

BILL ANALYSIS

Senate Research Center
88R31858 MM/KJE-F

C.S.H.B. 100
By: King, Ken et al. (Creighton)
Education
5/22/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 100 delivers critical funding for Texas education. The substitute provides pay raises for Texas educators, establishes the Texas Teacher Residency Program, and makes sweeping investments to the Teacher Incentive Allotment.

The bill infuses \$3.8 billion in new funds to public schools through the foundation school program, including \$300 million annually into special education to better meet the needs of districts and students.

Lastly, C.S.H.B. 100 delivers educational freedom for Texas families by providing Educational Savings Accounts (ESA) for Texas students up to \$8,000 per student. This addition adds provisions and safeguards from the engrossed version of S.B. 8, and is funded with \$500 million of general revenue-related funds into new school choice programming.

Bill Summary

Teacher Resources:

- Teacher compensation increases (Similar to H.B. 100 as engrossed by House): 50 percent of a district's new funds that are not tied to safety or special education evaluations must go to funding pay raises
- Minimum Salary Schedule Overhaul (Similar to H.B. 100 as engrossed by House):
 - Places emphasis on teacher qualifications
 - Larger pay increase for veteran teachers, on average over \$10,000 per year per teacher

Teacher Incentive Allotment Supports (Similar to S.B. 9 language):

- Grant program to help districts stand up designation systems
- An additional category of teachers is added so that another 75,000 teachers will be eligible
- Additional pay increases for each designation level
- Discipline Supports: Allows teachers greater supports when they remove students from the classroom
- Other S.B. 9-Related Teacher Supports:
 - Contract abandonment flexibility for teachers with uncontrollable factors
 - Pre-paid liability insurance for teachers
 - Supplemental duty calendar disclosure before the start of the school year
 - Digital micro-credential certification offered
 - Windfall elimination provision resolution included to promulgate the United States Congress to act
 - State Board for Educator Certification authority made final
 - Retire-rehire grants help districts fill in the gaps in the teaching force with retired teachers who can come back and teach and tutor
 - Special education and bilingual certification waivers — waiver of certification fees for aspiring special education and bilingual teachers
 - Teacher residency program: \$100 million per year

- Mentor program allotment —\$30 million in stipends for new teacher mentees and their mentors
- Free pre-kindergarten for teachers' children
- Texas Education Agency (TEA) Teacher Supports:
 - TEA collects teacher vacancy data
 - Technical assistance grants for districts to help with staffing strategies
 - Teacher time study conducted by TEA to help refine the teaching role and prioritize instruction in teacher work day

Special Education Resources (Nearly Identical to S.B. 1474 language):

- Transition to intensity of services model
- Initial evaluation allotment of \$500 per evaluation
- Special education service grants of \$1,500 per public school student are made permanent
- Special education service group allotment: four service groups will warrant additional funding under this allotment
- Day placement funding: funding for supportive learning environments for students with more profound special needs
- School boards must review special education outcomes annually
- Autism and dyslexia grants are now permanent
- Grant to recruit and develop special education staff
- Increase in transportation per mile funding for special education students
- CCMR outcomes bonuses for special education students doubled from \$2,000 to \$4,000 per student

Increases or Changes in Funding:

- \$50 increase to the basic allotment
- Increases to the small and mid-sized allotments by an average of 35 percent
- New advanced CTE and academics allotment (Similar to H.B. 100 as engrossed by House language)
- Additional compensatory education funding (Increased from H.B. 100 as engrossed by the House language) — about \$110 million increase per year
- Early education allotment expansion
- Resource campus language tweaks to make sure the most at-risk schools can access these resources

Other Supports:

- Additional days school year funding flexibility: schools must be in session for 175 days in order to qualify (current law requires 180 days)
- School calendar structure: unless already providing an alternate calendar, schools must operate 5-day school weeks (Similar to S.B. 2368 language)

Public School Choice Resources:

- Free transfer across district boundaries (Similar to S.B. 8 language): subject to district capacity, students may enroll in other districts
- Charter facilities funding: provides modest facility funding for charter schools to help them keep up with hardening of schools and general on-going maintenance so that students have the ability to choose high-quality charter offerings

Resources for Students that Choose to Attend Private Schools: Education Savings Account (same provisions as the Senate's S.B. 8 as engrossed):

- \$8,000 per eligible student
- Student Eligibility:
 - A child is eligible to participate in the program and may, subject to available funding/requirements, initially enroll in the program for the school year following their application submission if:
 - The child is eligible to attend a public school or Pre-K program and the child either:

- attended a public school in Texas for at least 90 percent of the school year preceding their application to the program; or
 - is enrolling in pre-kindergarten or kindergarten for the first time, including a child who was homeschooled before enrollment.
 - A child is also eligible to participate in the program if:
 - they are eligible to attend public school;
 - they attended private school full-time for the preceding school year;
 - they are a member of a household with a total annual income at or below 200 percent of the federal poverty line;
 - participation in the program by students that attended private school previously is capped at 10 percent.
 - If funding is insufficient to cover all applicants, up to two-thirds of the available positions within the program are given to students that are eligible to attend schools that are rated C, D or F.
- Eligible Expenses include:
 - Tuition and fees for private school;
 - Textbooks, instructional materials, uniforms that are required for enrollment, including purchases made through a third-party vendor of educational products;
 - Academic assessment costs
 - Fees for private tutors or teaching services
 - Fees for transportation provided by a fee-for-service transportation provider for a child to travel to and from an approved education service provider or vendor
 - Fees for educational therapies or services provided by a practitioner or provider, only for fees that are not covered by any federal, state, or local government benefits such as Medicaid or the Children's Health Insurance Program (CHIP) or by any private insurance that the child is enrolled in at the time of receiving the therapies or services
 - Funding source: general revenue-related funds, does not take away from Foundation School Program dollars allocated for public schools
 - Comptroller oversight: safeguards put in place to make sure the money is used responsibly and not fraudulently

C.S.H.B. 100 amends current law relating to public education and public school finance, including the rights, certification, and compensation of public school educators, contributions by a public school to the Teacher Retirement System of Texas, and an education savings account program for certain children.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 1.14 (Section 21.402, Education Code), SECTION 1.16 (Sections 21.403, Education Code), SECTION 2.06 (Sections 29.022, Education Code), SECTION 2.10 (Section 48.102, Education Code), and SECTION 4.21 (Section 29.049, Education Code) of this bill.

