized allotment formulas

1 provided by Section 48.101 as those sections existed on January 1,  
2 2023.

3 (d) Before making a final determination of the amount of an  
4 allotment to which a school district is entitled under this  
5 section, the agency shall ensure each school district has an  
6 opportunity to review and submit revised information to the agency  
7 for purposes of calculating the values under Subsection (a).

8 (e) A school district is entitled to an allotment in an  
9 amount equal to:

10 (1) for the 2026-2027 school year, two-thirds of the  
11 value determined under Subsection (a); and

12 (2) for the 2027-2028 school year, one-third of the  
13 value determined under Subsection (a).

14 (f) A school district is not entitled to an allotment under  
15 this section in the 2028-2029 school year or a later school year.

16 (g) This section expires September 1, 2029.

17 SECTION 1.27. Section 26.08(n), Tax Code, is amended to  
18 read as follows:

19 (n) For purposes of this section, the voter-approval tax  
20 rate of a school district is the sum of the following:

21 (1) the rate per \$100 of taxable value that is equal to  
22 the district's maximum compressed tax rate, as determined under  
23 Section 48.2551, Education Code, for the current year;

24 (2) the greater of:

25 (A) the district's enrichment tax rate for the  
26 preceding tax year, less any amount by which the district is  
27 required to reduce the district's enrichment tax rate under Section

1 48.202(f), Education Code, in the current tax year; or

2 (B) the rate of \$0.06 [~~\$0.05~~] per \$100 of taxable  
3 value; and

4 (3) the district's current debt rate.

5 SECTION 1.28. The following provisions of the Education  
6 Code are repealed:

7 (1) Sections 21.402(b), (c), (c-1), (f), and (h);

8 (2) Sections 21.403(a) and (d); and

9 (3) Sections 48.111(c), (c-1), and (c-2).

10 SECTION 1.29. If both this Act and H.B. 11, 88th  
11 Legislature, Regular Session, 2023, are enacted, this Act prevails  
12 over H.B. 11, to the extent of any conflict, without regard to the  
13 date of enactment of this Act or H.B. 11.

14 SECTION 1.30. (a) Except as provided by Subsection (b) of  
15 this section or as otherwise provided by this article, this article  
16 takes effect immediately if this Act receives a vote of two-thirds  
17 of all the members elected to each house, as provided by Section 39,  
18 Article III, Texas Constitution. If this Act does not receive the  
19 vote necessary for immediate effect, the entirety of this article  
20 takes effect September 1, 2023.

21 (b) Sections 12.106(a-2), 13.054, 30.003, 48.051, 48.111,  
22 48.151(c) and (g), 48.202(a-1), 48.257(c), and 48.277(d) and (e),  
23 Education Code, and Section 26.08(n), Tax Code, as amended by this  
24 article, and Sections 48.0055, 48.1022, 48.116, 48.118, 48.160, and  
25 48.280, Education Code, as added by this article, take effect  
26 September 1, 2023.

1 ARTICLE 2. CHANGES EFFECTIVE FOR 2024-2025 SCHOOL YEAR

2 SECTION 2.01. Section 8.051(d), Education Code, is amended  
3 to read as follows:

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

7 (1) training and assistance in:

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

10 (B) providing instruction in personal financial  
11 literacy as required under Section 28.0021;

12 (2) training and assistance in providing each program  
13 that qualifies for a funding allotment under Section 48.102,  
14 48.1021, 48.104, 48.105, or 48.109;

15 (3) assistance specifically designed for a school  
16 district or campus assigned an unacceptable performance rating  
17 under Section 39.054;

18 (4) training and assistance to teachers,  
19 administrators, members of district boards of trustees, and members  
20 of site-based decision-making committees;

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

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

26 SECTION 2.02. Section 29.002, Education Code, is amended to  
27 read as follows:



1           Sec. 29.002. DEFINITION. In this subchapter, "special  
2 services" means:

3           (1) special education, as defined by 20 U.S.C. Section  
4 1401(29) [~~instruction, which may be provided by professional and~~  
5 ~~supported by paraprofessional personnel in the regular classroom or~~  
6 ~~in an instructional arrangement described by Section 48.102~~]; and

7           (2) related services, as defined by 20 U.S.C. Section  
8 1401(26) [~~which are developmental, corrective, supportive, or~~  
9 ~~evaluative services, not instructional in nature, that may be~~  
10 ~~required for the student to benefit from special education~~  
11 ~~instruction and for implementation of a student's individualized~~  
12 ~~education program~~].

