

By: Watson

S.B. No. 244

A BILL TO BE ENTITLED

AN ACT

relating to the elimination of the cost of education adjustment under the Foundation School Program.

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

SECTION 1. Section 7.062(c), Education Code, is amended to read as follows:

(c) Except as otherwise provided by this subsection, if the commissioner certifies that the amount appropriated for a state fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds the amount to which school districts are entitled under those subchapters for that year, the commissioner shall use the excess funds, in an amount not to exceed \$20 million in any state fiscal year, for the purpose of making grants under this section. The use of excess funds under this subsection has priority over any provision of Chapter 42 that permits or directs the use of excess foundation school program funds, including Sections [~~42.2517,~~ 42.2521, 42.2522, and 42.2531]. The commissioner is required to use excess funds as provided by this subsection only if the commissioner is not required to reduce the total amount of state funds allocated to school districts under Section 42.253(h).

SECTION 2. Section 12.106(a-1), Education Code, is amended to read as follows:

(a-1) In determining funding for an open-enrollment charter school under Subsection (a), adjustments under Sections [~~42.102,~~

1 42.103[~~42.104~~] and 42.105 are based on the average adjustment
2 for the state.

3 SECTION 3. Section 29.014(d), Education Code, is amended to
4 read as follows:

5 (d) The basic allotment for a student enrolled in a district
6 to which this section applies is adjusted by[+]

7 [~~(1) the cost of education adjustment under Section~~
8 ~~42.102 for the school district in which the district is~~
9 ~~geographically located; and~~

10 [(2)] the weight for a homebound student under Section
11 42.151(a).

12 SECTION 4. Section 41.034(a), Education Code, is amended to
13 read as follows:

14 (a) For the first and second school years after creation of
15 a consolidated district under this subchapter, the commissioner
16 shall adjust allotments to the consolidated district to the extent
17 necessary to preserve the effects of an adjustment under Section
18 [~~42.102~~] 42.103[~~7~~] or 42.105 to which either of the consolidating
19 districts would have been entitled but for the consolidation.

20 SECTION 5. Section 42.007(c), Education Code, is amended to
21 read as follows:

22 (c) The funding elements must include:

23 (1) a basic allotment for the purposes of Section
24 42.101 that, when combined with the guaranteed yield component
25 provided by Subchapter F, represents the cost per student of a
26 regular education program that meets all mandates of law and
27 regulation;

(2) ~~[adjustments designed to reflect the variation in known resource costs and costs of education beyond the control of school districts,~~

~~[(3)]~~ appropriate program cost differentials and other funding elements for the programs authorized under Subchapter C, with the program funding level expressed as dollar amounts and as weights applied to the basic allotment or adjusted ~~[basic]~~ allotment, as applicable, for the appropriate year;

(3) ~~[(4)]~~ the maximum guaranteed level of qualified state and local funds per student for the purposes of Subchapter F;

(4) ~~[(5)]~~ the enrichment ~~[and facilities]~~ tax rate under Subchapter F;

(5) ~~[(6)]~~ the computation of students in weighted average daily attendance under Section 42.302; and

(6) ~~[(7)]~~ the amount to be appropriated for the school facilities assistance program under Chapter 46.

SECTION 6. Section 42.103, Education Code, is amended to read as follows:

Sec. 42.103. SMALL AND MID-SIZED DISTRICT ADJUSTMENT. (a) The basic allotment for certain small and mid-sized districts is adjusted in accordance with this section. In this section:

(1) "AA" is the district's adjusted allotment per student;

(2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 42.101; and

(3) "BA ~~[ABA]~~" is the ~~[adjusted]~~ basic allotment

determined under Section [42.101](#) [~~42.102~~].

(b) The basic allotment of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

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

(c) The basic allotment of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .00025)) \times \underline{BA} [\del{ABA}]$$

(d) The basic allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1) the formula in Subsection (b) or (c) for which the district is eligible; or

$$(2) AA = (1 + ((5,000 - ADA) \times .000025)) \times \underline{BA} [\del{ABA}].$$

SECTION 7. Section [42.105](#), Education Code, as effective September 1, 2015, is amended to read as follows:

Sec. 42.105. SPARSITY ADJUSTMENT. Notwithstanding Sections [42.101](#) [~~42.102~~] and [42.103](#), a school district that has fewer than 130 students in average daily attendance shall be provided funding [~~an adjusted basic allotment~~] on the basis of 130 students in average daily attendance if it offers a kindergarten through grade 12 program and has preceding or current year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a

1 kindergarten through grade 8 program whose preceding or current
2 year's average daily attendance was at least 50 students or which is
3 30 miles or more by bus route from the nearest high school district
4 shall be provided funding [~~an adjusted basic allotment~~] on the
5 basis of 75 students in average daily attendance. An average daily
6 attendance of 60 students shall be the basis of providing funding
7 [~~the adjusted basic allotment~~] if a district offers a kindergarten
8 through grade 6 program and has preceding or current year's average
9 daily attendance of at least 40 students or is 30 miles or more by
10 bus route from the nearest high school district.