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1.22 (Section 21.908, Education Code), SECTION 1.36 (Section 48.0055, Education Code), SECTION 1.47 (Section 48.160, Education Code), SECTION 2.10 (Section 48.102, Education Code), SECTION 2.11 (Section 48.1021, Education Code), and SECTION 4.11 (Section 29.029, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is rescinded in SECTION 2.10 (Section 48.102, Education Code), SECTION 4.22 (Section 29.315, Education Code), SECTION 4.25 (Section 30.005, Education Code), and SECTION 4.27 (Section 48.265, Education Code) of this bill.

Rulemaking authority previously granted to the State Board for Educator Certification is modified in SECTION 1.07 (Section 21.054, Education Code) of this bill.

Rulemaking authority is expressly granted to the State Board for Educator Certification in SECTION 1.22 (Sections 21.903, 21.905, and 21.908, Education Code) of this bill.

Rulemaking authority is expressly granted to the Comptroller of Public Accounts of the State of Texas in SECTION 3.02 (Sections 29.372, 29.358, and 29.362, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Education Agency in SECTION 4.02 (Section 29.0012, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Education Agency is modified in SECTION 4.14 (Section 29.042, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Education Agency is rescinded in SECTION 4.01 (Section 29.001, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. CHANGES GENERALLY APPLICABLE TO PUBLIC SCHOOLS EFFECTIVE FOR 2023–2024 SCHOOL YEAR

SECTION 1.01. Reenacts Section 12.104(b), Education Code, as amended by Chapters 542 (S.B. 168), 887 (S.B. 1697), 915 (H.B. 3607), 974 (S.B. 2081), and 1046 (S.B. 1365), Acts of the 87th Legislature, Regular Session, 2021, and amends it, as follows:

(b) Provides that an open-enrollment charter school is subject to:

(1)-(2) makes no changes to these subdivisions; and

(3) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A)-(W) makes no changes to these paragraphs;

(X)-(Y) makes nonsubstantive changes to these paragraphs; and

(Z) establishing a local school health advisory council in which members are appointed by the governing body of the school and health education instruction complies with Section 28.004 (Local School Health Advisory Council and Health Education Instruction).

SECTION 1.02. Amends Section 12.106(a-2) and (d), Education Code, as follows:

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

(1) makes no changes to this subdivision; and

(2) \$600, rather than \$125.

(d) Provides that a charter hold, in addition to other amounts provided by Section 12.106 (State Funding), subject to Subsection (e) (relating to providing that a charter holder is entitled to receive funding only if the most recent overall performance rating assigned to the open-enrollment charter school reflects at least acceptable performance), is entitled to receive, for the open-enrollment charter school, an annual allotment under Section 48.051 per student in average daily attendance multiplied by 0.04.

Deletes existing text providing that a charter holder, in addition to other amounts provided by this section, subject to Subsection (e), is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount

equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) (relating to providing that each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on eligible bonds) multiplied by the lesser of the state average interest and sinking fund tax rate imposed by school districts for the current year or a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million.

SECTION 1.03. Amends Section 13.054, Education Code, by amending Subsection (f) and adding Subsections (i-1), (i-2), (i-3), (i-4), and (i-5), as follows:

(f) Requires the commissioner of education (commissioner) to provide the funding under this subsection from funds appropriated for purposes of the Foundation School Program. Provides that a determination by the commissioner under this subsection is final and is prohibited from being appealed.

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

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

(1) determine the difference between:

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

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

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

(A) a lump sum; or

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

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

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

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

SECTION 1.04. Amends Section 19.009(d-2), Education Code, to make nonsubstantive changes.

SECTION 1.05. Amends Subchapter A, Chapter 21, Education Code, by adding Section 21.010, as follows:

Sec. 21.010. TEACHER POSITION DATA COLLECTION. Requires the Texas Education Agency (TEA) to collect data from school districts and open-enrollment

charter schools for the recruitment and retention of classroom teachers, including the classification, grade level, subject area, duration, and other relevant information regarding vacant teaching positions in a district or school. Authorizes the data to be collected using the Public Education Information Management System (PEIMS) or another reporting mechanism specified by TEA.

SECTION 1.06. Amends Subchapter B, Chapter 21, Education Code, by adding Section 21.0411, as follows:

Sec. 21.0411. WAIVER OR PAYMENT OF CERTAIN EXAMINATION AND CERTIFICATION FEES. (a) Requires the State Board for Educator Certification (SBEC), notwithstanding a rule adopted under Section 21.041(c) (relating to requiring SBEC to propose a rule adopting a fee for the issuance and maintenance of an educator certificate that, when combined with any fees imposed, is adequate to cover the cost of administration), for a person applying for a certification in special education, bilingual education, or another area specified by the General Appropriations Act, to waive:

(1) a certification examination fee imposed by SBEC for the first administration of the examination to the person; and

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

(b) Requires SBEC to pay to a vendor that administers a certification examination described by Subsection (a) a fee assessed by that vendor for the examination of a person applying for a certification described by Subsection (a) for the first administration of the examination to the person.

SECTION 1.07. Amends Section 21.054, Education Code, by amending Subsections (a) and (i) and adding Subsection (i-1), as follows:

(a) Requires SBEC to propose rules establishing a process for identifying continuing education courses and programs that fulfill educators' continuing education requirements, including opportunities for educators to receive micro-credentials, as provided by Subsection (i), in:

(1) creates this subdivision from existing text; or

(2) digital teaching.