13           SECTION 2.03. Section 29.014(d), Education Code, is amended  
14 to read as follows:

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

20           SECTION 2.04. Section 29.018, Education Code, is amended by  
21 adding Subsection (g) to read as follows:

22           (g) This section expires September 1, 2026.

23           SECTION 2.05. Sections 29.022(a), (a-1), (b), (c), (c-1),  
24 (d), (f), (h), (k), (l), (s), and (t), Education Code, are amended  
25 to read as follows:

26           (a) In order to promote student safety, on receipt of a  
27 written request authorized under Subsection (a-1), a school

1 district or open-enrollment charter school shall provide  
2 equipment, including a video camera, to the school or schools in the  
3 district or the charter school campus or campuses specified in the  
4 request. A school or campus that receives equipment as provided by  
5 this subsection shall place, operate, and maintain one or more  
6 video cameras in special education [~~self-contained~~] classrooms and  
7 other special education settings [~~in which a majority of the~~  
8 ~~students in regular attendance are provided special education and~~  
9 ~~related services and are assigned to one or more self-contained~~  
10 ~~classrooms or other special education settings for at least 50~~  
11 ~~percent of the instructional day~~], provided that:

12 (1) a school or campus that receives equipment as a  
13 result of the request by a parent or staff member is required to  
14 place equipment only in classrooms or settings in which the  
15 parent's child is in regular attendance or to which the staff member  
16 is assigned, as applicable; and

17 (2) a school or campus that receives equipment as a  
18 result of the request by a board of trustees, governing body,  
19 principal, or assistant principal is required to place equipment  
20 only in classrooms or settings identified by the requestor, if the  
21 requestor limits the request to specific classrooms or settings  
22 subject to this subsection.

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

24 (1) a parent of a child who receives special education  
25 services in one or more special education [~~self-contained~~]  
26 classrooms or other special education settings may request in  
27 writing that equipment be provided to the school or campus at which

1 the child receives those services;

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

7 (3) the principal or assistant principal of a school  
8 or campus at which one or more children receive special education  
9 services in special education [~~self-contained~~] classrooms or other  
10 special education settings may request in writing that equipment be  
11 provided to the principal's or assistant principal's school or  
12 campus; and

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

18 (b) A school or campus that places a video camera in a  
19 special education classroom or other special education setting in  
20 accordance with Subsection (a) shall operate and maintain the video  
21 camera in the classroom or setting, as long as the classroom or  
22 setting continues to satisfy the requirements under Subsection (a),  
23 for the remainder of the school year in which the school or campus  
24 received the request, unless the requestor withdraws the request in  
25 writing. If for any reason a school or campus will discontinue  
26 operation of a video camera during a school year, not later than the  
27 fifth school day before the date the operation of the video camera

1 will be discontinued, the school or campus must notify the parents  
2 of each student in regular attendance in the classroom or setting  
3 that operation of the video camera will not continue unless  
4 requested by a person eligible to make a request under Subsection  
5 (a-1). Not later than the 10th school day before the end of each  
6 school year, the school or campus must notify the parents of each  
7 student in regular attendance in the classroom or setting that  
8 operation of the video camera will not continue during the  
9 following school year unless a person eligible to make a request for  
10 the next school year under Subsection (a-1) submits a new request.

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

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

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

19 (c-1) The inside of a bathroom or any area in the special  
20 education classroom or other special education setting in which a  
21 student's clothes are changed may not be visually monitored, except  
22 for incidental coverage of a minor portion of a bathroom or changing  
23 area because of the layout of the classroom or setting.

24 (d) Before a school or campus activates a video camera in a  
25 special education classroom or other special education setting  
26 under this section, the school or campus shall provide written  
27 notice of the placement to all school or campus staff and to the

1 parents of each student attending class or engaging in school  
2 activities in the classroom or setting.

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

7 (h) A school district or open-enrollment charter school may  
8 not:

9 (1) allow regular or continual monitoring of video  
10 recorded under this section; or

11 (2) use video recorded under this section for teacher  
12 evaluation or for any other purpose other than the promotion of  
13 safety of students receiving special education services in a  
14 special education [~~self-contained~~] classroom or other special  
15 education setting.