11 SECTION 8. Sections 42.151(a) and (k), Education Code, are
12 amended to read as follows:

13 (a) For each student in average daily attendance in a
14 special education program under Subchapter A, Chapter 29, in a
15 mainstream instructional arrangement, a school district is
16 entitled to an annual allotment equal to the basic allotment or
17 adjusted [~~basic~~] allotment, as applicable, multiplied by 1.1. For
18 each full-time equivalent student in average daily attendance in a
19 special education program under Subchapter A, Chapter 29, in an
20 instructional arrangement other than a mainstream instructional
21 arrangement, a district is entitled to an annual allotment equal to
22 the basic allotment or adjusted [~~basic~~] allotment, as applicable,
23 multiplied by a weight determined according to instructional
24 arrangement as follows:

25	Homebound	5.0
26	Hospital class	3.0
27	Speech therapy	5.0

1	Resource room	3.0
2	Self-contained, mild and moderate,	
3	regular campus.	3.0
4	Self-contained, severe, regular campus.	3.0
5	Off home campus	2.7
6	Nonpublic day school	1.7
7	Vocational adjustment class	2.3

8 (k) A school district that provides an extended year program
9 required by federal law for special education students who may
10 regress is entitled to receive funds in an amount equal to 75
11 percent, or a lesser percentage determined by the commissioner, of
12 the ~~[adjusted]~~ basic allotment or adjusted allotment, as
13 applicable, for each full-time equivalent student in average daily
14 attendance, multiplied by the amount designated for the student's
15 instructional arrangement under this section, for each day the
16 program is provided divided by the number of days in the minimum
17 school year. The total amount of state funding for extended year
18 services under this section may not exceed \$10 million per year. A
19 school district may use funds received under this section only in
20 providing an extended year program.

21 SECTION 9. Section 42.152(a), Education Code, is amended to
22 read as follows:

23 (a) For each student who is educationally disadvantaged or
24 who is a student who does not have a disability and resides in a
25 residential placement facility in a district in which the student's
26 parent or legal guardian does not reside, a district is entitled to
27 an annual allotment equal to the basic allotment or adjusted

1 ~~[basic]~~ allotment, as applicable, multiplied by 0.2, and by 2.41
2 for each full-time equivalent student who is in a remedial and
3 support program under Section 29.081 because the student is
4 pregnant.

5 SECTION 10. Section 42.153(a), Education Code, is amended
6 to read as follows:

7 (a) For each student in average daily attendance in a
8 bilingual education or special language program under Subchapter B,
9 Chapter 29, a district is entitled to an annual allotment equal to
10 the basic allotment or adjusted ~~[basic]~~ allotment, as applicable,
11 multiplied by 0.1.

12 SECTION 11. Section 42.154(a), Education Code, is amended
13 to read as follows:

14 (a) For each full-time equivalent student in average daily
15 attendance in an approved career and technology education program
16 in grades nine through 12 or in career and technology education
17 programs for students with disabilities in grades seven through 12,
18 a district is entitled to:

19 (1) an annual allotment equal to the basic allotment
20 or adjusted ~~[basic]~~ allotment, as applicable, multiplied by a
21 weight of 1.35; and

22 (2) \$50, if the student is enrolled in:

23 (A) two or more advanced career and technology
24 education classes for a total of three or more credits; or

25 (B) an advanced course as part of a tech-prep
26 program under Subchapter T, Chapter 61.

27 SECTION 12. Section 42.156(a), Education Code, is amended

1 to read as follows:

2 (a) For each identified student a school district serves in
3 a program for gifted and talented students that the district
4 certifies to the commissioner as complying with Subchapter D,
5 Chapter 29, a district is entitled to an annual allotment equal to
6 the district's basic allotment or adjusted [~~basic~~] allotment as
7 determined under Section 42.101 [~~42.102~~] or Section 42.103, as
8 applicable, multiplied by .12 for each school year or a greater
9 amount provided by appropriation.