Makes a nonsubstantive change to this subsection.

(i) Requires SBEC to propose rules establishing a program to issue micro-credentials in fields of study related to an educator's certification class or in digital teaching.

(i-1) Requires SBEC, in proposing rules under Subsection (i) for micro-credentials related to digital teaching, to engage relevant stakeholders.

SECTION 1.08. Amends Section 21.105, Education Code, by amending Subsection (c) and adding Subsection (g), as follows:

(c) Authorizes SBEC, subject to certain subsections, including Subsection (g), on written complaint by the employing district, to impose sanctions against a teacher employed under a probationary contract who meets certain criteria.

(g) Prohibits SBEC from imposing a sanction under Subsection (c) against a teacher who relinquishes a position under a probationary contract and leaves the employment of the district after the 45th day before the first day of instruction for the upcoming school year in violation of Subsection (a) (relating to authorizing a teacher employed under a probationary contract for the following school year to relinquish the position and leave the employment of the district at the end of a school year without penalty by taking

certain actions) and without the consent of the board of trustees under Subsection (b) (relating to authorizing a teacher employed under a probationary contract to resign, with the consent of the board of trustees or the board's designee, at any other time) if the teacher's failure to comply with Subsection (a) was due to:

(1) a serious illness or health condition of the teacher or a close family member of the teacher;

(2) the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;

(3) a significant change in the needs of the teacher's family in a manner that requires the teacher to:

(A) relocate; or

(B) forgo employment during a period of required employment under the teacher's contract; or

(4) the teacher's reasonable belief that the teacher had written permission from the school district's administration to resign.

SECTION 1.09. Amends Section 21.160, Education Code, by amending Subsection (c) and adding Subsection (g), as follows:

(c) Authorizes SBEC, subject to certain subsections, including Subsection (g), on written complaint by the employing district, to impose sanctions against a teacher who is employed under a continuing contract that obligates the district to employ the person for the following school year and who meets certain criteria.

(g) Prohibits SBEC from imposing a sanction under Subsection (c) against a teacher who relinquishes a position under a continuing contract and leaves the employment of the district after the 45th day before the first day of instruction of the upcoming school year in violation of Subsection (a) (relating to authorizing a teacher employed under a continuing contract to relinquish the position and leave the employment of the district at the end of a school year without penalty by taking certain actions) and without the consent of the board of trustees under Subsection (b) (relating to authorizing a teacher employed under a continuing contract to resign, with the consent of the board of trustees or the board's designee, at any other time) if the teacher's failure to comply with Subsection (a) was due to:

(1) a serious illness or health condition of the teacher or a close family member of the teacher;

(2) the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;

(3) a significant change in the needs of the teacher's family in a manner that requires the teacher to:

(A) relocate; or

(B) forgo employment during a period of required employment under the teacher's contract; or

(4) the teacher's reasonable belief that the teacher had written permission from the school district's administration to resign.

SECTION 1.10. Amends Section 21.210, Education Code, by amending Subsection (c) and adding Subsection (g), as follows:

(c) Authorizes SBEC, subject to certain subsections, including Subsection (g), on written complaint by the employing district, to impose sanctions against a teacher who is employed under a term contract that obligates the district to employ the person for the following school year and who meets certain criteria.

(g) Prohibits SBEC from imposing a sanction under Subsection (c) against a teacher who relinquishes a position under a term contract and leaves the employment of the district after the 45th day before the first day of instruction of the upcoming school year in violation of Subsection (a) (relating to authorizing a teacher employed under a term contract with a school district to relinquish the teaching position and leave the employment of the district at the end of a school year without penalty by taking certain actions) and without the consent of the board of trustees under Subsection (b) (relating to authorizing a teacher employed under a term contract to resign, with the consent of the board of trustees or the board's designee, at any other time) if the teacher's failure to comply with Subsection (a) was due to:

(1) a serious illness or health condition of the teacher or a close family member of the teacher;

(2) the teacher's relocation because the teacher's spouse or a partner who resides with the teacher changes employers;

(3) a significant change in the needs of the teacher's family in a manner that requires the teacher to:

(A) relocate; or

(B) forgo employment during a period of required employment under the teacher's contract; or

(4) the teacher's reasonable belief that the teacher had written permission from the school district's administration to resign.

SECTION 1.11. Amends Section 21.257, Education Code, by amending Subsection (a) and adding Subsection (f), as follows:

(a) Creates an exception under Subsection (f).

(f) Authorizes the hearing examiner to dismiss a hearing before completing the hearing or making a written recommendation if:

(1) the teacher requests the dismissal;

(2) the school district withdraws the proposed decision that is the basis of the hearing; or

(3) the teacher and school district request the dismissal after reaching a settlement regarding the proposed decision that is the basis of the hearing.

SECTION 1.12. Amends Sections 21.3521(a), (c), and (e), Education Code, as follows:

(a) Authorizes a school district or open-enrollment charter school, subject to Subsection (b) (relating to requiring the commissioner to establish performance and validity standards for each local optional teacher designation system), to designate a classroom teacher as a master, exemplary, recognized, or acknowledged teacher for a five-year period based on the results from single year or multiyear appraisals that comply with Section 21.351 (Recommended Appraisal Process and Performance Criteria) or 21.352 (Local Role).

(c) Authorizes a classroom teacher that holds a National Board Certification issued by the National Board for Professional Teaching Standards, notwithstanding performance standards established under Subsection (b), to be designated as nationally board certified, rather than be designated as recognized.