16 (k) The commissioner may adopt rules to implement and  
17 administer this section, including rules regarding the special  
18 education classrooms and other special education settings to which  
19 this section applies.

20 (l) A school district or open-enrollment charter school  
21 policy relating to the placement, operation, or maintenance of  
22 video cameras under this section must:

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

27 (2) require that the district or school provide a

1 response to a request made under this section not later than the  
2 seventh school business day after receipt of the request by the  
3 person to whom it must be submitted under Subsection (a-3) that  
4 authorizes the request or states the reason for denying the  
5 request;

6 (3) except as provided by Subdivision (5), require  
7 that a school or a campus begin operation of a video camera in  
8 compliance with this section not later than the 45th school  
9 business day, or the first school day after the 45th school business  
10 day if that day is not a school day, after the request is authorized  
11 unless the agency grants an extension of time;

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

18 (A) the date on which the current school year  
19 ends; or

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

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

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

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

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

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

12 SECTION 2.06. Sections 29.022(u)(3) and (4), Education  
13 Code, are amended to read as follows:

14 (3) "Special education classroom or other special  
15 education setting" means a classroom or setting primarily used for  
16 delivering special education services to students who spend on  
17 average less than 40 percent of an instructional day in a general  
18 education classroom or setting [~~"Self-contained classroom" does~~  
19 ~~not include a classroom that is a resource room instructional~~  
20 ~~arrangement under Section 48.102]~~.

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

25 SECTION 2.07. Section 29.316(c), Education Code, is amended  
26 to read as follows:

27 (c) Not later than August 31 of each year, the agency, the

1 division, and the center jointly shall prepare and post on the  
2 agency's, the division's, and the center's respective Internet  
3 websites a report on the language acquisition of children eight  
4 years of age or younger who are deaf or hard of hearing. The report  
5 must:

6 (1) include:

7 (A) existing data reported in compliance with  
8 federal law regarding children with disabilities; and

9 (B) information relating to the language  
10 acquisition of children who are deaf or hard of hearing and also  
11 have other disabilities;

12 (2) state for each child:

13 (A) the percentage of the instructional day  
14 ~~[arrangement used with the child, as described by Section 48.102,~~  
15 ~~including the time]~~ the child spends on average in a general  
16 education setting ~~[mainstream instructional arrangement];~~

17 (B) the specific language acquisition services  
18 provided to the child, including:

19 (i) the time spent providing those  
20 services; and

21 (ii) a description of any hearing  
22 amplification used in the delivery of those services, including:

23 (a) the type of hearing amplification  
24 used;

25 (b) the period of time in which the  
26 child has had access to the hearing amplification; and

27 (c) the average amount of time the



1 child uses the hearing amplification each day;

2 (C) the tools or assessments used to assess the  
3 child's language acquisition and the results obtained;

4 (D) the preferred unique communication mode used  
5 by the child at home; and

6 (E) the child's age, race, and gender, the age at  
7 which the child was identified as being deaf or hard of hearing, and  
8 any other relevant demographic information the commissioner  
9 determines to likely be correlated with or have an impact on the  
10 child's language acquisition;

11 (3) compare progress in English literacy made by  
12 children who are deaf or hard of hearing to progress in that subject  
13 made by children of the same age who are not deaf or hard of hearing,  
14 by appropriate age range; and

15 (4) be redacted as necessary to comply with state and  
16 federal law regarding the confidentiality of student medical or  
17 educational information.

18 SECTION 2.08. Section 46.003(a), Education Code, is amended  
19 to read as follows:

20 (a) For each year, except as provided by Sections 46.005 and  
21 46.006, a school district is guaranteed a specified amount per  
22 student in state and local funds for each cent of tax effort, up to  
23 the maximum rate under Subsection (b), to pay the principal of and  
24 interest on eligible bonds issued to construct, acquire, renovate,  
25 or improve an instructional facility. The amount of state support  
26 is determined by the formula:

27 
$$\text{FYA} = (\text{FYL} \times \text{AE} [\text{ADA}] \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

1 where:

2 "FYA" is the guaranteed facilities yield amount of state  
3 funds allocated to the district for the year;

4 "FYL" is the dollar amount guaranteed level of state and  
5 local funds per student per cent of tax effort, which is \$35 or a  
6 greater amount for any year provided by appropriation;