10 SECTION 13. Section 42.157(a), Education Code, is amended
11 to read as follows:

12 (a) Except as provided by Subsection (b), for each student
13 in average daily attendance who is using a public education grant
14 under Subchapter G, Chapter 29, to attend school in a district other
15 than the district in which the student resides, the district in
16 which the student attends school is entitled to an annual allotment
17 equal to the basic allotment or adjusted [~~basic~~] allotment, as
18 applicable, multiplied by a weight of 0.1.

19 SECTION 14. Section 42.261(a), Education Code, is amended
20 to read as follows:

21 (a) Funds appropriated by the legislature for a tax year for
22 the purpose of reducing a school district's maintenance and
23 operations tax rate and providing state aid under Section 42.2516:

24 (1) [~~are not excess funds for purposes of Section~~
25 42.2517,

26 [~~(2)~~] are not available for purposes of Section
27 42.2521 or 42.2522;

(2) [~~(3)~~] may not be used for purposes of Chapter 46;
and

(3) [~~(4)~~] may not be provided by the commissioner to a
school district for a purpose other than reduction of the
district's maintenance and operations tax rate.

SECTION 15. Section 42.302(a), Education Code, is amended
to read as follows:

(a) Each school district is guaranteed a specified amount
per weighted student in state and local funds for each cent of tax
effort over that required for the district's local fund assignment
up to the maximum level specified in this subchapter. The amount
of state support, subject only to the maximum amount under Section
42.303, is determined by the formula:

$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

where:

"GYA" is the guaranteed yield amount of state funds to be
allocated to the district;

"GL" is the dollar amount guaranteed level of state and local
funds per weighted student per cent of tax effort, which is an
amount described by Subsection (a-1) or a greater amount for any
year provided by appropriation;

"WADA" is the number of students in weighted average daily
attendance, which is calculated by dividing the sum of the school
district's allotments under Subchapters B and C, less any allotment
to the district for transportation and ~~any allotment under~~
Section 42.158 or 42.160, ~~[and 50 percent of the adjustment under~~
~~Section 42.102,~~] by the basic allotment for the applicable year;

1 "DTR" is the district enrichment tax rate of the school
2 district, which is determined by subtracting the amounts specified
3 by Subsection (b) from the total amount of maintenance and
4 operations taxes collected by the school district for the
5 applicable school year and dividing the difference by the quotient
6 of the district's taxable value of property as determined under
7 Subchapter M, Chapter 403, Government Code, or, if applicable,
8 under Section 42.2521, divided by 100; and

9 "LR" is the local revenue, which is determined by multiplying
10 "DTR" by the quotient of the district's taxable value of property as
11 determined under Subchapter M, Chapter 403, Government Code, or, if
12 applicable, under Section 42.2521, divided by 100.

13 SECTION 16. Section 322.008(b), Government Code, is amended
14 to read as follows:

15 (b) The general appropriations bill may include for
16 purposes of information the funding elements computed by the
17 Legislative Budget Board under Section 42.007, Education Code[
18 ~~excluding the values for each school district calculated under~~
19 ~~Section 42.007(c)(2), Education Code]~~. If the funding elements are
20 included, the funding elements under Section 42.007(c)(2)
21 [~~42.007(c)(3)~~], Education Code, shall be reported in dollar amounts
22 per pupil.

23 SECTION 17. Section 825.405(b), Government Code, is amended
24 to read as follows:

25 (b) For purposes of this section:

26 (1) the statutory minimum salary for certain school
27 personnel under Section 21.402, Education Code, is the salary

1 provided by that section multiplied by the cost of education index
2 adjustment adopted by the foundation school fund budget committee
3 and contained in Chapter 203, Title 19, Texas Administrative Code,
4 as that chapter existed on March 26, 1997, applicable [~~under~~
5 ~~Section 42.102, Education Code,~~] to the district in which the
6 member is employed; and

7 (2) the statutory minimum salary for members who would
8 have been entitled to the minimum salary for certain school
9 personnel under former Section 16.056, Education Code, as that
10 section existed on January 1, 1995, is a minimum salary computed in
11 the same manner as the minimum salary for certain school personnel
12 under Section 21.402, Education Code, multiplied by the cost of
13 education index adjustment adopted by the foundation school fund
14 budget committee and contained in Chapter 203, Title 19, Texas
15 Administrative Code, as that chapter existed on March 26, 1997,
16 applicable [~~under Section 42.102, Education Code,~~] to the district
17 in which the member is employed.

18 SECTION 18. The following sections of the Education Code
19 are repealed:

- 20 (1) Section 42.102;
21 (2) Section 42.104; and
22 (3) Section 42.2517.

23 SECTION 19. This Act takes effect September 1, 2015.