(e) Requires TEA to develop and provide technical assistance for school districts and open-enrollment charter schools that request assistance in implementing a local optional teacher designation system, including:

- (1) providing assistance in prioritizing high needs campuses;
- (2) providing examples or models of local optional teacher designation systems to reduce the time required for a district or school to implement a teacher designation system;
- (3) establishing partnerships between districts and schools that request assistance and districts and schools that have implemented a teacher designation system;
- (4) applying the performance and validity standards established by the commissioner under Subsection (b);
- (5) providing centralized support for the analysis of the results of assessment instruments administered to district students; and
- (6) facilitating effective communication on and promotion of local optional teacher designation systems.

SECTION 1.13. Amends Subchapter H, Chapter 21, Education Code, by adding Section 21.3522, as follows:

Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM GRANT PROGRAM. (a) Requires TEA, from funds appropriated or otherwise available for the purpose, to establish and administer a grant program to provide money and technical assistance to:

- (1) expand implementation of local optional teacher designation systems under Section 21.3521 (Local Optional Teacher Designation System); and
- (2) increase the number of classroom teachers eligible for a designation under that section.

(b) Requires that a grant awarded under this section:

- (1) meet the needs of individual school districts; and
- (2) enable regional leadership capacity.

(c) Authorizes the commissioner to adopt rules to establish and administer the grant program under this section

SECTION 1.14. Amends Section 21.402, Education Code, by amending Subsections (a) and (g) and adding Subsections (a-1), (c-2), (i), (j), and (k), as follows:

(a) Requires a school district to pay each employee who is employed as a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B (Certification of Educators), or full-time school nurse not less than the highest annual minimum salary described by the following schedule applicable to the employee's certification, if any, and years of experience:

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

- (A) holds no certification.....\$35,000;
- (B) holds a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B.....\$37,000;
- (C) holds the base certificate required under Section 21.003(a) (relating to prohibiting a person from being employed as certain types of educators unless the persons hold an appropriate certificate or permit) for employment in the employee's position other than a certificate described by Paragraph (B)..... \$40,000;
- (D) holds a designation under Section 21.3521.....\$43,000; or
- (E) holds a residency educator certificate or has successfully completed a residency partnership program.....\$43,000;

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

- (A) no certification.....\$45,000;
- (B) a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B.....\$47,000;
- (C) the base certificate required under Section 21.003(a) for employment in the employee's position other than a certificate described by Paragraph (B).....\$50,000; or
- (D) a designation under Section 21.3521.....\$53,000; or

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

- (A) no certification\$55,000;
- (B) a teacher intern, teacher trainee, or probationary certificate issued under Subchapter B.....\$57,000;
- (C) the base certificate required under Section 21.003(a) for employment in the employee's position.....\$60,000; or
- (D) a designation under Section 21.3521.....\$63,000.

Deletes existing text of formula used to decide salaries.

- (a-1) Provides that for purposes of Subsection (a) (relating to requiring a school district to pay certain staff members certain minimum monthly salaries), a full-time school nurse is considered to hold the base certificate required under Section 21.003(a) for employment as a school nurse, regardless of the other certifications held by the nurse.
- (c-2) Provides that a school district is not required to pay an employee who is employed as a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse the minimum salary required under Subsection (a) for the school year following a school year during which the district reviews the employee's performance and finds the employee's performance unsatisfactory.

(g) Deletes existing text authorizing the commissioner to adopt rules that specify the credentials a person is required to hold to be considered a speech pathologist under Section 21.402 (Minimum Salary Schedule for Certain Professional Staff).

(i) Provides that a school district that increases employee compensation in the 2023–2024 school year to comply with Subsection (a), as amended by H.B. 100, Acts of the 88th Legislature, Regular Session, 2023, is providing compensation for services rendered independently of an existing employment contract applicable to that year and is not in violation of Section 53 (Payment of Extra Compensation or Unauthorized Claims Prohibited), Article III (Legislative Department), Texas Constitution. Provides that a school district that does not meet the requirements of Subsection (a) in the 2023–2024 school year is authorized to satisfy the requirements of this section by providing an employee a one-time bonus payment during the 2024–2025 school year in an amount equal to the difference between the compensation earned by the employee during the 2023–2024 school year and the compensation the employee should have received during that school year if the district had complied with Subsection (a).

(j) Provides that, notwithstanding the minimum salary schedule under Subsection (a), a school district that increases the amount a classroom teacher, full-time librarian, full-time school counselor certified under Subchapter B, or full-time school nurse is compensated during the 2023–2024 school year by at least \$8,000 more than the amount the employee was compensated during the 2022–2023 school year complies with the requirements of this section for the 2023–2024 school year.

(k) Provides that Subsections (i) and (j) and this subsection expire September 1, 2025.

SECTION 1.15. Amends the heading to Section 21.403, Education Code, to read as follows:

Sec. 21.403. DETERMINATION OF YEARS OF EXPERIENCE.

SECTION 1.16. Amends Sections 21.403(b) and (c), Education Code, as follows:

(b) Provides that for each year of work experience required for certification in a career or technological field, up to a maximum of two years, a certified career or technology education teacher is entitled to credit, rather than salary step credit, as if the work experience were teaching experience.

(c) Requires the commissioner to adopt rules for determining the experience for which a teacher, librarian, school counselor, or nurse is to be given credit for purposes of the minimum salary schedule under Section 21.402(a), rather than be given credit in placing the teacher, librarian, school counselor, or nurse on the minimum salary schedule.

SECTION 1.17. Amends Subchapter I, Chapter 21, Education Code, by adding Sections 21.416 and 21.417, as follows:

Sec. 21.416. EMPLOYED RETIREE TEACHER REIMBURSEMENT GRANT PROGRAM. (a) Requires the commissioner, from funds appropriated or otherwise available, to establish and administer a grant program to award funds to reimburse a school district, an open-enrollment charter school, the Windham School District, the Texas School for the Deaf (TSD), or the Texas School for the Blind and Visually Impaired (TSBVI) that hires a teacher, including an educator who provides services related to special education, who retired before September 1, 2022, for the increased contributions to the Teacher Retirement System of Texas (TRS) associated with hiring the retired teacher.