7 "AE" [~~"ADA"~~] is the greater of the number of students in  
8 average enrollment [~~daily attendance~~], as determined under Section  
9 48.0055 [~~48.005~~], in the district or 400;

10 "BTR" is the district's bond tax rate for the current year,  
11 which is determined by dividing the amount budgeted by the district  
12 for payment of eligible bonds by the quotient of the district's  
13 taxable value of property as determined under Subchapter M, Chapter  
14 403, Government Code, or, if applicable, Section 48.258, divided by  
15 100; and

16 "DPV" is the district's taxable value of property as  
17 determined under Subchapter M, Chapter 403, Government Code, or, if  
18 applicable, Section 48.258.

19 SECTION 2.09. Section 46.005, Education Code, is amended to  
20 read as follows:

21 Sec. 46.005. LIMITATION ON GUARANTEED AMOUNT. The  
22 guaranteed amount of state and local funds for a new project that a  
23 district may be awarded in any state fiscal biennium under Section  
24 46.003 for a school district may not exceed the lesser of:

25 (1) the amount the actual debt service payments the  
26 district makes in the biennium in which the bonds are issued; or

27 (2) the greater of:

- 1 (A) \$100,000; or  
2 (B) the product of the number of students in  
3 average enrollment [~~daily attendance~~] in the district multiplied by  
4 \$250.

5 SECTION 2.10. Section 46.006(g), Education Code, is amended  
6 to read as follows:

7 (g) In this section, "wealth per student" means a school  
8 district's taxable value of property as determined under Subchapter  
9 M, Chapter 403, Government Code, or, if applicable, Section 48.258,  
10 divided by the district's average enrollment [~~daily attendance~~] as  
11 determined under Section 48.0055 [~~48.005~~].

12 SECTION 2.11. Section 46.032(a), Education Code, is amended  
13 to read as follows:

14 (a) Each school district is guaranteed a specified amount  
15 per student in state and local funds for each cent of tax effort to  
16 pay the principal of and interest on eligible bonds. The amount of  
17 state support, subject only to the maximum amount under Section  
18 46.034, is determined by the formula:

19 
$$EDA = (EDGL \times \underline{AE} [\del{ADA}] \times EDTR \times 100) - (EDTR \times (DPV/100))$$

20 where:

21 "EDA" is the amount of state funds to be allocated to the  
22 district for assistance with existing debt;

23 "EDGL" is the dollar amount guaranteed level of state and  
24 local funds per student per cent of tax effort, which is the lesser  
25 of:

- 26 (1) \$40 or a greater amount for any year provided by  
27 appropriation; or

1           (2) the amount that would result in a total additional  
2 amount of state funds under this subchapter for the current year  
3 equal to \$60 million in excess of the state funds to which school  
4 districts would have been entitled under this section if the  
5 guaranteed level amount were \$35;

6           "AE" [~~"ADA"~~] is the number of students in average enrollment  
7 [~~daily attendance~~], as determined under Section 48.0055 [~~48.005~~],  
8 in the district;

9           "EDTR" is the existing debt tax rate of the district, which is  
10 determined by dividing the amount budgeted by the district for  
11 payment of eligible bonds by the quotient of the district's taxable  
12 value of property as determined under Subchapter M, Chapter 403,  
13 Government Code, or, if applicable, under Section 48.258, divided  
14 by 100; and

15           "DPV" is the district's taxable value of property as  
16 determined under Subchapter M, Chapter 403, Government Code, or, if  
17 applicable, under Section 48.258.

18           SECTION 2.12. Section 48.051, Education Code, is amended by  
19 amending Subsection (a) and adding Subsection (a-1) to read as  
20 follows:

21           (a) For each student in average daily attendance, not  
22 including the time students spend each day in special education  
23 programs in a setting [~~an instructional arrangement~~] other than a  
24 general education setting [~~mainstream or career and technology~~  
25 ~~education programs~~], for which an additional allotment is made  
26 under Subchapter C, a district is entitled to an allotment equal to  
27 [~~the lesser of \$6,160 or~~] the amount that results from the following

1 formula:

2 
$$A = \underline{B} [\$6,160] \times \text{TR/MCR}$$

3 where:

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

5 "B" is the base amount, which equals the greater of:

6 (1) \$6,300;

7 (2) an amount equal to the district's base amount under  
8 this section for the preceding school year; or

9 (3) the amount appropriated under Subsection (b);

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

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

14 (a-1) Notwithstanding Subsection (a), for the second year  
15 of each state fiscal biennium, the commissioner shall adjust the  
16 value of "B" under that subsection for the preceding state fiscal  
17 year by a factor equal to the average annual percentage increase, if  
18 any, in the Texas Consumer Price Index for the preceding 10 years.  
19 This subsection expires September 1, 2025.