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

(1) providing, notwithstanding Subsection (a), a date or date range other than September 1, 2022, before which a teacher is required to have retired for a school district, an open-enrollment charter school, the Windham School District, TSD, or TSBVI that hires the teacher to be eligible; or

(2) limiting eligibility to a school district or open-enrollment charter school that hires a retired teacher:

(A) who holds a certain certification;

(B) to teach a certain subject or grade;

(C) in a certain geographical area; or

(D) to provide instruction to certain students, including to students with disabilities.

(c) Requires the commissioner to proportionally reduce the amount of funds awarded to school districts, open-enrollment charter schools, the Windham School District, TSD, and TSBVI under this section if the number of grant applications by eligible districts or schools exceeds the number of grants the commissioner could award with the money appropriated or otherwise available for the purpose.

(d) Authorizes a school district, an open-enrollment charter school, the Windham School District, TSD, or TSBVI to use funds received under this section to make required payments under Section 825.4092 (Employer Contribution for Employed Retirees), Government Code.

Sec. 21.417. RESOURCES, INCLUDING LIABILITY INSURANCE, FOR CLASSROOM TEACHERS. (a) Requires TEA, from funds appropriated or otherwise available for the purpose, to contract with a third party to provide the following services for a classroom teacher employed under a probationary, continuing, or term contract:

(1) assistance in understanding the teacher's rights, duties, and benefits; and

(2) liability insurance to protect a teacher against liability to a third party based on conduct that the teacher allegedly engaged in during the course of the teacher's duties.

(b) Prohibits a school district from interfering with a classroom teacher's access to services provided under this section.

(c) Requires that a contract entered into by TEA to provide services under Subsection (a) prohibit the entity with which TEA contracts from using funds received under the contract to engage in:

(1) conduct that a state agency using appropriated money is prohibited from engaging in under Chapter 556 (Political Activities by Certain Public Entities and Individuals), Government Code; and

(2) political activities or advocate for issues regarding public schools, including for boards of trustees of school districts or school districts.

(d) Prohibits this section from being interpreted to interfere with a classroom teacher's or other school district employee's exercise of a right protected by the First Amendment to the United States Constitution.

SECTION 1.18. Amends Section 21.4552(d), Education Code, to make a conforming change.

SECTION 1.19. Amends Section 21.4553(d), Education Code, to make a conforming change.

SECTION 1.20. Amends Section 21.4555(f), Education Code, to make a conforming change.

SECTION 1.21. Amends Subchapter J, Chapter 21, Education Code, by adding Sections 21.466 and 21.467, as follows:

Sec. 21.466. **TEACHER QUALITY ASSISTANCE.** (a) Requires TEA, from funds appropriated or otherwise available for the purpose, to develop training for and provide technical assistance to school districts and open-enrollment charter schools regarding:

- (1) strategic compensation, staffing, and scheduling efforts that improve professional growth, teacher leadership opportunities, and staff retention;
- (2) programs that encourage high school students or other members of the community in the area served by the district to become teachers, including available teacher apprenticeship programs; and
- (3) programs or strategies that school leaders are authorized to use to establish clear and attainable behavior expectations while proactively supporting students.

(b) Requires TEA, from funds appropriated or otherwise available, to provide grants to school districts and open-enrollment charter schools to implement initiatives developed under this section.

Sec. 21.467. **TEACHER TIME STUDY.** (a) Requires TEA, from funds appropriated or otherwise available for the purpose, to develop and maintain a technical assistance program to support school districts and open-enrollment charter schools in:

- (1) studying how the district's or school's staff and student schedules, required noninstructional duties for classroom teachers, and professional development requirements for educators are affecting the amount of time classroom teachers work each week; and
- (2) refining the schedules for students or staff as necessary to ensure teachers have sufficient time during normal work hours to fulfill all job duties, including addressing the needs of students.

(b) Requires TEA to periodically make findings and recommendations for best practices publicly available using information from participating school districts and open-enrollment charter schools.

SECTION 1.22. Amends Chapter 21, Education Code, by adding Subchapter R, as follows:

SUBCHAPTER R. TEXAS TEACHER RESIDENCY PARTNERSHIP PROGRAM

Sec. 21.901. **DEFINITIONS.** Defines "board," "cooperating teacher," "partnership program," "partnership resident," and "qualified educator preparation program."

Sec. 21.902. **ESTABLISHMENT OF PARTNERSHIP PROGRAM.** (a) Requires the commissioner to establish the Texas Teacher Residency Partnership Program (partnership program) to enable qualified educator preparation programs to form partnerships with school districts or open-enrollment charter schools to provide residency positions to partnership residents at the district or school.

(b) Requires that the partnership program be designed to:

(1) allow partnership residents to receive field-based experience working with cooperating teachers in prekindergarten through grade 12 classrooms; and

(2) gradually increase the amount of time a partnership resident spends engaging in instructional responsibilities, including observation, co-teaching, and lead-teaching responsibilities.

Sec. 21.903. QUALIFIED EDUCATOR PREPARATION PROGRAMS. Requires SBEC to propose rules specifying the requirements for SBEC approval of an educator preparation program as a qualified educator preparation program for purposes of this subchapter. Requires that the rules require an educator preparation program to:

(1) use research-based best practices for recruiting and admitting candidates into the educator preparation program to participate in the partnership program;

(2) integrate curriculum, classroom practice, and formal observation and feedback;

(3) use multiple assessments to measure a partnership resident's progress in the partnership program; and

(4) partner with a school district or open-enrollment charter school.

Sec. 21.904. REQUIREMENTS FOR PARTICIPATING DISTRICTS AND SCHOOLS.