20 SECTION 2.13. Section 48.102, Education Code, is amended to  
21 read as follows:

22 Sec. 48.102. SPECIAL EDUCATION. (a) For each student in  
23 average daily attendance in a special education program under  
24 Subchapter A, Chapter 29, [~~in a mainstream instructional~~  
25 ~~arrangement,~~] a school district is entitled to an annual allotment  
26 equal to the basic allotment, or, if applicable, the sum of the  
27 basic allotment and the allotment under Section 48.101 to which the

1 district is entitled, multiplied by a weight in an amount set by the  
2 legislature in the General Appropriations Act for the highest tier  
3 of intensity of service for which the student qualifies  
4 [1.15]. [~~For each full-time equivalent student in average daily~~  
5 ~~attendance in a special education program under Subchapter A,~~  
6 ~~Chapter 29, in an instructional arrangement other than a mainstream~~  
7 ~~instructional arrangement, a district is entitled to an annual~~  
8 ~~allotment equal to the basic allotment, or, if applicable, the sum~~  
9 ~~of the basic allotment and the allotment under Section 48.101 to~~  
10 ~~which the district is entitled, multiplied by a weight determined~~  
11 ~~according to instructional arrangement as follows:~~

- 12 [~~Homebound~~ \_\_\_\_\_ 5.0
- 13 [~~Hospital class~~ \_\_\_\_\_ 3.0
- 14 [~~Speech therapy~~ \_\_\_\_\_ 5.0
- 15 [~~Resource room~~ \_\_\_\_\_ 3.0
- 16 [~~Self-contained, mild and moderate,~~
- 17 ~~regular campus~~ \_\_\_\_\_ 3.0
- 18 [~~Self-contained, severe, regular campus~~ \_\_\_\_\_ 3.0
- 19 [~~Off home campus~~ \_\_\_\_\_ 2.7
- 20 [~~Nonpublic day school~~ \_\_\_\_\_ 1.7
- 21 [~~Vocational adjustment class~~ \_\_\_\_\_ 2.3]

22 (a-1) Notwithstanding Subsection (a), for the 2024-2025 and  
23 2025-2026 school years, the amount of an allotment under this  
24 section shall be determined in accordance with Section 48.1023.  
25 This subsection expires September 1, 2026.

26 (b) The commissioner by rule shall define seven tiers of  
27 intensity of service for use in determining funding under this

1 section. The commissioner must include one tier specifically  
2 addressing students receiving special education services in  
3 residential placement [~~A special instructional arrangement for~~  
4 ~~students with disabilities residing in care and treatment~~  
5 ~~facilities, other than state schools, whose parents or guardians do~~  
6 ~~not reside in the district providing education services shall be~~  
7 ~~established by commissioner rule. The funding weight for this~~  
8 ~~arrangement shall be 4.0 for those students who receive their~~  
9 ~~education service on a local school district campus. A special~~  
10 ~~instructional arrangement for students with disabilities residing~~  
11 ~~in state schools shall be established by commissioner rule with a~~  
12 ~~funding weight of 2.8].~~

13 (c) [~~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 and day program placement of  
11 ~~[special education]~~ students receiving special education  
12 services.

13 ~~(d) [The legislature shall provide by appropriation for the~~  
14 ~~state's share of the costs of those placements.~~

15 ~~[(h)]~~ At least 55 percent of the funds allocated under this  
16 section must be used in the special education program under  
17 Subchapter A, Chapter 29.

18 (e) ~~[(i)]~~ The agency shall ensure ~~[encourage]~~ the placement  
19 of students in special education programs, including students in  
20 residential placement ~~[instructional arrangements]~~, in the least  
21 restrictive environment appropriate for their educational needs.