(a) Requires a school district or open-enrollment charter school participating in the partnership program to:

(1) enter into a written agreement with a qualified educator preparation program to:

(A) provide a partnership resident with at least one school year of clinical teaching in a residency position at the district or school in the subject area and grade level for which the resident seeks certification; and

(B) pair the partnership resident with a cooperating teacher;

(2) specify the amount of money the district receives under Section 48.157 that the district will provide to the program;

(3) only use money received under Section 48.157 to:

(A) implement the partnership program;

(B) provide compensation to:

(i) partnership residents in residency positions at the district or school; and

(ii) cooperating teachers who are paired with partnership residents at the district or school; and

(C) provide an amount equal to at least 10 percent of the funding received by the district or school to the qualified educator preparation program with which the district or school partners;

(4) pay at least 50 percent of the compensation paid to partnership residents using money other than money received under Section 48.157; and

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

(b) Authorizes a school district or open-enrollment charter school to only pair a partnership resident with a cooperating teacher who agrees to participate in that role in a partnership program at the district or school partnership program.

(c) Prohibits a partnership resident from serving as a teacher of record, as that term is defined by Section 21.051 (Rules Regarding Field-Based Experience and Options for Field Experience and Internships).

Sec. 21.905. RESIDENCY EDUCATOR CERTIFICATE. Requires SBEC to propose rules specifying the requirements for the issuance of a residency educator certificate to a candidate who has successfully completed a qualified educator preparation program under Section 21.903. Prohibits the rules from requiring the resident to pass a pedagogy examination unless the examination tests subject-specific content appropriate for the grade and subject area for which the candidate seeks certification.

Sec. 21.906. AGENCY SUPPORT. Requires TEA to provide technical assistance, planning, and support to school districts, open-enrollment charter schools, and qualified educator preparation programs, which are required to include:

(1) providing model forms and agreements a district, school, or educator preparation program is authorized to use to comply with the requirements of this subchapter; and

(2) support for district and school strategic staffing and compensation models to incentivize participation in a partnership program.

Sec. 21.907. AUTHORITY TO ACCEPT CERTAIN FUNDS. Authorizes the commissioner to solicit and accept gifts, grants, and donations from public and private entities to use for the purposes of this subchapter.

Sec. 21.908. RULES. (a) Requires SBEC to propose rules necessary to implement this subchapter, including rules under Sections 21.903 and 21.905.

(b) Requires the commissioner to adopt rules as necessary to implement this subchapter using negotiated rulemaking procedures under Chapter 2008 (Negotiated Rulemaking), Government Code.

SECTION 1.23. Amends the heading to Section 22.001, Education Code, to read as follows:

Sec. 22.001. SALARY DEDUCTIONS FOR PROFESSIONAL OR OTHER DUES.

SECTION 1.24. Amends Sections 22.001(a) and (b), Education Code, as follows:

(a) Provides that a school district employee is entitled to have an amount deducted from the employee's salary for membership fees or dues to a professional organization or an entity providing services to classroom teachers under Section 21.417. Requires the employee to:

(1) file with the district a signed written request identifying the organization or entity, rather than identifying the organization and specifying the number of pay periods per year the deductions are to be made; and

(2) inform the district of the total amount of the fees and dues for each year or have the organization or entity notify the district of the amount.

(b) Requires the district to deduct the total amount of the fees or dues for a year in equal amounts per pay period, rather than in equal amounts per pay period for the number of periods specified by the employee. Requires the district to notify the employee not later than the 45th day after the district receives a request under Subsection (a) of the number of pay periods annually from which the district will deduct the fees or dues.

SECTION 1.25. Amends Section 25.001(h), Education Code, to provide that the person is liable, for the period during which the ineligible student is enrolled, for the amount the district has budgeted for each student as maintenance and operating expenses, rather than the greater of the maximum tuition fee the district is authorized to charge under Section 25.038 (Tuition Fee for Transfer Students), or the amount the district has budgeted for each student as maintenance and operating expenses.

SECTION 1.26. Amends Section 25.036, Education Code, as follows:

Sec. 25.036. TRANSFER OF STUDENT. (a) Authorizes any child, other than a high school graduate, who is younger than 21 years of age and eligible for enrollment on September 1 of any school year to apply to transfer for in-person instruction annually from the child's school district of residence to another district in this state, rather than to another district in this state if both the receiving district and the applicant parent or guardian or person having lawful control of the child jointly approve and timely agree in writing to the transfer.

(b) Requires that a transfer application approved, rather than a transfer agreement, under this section be filed and preserved as a receiving district record for audit purposes of TEA.

(c) Authorizes a school district to deny approval of a transfer under this section only if:

(1) the district or a school in the district to which a student seeks to transfer is at full student capacity or has more requests for transfers than available positions after the district has filled available positions in accordance with Subsection (e) and has satisfied the requirement provided under Subsection (f);

(2) before the application deadline for the applicable school year, the district adopted a policy that provides for the exclusion of a student who has a documented history of a criminal offense, a juvenile court adjudication, or discipline problems under Subchapter A (Alternative Settings for Behavior Management), Chapter 37, and the student meets the conditions for exclusion under the policy; or

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

(d) Prohibits the district, for the purpose of determining whether a school in a school district is at full student capacity under Subsection (c)(1), from considering equity as a factor in the district's decision-making process.

(e) Requires a school district that has more applicants for transfer under this section than available positions to fill the available positions by lottery and to give priority to applicants in the following order:

(1) students who:

(A) do not reside in the district but were enrolled in the district in the preceding school year; or

(B) are dependents of an employee of the receiving district; and

(2) students:

(A) receiving special education services under Subchapter A (Special Education Program), Chapter 29;

(B) who are dependents of military personnel;

(C) who are dependents of law enforcement personnel;

(D) in foster care;

(E) who are the subject of court-ordered modification of an order establishing conservatorship or possession and access; or

(F) who are siblings of a student who is enrolled in the receiving district at the time the student seeks to transfer.

(f) Authorizes a school district to deny approval of a transfer under Subsection (c)(1) only if the district publishes and annually updates the district's full student capacity by campus.