22 (f) ~~[(j)]~~ A school district that provides an extended year  
23 program required by federal law for special education students who  
24 may regress is entitled to receive funds in an amount equal to 75  
25 percent, or a lesser percentage determined by the commissioner, of  
26 the basic allotment, or, if applicable, the sum of the basic  
27 allotment and the allotment under Section 48.101 to which the



1 district is entitled for each [~~full-time equivalent~~] student in  
2 average daily attendance, multiplied by the amount designated for  
3 the highest tier of intensity of service for which the student  
4 qualifies [~~student's instructional arrangement~~] under this  
5 section, for each day the program is provided divided by the number  
6 of days in the minimum school year. The total amount of state  
7 funding for extended year services under this section may not  
8 exceed \$10 million per year. A school district may use funds  
9 received under this section only in providing an extended year  
10 program.

11 (g) [~~(k)~~] From the total amount of funds appropriated for  
12 special education under this section, the commissioner shall  
13 withhold an amount specified in the General Appropriations Act, and  
14 distribute that amount to school districts for programs under  
15 Section 29.014. The program established under that section is  
16 required only in school districts in which the program is financed  
17 by funds distributed under this subsection and any other funds  
18 available for the program. After deducting the amount withheld  
19 under this subsection from the total amount appropriated for  
20 special education, the commissioner shall reduce each district's  
21 allotment proportionately and shall allocate funds to each district  
22 accordingly.

23 (h) Not later than December 1 of each even-numbered year,  
24 the commissioner shall submit to the Legislative Budget Board, for  
25 purposes of the allotment under this section, proposed weights for  
26 the tiers of intensity of service for the next state fiscal  
27 biennium.

1 SECTION 2.14. Subchapter C, Chapter 48, Education Code, is  
2 amended by adding Sections 48.1021 and 48.1023 to read as follows:

3 Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT.

4 (a) For each six-week period in which a student in a special  
5 education program under Subchapter A, Chapter 29, receives eligible  
6 special education services, a school district is entitled to an  
7 allotment in an amount set by the legislature in the General  
8 Appropriations Act for the service group for which the student is  
9 eligible.

10 (a-1) Notwithstanding Subsection (a), for the 2024-2025 and  
11 2025-2026 school years, the amount of an allotment under this  
12 section shall be determined in accordance with Section 48.1023.  
13 This subsection expires September 1, 2026.

14 (b) The commissioner by rule shall establish four service  
15 groups for use in determining funding under this section. In  
16 establishing the groups, the commissioner must consider the level  
17 of services, equipment, and technology required to meet the needs  
18 of students receiving special education services.

19 (c) A school district is entitled to receive an allotment  
20 under this section for each service group for which a student is  
21 eligible.

22 (d) A school district is entitled to the full amount of an  
23 allotment under this section for a student receiving eligible  
24 special education services during any part of a six-week period.

25 (e) At least 55 percent of the funds allocated under this  
26 section must be used for a special education program under  
27 Subchapter A, Chapter 29.

1 (f) Not later than December 1 of each even-numbered year,  
2 the commissioner shall submit to the Legislative Budget Board, for  
3 purposes of the allotment under this section, proposed amounts of  
4 funding for the service groups for the next state fiscal biennium.

5 Sec. 48.1023. SPECIAL EDUCATION TRANSITION FUNDING. (a)  
6 For the 2024-2025 and 2025-2026 school years, the commissioner may  
7 adjust weights or amounts provided under Section 48.102 or 48.1021  
8 as necessary to ensure compliance with requirements regarding  
9 maintenance of state financial support under 20 U.S.C. Section  
10 1412(a)(18) and maintenance of local financial support under  
11 applicable federal law.

12 (b) For the 2024-2025 and 2025-2026 school years, the  
13 commissioner shall determine the formulas through which school  
14 districts receive funding under Sections 48.102 and 48.1021. In  
15 determining the formulas, the commissioner may combine the methods  
16 of funding under those sections with the method of funding provided  
17 by Section 48.102, as it existed on January 1, 2023.

18 (c) For the 2026-2027 school year, the commissioner may  
19 adjust the weights or amounts set by the legislature in the General  
20 Appropriations Act for purposes of Section 48.102 or 48.1021.  
21 Before making an adjustment under this subsection, the commissioner  
22 shall notify and must receive approval from the Legislative Budget  
23 Board.