(g) Provides that a receiving school district is authorized to, but is not required to, provide transportation to a student who transfers to the receiving district under this section.

(h) Authorizes a receiving school district to revoke, at any time during the school year, the approval of the student's transfer only if:

(1) the student engages in conduct:

(A) for which a student is required or permitted to be removed from class and placed in a disciplinary alternative education program under Section 37.006 (Removal for Certain Conduct); or

(B) for which a student is required or permitted to be expelled from school under Section 37.007 (Expulsion for Serious Offenses); and

(2) before revoking approval of the student's transfer, the district ensures the student is afforded appropriate due process and complies with any requirements of state law or district policy relating to the expulsion of a student to the same extent as if the student were being expelled under Section 37.007.

SECTION 1.27. Amends Section 25.038, Education Code, as follows:

Sec. 25.038. New heading: TUITION FEE FOR TRANSFER STUDENTS PAID BY SCHOOL DISTRICT. (a) Authorizes a receiving school district, except as provided by Subsection (b), to charge a tuition fee to another school district, if the receiving district has contracted with the other district to educate the other district's students, to the extent that the district's actual expenditure per student in average daily attendance, as determined by its board of trustees, exceeds the sum the district benefits from state aid sources as provided by Section 25.037 (Transfer of State Funds).

(b) Prohibits a school district from charging a tuition fee under this section for a student transfer authorized under Section 25.036.

SECTION 1.28. Amends Subchapter C, Chapter 25, Education Code, by adding Section 25.0813, as follows:

Sec. 25.0813. FIVE-DAY SCHOOL WEEK SCHEDULE. (a) Requires a school district to operate a school week of not fewer than five instructional days for at least two-thirds of the weeks the district operates during the school year.

(b) Provides that Subsection (a) does not apply to:

(1) a school district specifically authorized by other law to operate a school week of fewer than five instructional days; or

(2) a school district that before May 1, 2023, adopted for the 2023–2024 school year a four-day school week schedule.

SECTION 1.29. Amends Section 29.153(b), Education Code, to provide that a child is eligible for enrollment in a prekindergarten class under Section 29.153 (Free Prekindergarten for Certain Children) if the child is at least three years of age and meets certain criteria, including if the child is the child of a person employed as a classroom teacher at a public primary or secondary school in the school district that offers a prekindergarten class under this section.

SECTION 1.30. Amends Section 29.934(d), Education Code, as follows:

(d) Requires a campus, to be designated as a resource campus, to:

(1) makes no changes to this subdivision;

(2) adopt an accelerated campus excellence turnaround plan as provided by Section 39A.105(b) (relating to authorizing a campus to submit an accelerated campus excellence turnaround plan) and ensure that from the date of the adoption of the plan, not less than 20 percent of the classroom teachers assigned to the campus who teach subjects included in the foundation curriculum under Section 28.002(a)(1) (relating to requiring each school district that offers kindergarten through grade 12 to offer, as a required curriculum a foundation curriculum that includes English language arts) hold a current designation under Section 21.3521, rather than as provided by Section 39A.105(b) except that a classroom teacher who satisfies the requirements for demonstrated instructional effectiveness under Section 39A.105(b)(3) (relating to requiring that an accelerated campus excellence turnaround plan provide that at least 60 percent of the classroom teachers assigned to the campus be teachers who demonstrated instructional effectiveness during the previous school year) is required to also hold a current designation assigned under Section 21.3521;

(3) makes no change to this subdivision;

(4) satisfy certain staff criteria by taking certain actions, including for a subject in the foundation curriculum, employing only teachers who have at least two years, rather than three years, of teaching experience; and

(5)-(9) makes no changes to these subdivisions.

SECTION 1.31. Amends Section 30.003, Education Code, by amending Subsections (b) and (f-1) and adding Subsection (b-1), as follows:

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

(b-1) Requires the commissioner, for purposes of Subsection (b), to reduce the dollar amount of maintenance and debt service taxes imposed by the district for a year by the

amount, if any, by which the district is required to reduce the district's local revenue level under Section 48.257 (Local Revenue Level in Excess of Entitlement) for that year.

(f-1) Makes conforming and nonsubstantive changes to this subsection.

SECTION 1.32. Amends Section 30.102(b), Education Code, to make a conforming change.

SECTION 1.33. Amends Section 33.009(h), Education Code, to make a conforming change.

SECTION 1.34. Amends Section 37.002, Education Code, by amending Subsections (b), (c), and (d) and adding Subsections (b-2), (f), and (g), as follows:

(b) Authorizes a teacher to remove from class a student who:

(1) interferes, rather than who has been documented by the teacher to repeatedly interfere, with the teacher's ability to communicate effectively with the students in the class or with the ability of the student's classmates to learn;

(2) demonstrates behavior that is unruly, disruptive, or abusive toward the teacher or another adult or another student, rather than whose behavior the teacher determines is so unruly, disruptive, or abusive that it seriously interferes with the teacher's ability to communicate effectively with the students in the class or with the ability of the student's classmates to learn; or

(3) engages in conduct that constitutes bullying, as defined by Section 37.0832 (Bullying Prevention Policies and Procedures).

(b-2) Requires a teacher, campus behavior coordinator, or other appropriate administrator to notify a parent or person standing in parental relation to a student of the removal of a student under Section 37.002 (Removal by Teacher).

(c) Prohibits the principal from returning the student to that teacher's class without the teacher's written consent, rather than the teacher's consent, unless the committee established under Section 37.003 (Placement Review Committee) determines that such placement is the best or only alternative available. Prohibits the principal from returning the student to that teacher's class, regardless of the teacher's consent, until a return to class plan has been prepared for that student. Authorizes the principal to only designate an employee of the school whose primary duties do not include classroom instruction to create a return to class plan.

(d) Makes a conforming change to this subsection.