24 (d) Notwithstanding any other provision of this section,  
25 the sum of funding provided under Sections 48.102 and 48.1021 for  
26 the 2024-2025 or for the 2025-2026 school year as adjusted under  
27 this section may not exceed the sum of:

1           (1) funding that would have been provided under  
2 Section 48.102, as it existed on January 1, 2023; and

3           (2) the amount set by the legislature in the General  
4 Appropriations Act.

5           (e) Each school district and open-enrollment charter school  
6 shall report to the agency information necessary to implement this  
7 section.

8           (f) The agency shall provide technical assistance to school  
9 districts and open-enrollment charter schools to ensure a  
10 successful transition in funding formulas for special education.

11           (g) This section expires September 1, 2028.

12           SECTION 2.15. Section 48.103(c), Education Code, is amended  
13 to read as follows:

14           (c) A school district may receive funding for a student  
15 under each provision of this section, [and] Section 48.102, and  
16 Section 48.1021 for which [if] the student qualifies [satisfies the  
17 requirements of both sections].

18           SECTION 2.16. Sections 48.104(a), (d), and (e), Education  
19 Code, are amended to read as follows:

20           (a) For each student who does not have a disability and  
21 resides in a residential placement facility in a district in which  
22 the student's parent or legal guardian does not reside, a district  
23 is entitled to an annual allotment equal to the basic allotment  
24 multiplied by 0.2 or, if the student is educationally  
25 disadvantaged, 0.2755 [0.275]. For each full-time equivalent  
26 student who is in a remedial and support program under Section  
27 29.081 because the student is pregnant, a district is entitled to an

1 annual allotment equal to the basic allotment multiplied by 2.41.

2 (d) The weights assigned to the five tiers of the index  
3 established under Subsection (c) are, from least to most severe  
4 economic disadvantage, 0.2255 [~~0.225~~], 0.238 [~~0.2375~~], 0.2505  
5 [~~0.25~~], 0.263 [~~0.2625~~], and 0.2755 [~~0.275~~].

6 (e) If insufficient data is available for any school year to  
7 evaluate the level of economic disadvantage in a census block  
8 group, a school district is entitled to an annual allotment equal to  
9 the basic allotment multiplied by 0.2255 [~~0.225~~] for each student  
10 who is educationally disadvantaged and resides in that census block  
11 group.

12 SECTION 2.17. Section 48.105(a), Education Code, is amended  
13 to read as follows:

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

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

20 (A) 0.1; or

21 (B) 0.15 if the student is in a bilingual  
22 education program using a dual language immersion/one-way or  
23 two-way program model; and

24 (2) for a student not described by Subdivision (1),  
25 0.05 if the student is in a bilingual education program using a dual  
26 language immersion/two-way program model.

27 SECTION 2.18. Sections 48.106(a) and (a-1), Education Code,

1 are amended to read as follows:

2 (a) For each [~~full-time equivalent~~] student in average  
3 enrollment [~~daily attendance~~] in an approved career and technology  
4 education program in grades 7 through 12, a district is entitled to  
5 an annual allotment equal to the basic allotment[~~7~~] or, if  
6 applicable, the sum of the basic allotment and the allotment under  
7 Section 48.101 to which the district is entitled, multiplied by:

8 (1) 0.1 [~~1.1~~] for a [~~full-time equivalent~~] student in  
9 career and technology education courses not in an approved program  
10 of study;

11 (2) 0.28 [~~1.28~~] for a [~~full-time equivalent~~] student  
12 in levels one and two career and technology education courses in an  
13 approved program of study, as identified by the agency; and

14 (3) 0.47 [~~1.47~~] for a [~~full-time equivalent~~] student  
15 in levels three and four career and technology education courses in  
16 an approved program of study, as identified by the agency.

17 (a-1) In addition to the amounts under Subsection (a), for  
18 each student in average enrollment [~~daily attendance~~], a district  
19 is entitled to \$50 for each of the following in which the student is  
20 enrolled:

21 (1) a campus designated as a P-TECH school under  
22 Section 29.556; or

23 (2) a campus that is a member of the New Tech Network  
24 and that focuses on project-based learning and work-based  
25 education.

26 SECTION 2.19. Section 48.107(a), Education Code, is amended  
27 to read as follows:

1           (a) Except as provided by Subsection (b), for each student  
2 in average enrollment [~~daily attendance~~] who is using a public  
3 education grant under Subchapter G, Chapter 29, to attend school in  
4 a district other than the district in which the student resides, the  
5 district in which the student attends school is entitled to an  
6 annual allotment equal to the basic allotment multiplied by a  
7 weight of 0.1.

8           SECTION 2.20. Section 48.108(a), Education Code, is amended  
9 to read as follows:

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

- 14                   (1) educationally disadvantaged; or  
15                   (2) an emergent bilingual student, as defined by  
16 Section 29.052, and is in a bilingual education or special language  
17 program under Subchapter B, Chapter 29.

18           SECTION 2.21. Section 48.109(c), Education Code, is amended  
19 to read as follows:

20           (c) Not more than five percent of a district's students in  
21 average enrollment [~~daily attendance~~] are eligible for funding  
22 under this section.

23           SECTION 2.22. Subchapter C, Chapter 48, Education Code, is  
24 amended by adding Section 48.119 to read as follows:

25           Sec. 48.119. BOOK SAFETY ALLOTMENT. (a) For each student  
26 in average enrollment, a school district is entitled to an annual  
27 allotment of \$3 or a greater amount provided by appropriation.

1        (b) Funds allocated under this section may be used only to  
2 ensure that school library books and related materials meet the  
3 standards adopted under Section 33.021.

4        (c) The agency shall adopt a list of approved vendors at  
5 which a school district may spend funds allocated under this  
6 section for the purpose described by Subsection (b).

7        SECTION 2.23. Section 48.153, Education Code, is amended to  
8 read as follows:

9        Sec. 48.153. DROPOUT RECOVERY SCHOOL AND RESIDENTIAL  
10 PLACEMENT FACILITY ALLOTMENT. A school district or open-enrollment  
11 charter school is entitled to \$275 for each student in average  
12 enrollment [~~daily attendance~~] who:

13            (1) resides in a residential placement facility; or

14            (2) is at a district or school or a campus of the  
15 district or school that is designated as a dropout recovery school  
16 under Section 39.0548.

17        SECTION 2.24. Section 48.257, Education Code, is amended by  
18 amending Subsection (a) and adding Subsection (b-1) to read as  
19 follows:

20        (a) Subject to Subsection (b) and except as provided by  
21 Subsection (b-1), if a school district's tier one local share under  
22 Section 48.256 exceeds the district's entitlement under Section  
23 48.266(a)(1) less the district's distribution from the state  
24 available school fund, the district must reduce the district's tier  
25 one revenue level in accordance with Chapter 49 to a level not to  
26 exceed the district's entitlement under Section 48.266(a)(1) less  
27 the district's distribution from the state available school fund.



1           (b-1) This subsection applies only to a school district to  
2 which Subsection (a) applies, that received an allotment under  
3 Section 48.277 for the 2023-2024 school year, and that adopted a  
4 maintenance and operations tax rate for the 2022-2023 school year  
5 equal to or greater than the sum of the district's maximum  
6 compressed tax rate, as determined under Section 48.2551, and five  
7 cents. Notwithstanding Subsection (a), if, after reducing the tier  
8 one revenue level of a school district to which this subsection  
9 applies as required under Subsection (a), the maintenance and  
10 operations revenue per student in average daily attendance of the  
11 district for a school year would be less than the maintenance and  
12 operations revenue per student in average daily attendance  
13 available to the district for the 2023-2024 school year, excluding  
14 any funding provided to the district under Sections 48.279 and  
15 48.281, the agency shall adjust the amount of the reduction  
16 required in the district's tier one revenue level under Subsection  
17 (a) up to the amount of local funds necessary to provide the  
18 district with the amount of maintenance and operations revenue per  
19 student in average daily attendance available to the district for  
20 the 2023-2024 school year.

21           SECTION 2.25.   Section 48.279(e), Education Code, is  
22 amended to read as follows:

23           (e) After the commissioner has replaced any withheld  
24 federal funds as provided by Subsection (d), the commissioner shall  
25 distribute the remaining amount, if any, of funds described by  
26 Subsection (a) to proportionately increase funding for the special  
27 education allotment under Section 48.102 and the special education

1 service group allotment under Section 48.1021.

2 SECTION 2.26. Section 48.106(b)(2), Education Code, is  
3 repealed.

4 SECTION 2.27. This article takes effect September 1, 2024.