(f) Authorizes a student to appeal the student's removal from class under this section to:

(1) the school's placement review committee established under Section 37.003; or

(2) the safe and supportive school team established under Section 37.115 (Threat Assessment and Safe and Supportive School Program Team), in accordance with a district policy providing for such an appeal to be made to the team.

(g) Provides that Section 37.004 (Placement of Students With Disabilities) applies to the removal or placement under this section of a student with a disability who receives special education services.

SECTION 1.35. Amends Sections 48.0051(a), (b), and (d), Education Code, as follows:

(a) Requires the commissioner, rather than requires the commissioner subject to Subsection (a-1), to adjust the average daily attendance of a school district or open-enrollment charter school under Section 48.005 in the manner provided by Subsection (b) if the district or school:

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

(2) makes no changes to this subdivision.

(b) and (d) Makes conforming changes to these subsections.

SECTION 1.36. Amends Subchapter A, Chapter 48, Education Code, by adding Section 48.0055, as follows:

Sec. 48.0055. ENROLLMENT-BASED FUNDING. Requires the commissioner by rule to establish the method for determining average enrollment for purposes of funding provided based on average enrollment under Chapter 46 and Chapter 48 (Foundation School Program).

SECTION 1.37. Amends Sections 48.011(a), (a-1), (d), and (e), Education Code, as follows:

(a) Authorizes the commissioner, subject to Subsections (b) (relating to requiring the commissioner to notify and to receive approval from certain entities before making an adjustment) and (d), to adjust a school district's funding entitlement under this code for a school district, an open-enrollment charter school, the Windham School District, TSD, or TSBVI, rather than under this chapter, if the funding formulas used to determine the district's entitlement result in an unanticipated loss or gain. Makes nonsubstantive changes.

(a-1) Authorizes the commissioner to modify dates relating to the adoption of a school district's maintenance and operations tax rate and, if applicable, an election required for the district to adopt that rate as necessary to implement the changes to the Foundation School Program and requirements relating to school district tax rates made by the 88th Legislature, Regular Session, 2023, rather than the changes made by H.B. 3, 86th Legislature, Regular Session, 2019.

(d) Prohibits the commissioner, beginning with the 2026–2027 school year, rather than the 2021–2022 school year, from making an adjustment under certain subsections.

(e) Provides that this section expires September 1, 2027, rather than 2023.

SECTION 1.38. Amends Section 48.051, Education Code, by amending Subsections (a), (c), and (d) and adding Subsections (c-3), (c-4), (c-5), and (c-6), as follows:

(a) Provides that for each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to the amount that results from a certain formula, rather than the lesser of \$6,160 or the amount that results from a certain formula.

(c) Requires a school district, during any school year for which the value of "A" determined under Subsection (a) or, if applicable, the sum of the value of "A" and the allotment under Section 48.101 (Small and Mid-Sized District Allotment) to which the district is entitled, is greater than the value of "A" or, if applicable, the sum of the value of "A" and the allotment under Section 48.101 to which the district is entitled, for the preceding school year, to use at least 50 percent of the amount that equals the product of the average daily attendance of the district multiplied by the amount of the difference between the district's funding under this chapter per student in average daily attendance, excluding the amounts described by Subsection (c-6), for the current school year and the preceding school year to increase the average total compensation per full-time classroom teacher.

Deletes existing text requiring a school district, during any school year for which the maximum amount of the basic allotment provided under Subsection (a) or (b) (relating to authorizing a greater amount for any school year to be provided by appropriation) is greater than the maximum amount provided for the preceding school year, to use at least 30 percent of the amount, if the amount is greater than zero, that equals the product of the average daily attendance of the district multiplied by the amount of the difference between the district's funding under this chapter per student in average daily attendance for the current school year and the preceding school year to provide compensation increases to full-time district employees other than administrators as certain percentages.

(c-3) Prohibits a school district, in calculating the average total compensation per full-time district employee under Subsection (c), from considering compensation paid to a classroom teacher added by the district for the current school year that increases the ratio of classroom teachers to students enrolled in the district compared to the preceding school year.

(c-4) Provides that if a school district increases employee compensation in a school year to comply with Subsection (c), as amended by H.B. 100, Acts of the 88th Legislature, Regular Session, 2023, the district is providing compensation for services rendered independently of an existing employment contract applicable to that year and is not a violation of Section 53, Article III, Texas Constitution.

(c-5) Authorizes a school district that does not meet the requirements of Subsection (c) during a school year to satisfy the requirements of this section by providing full-time classroom teacher a one-time bonus payment during the following school year in an amount equal to the difference between the compensation earned by the teacher and the compensation the teacher should have received during the school year if the district had complied with Subsection (c).

(c-6) Requires the commissioner, for purposes of determining the amount of a school district's funding under this chapter under Subsection (c), to exclude certain funding.

(d) Redefines "compensation."

SECTION 1.39. Amends Section 48.101, Education Code, as follows:

Sec. 48.101. **SMALL AND MID-SIZED DISTRICT ALLOTMENT.** (a) Redefines "ADA."

(b) Provides that a school district that has fewer than 1,600 students in average daily attendance is entitled to an annual allotment for each student in average daily attendance based on a certain formula.

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

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

SECTION 1.40. Amends Subchapter C, Chapter 48, Education Code, by adding Section 48.1022, as follows:

Sec. 48.1022. **SPECIAL EDUCATION FULL INDIVIDUAL AND INITIAL EVALUATION.** Provides that for each student for whom a school district conducts a full individual and initial evaluation under Section 29.004 or 20 U.S.C. Section 1414(a)(1),

the district is entitled to an allotment of \$500 or a greater amount provided by appropriation.

SECTION 1.41. Amends Section 48.110(d), Education Code, to provide that a school district, for each annual graduate in a cohort described by Subsection (b) (relating to requiring the commissioner to determine the threshold percentage for college, career, or military readiness for certain cohorts) who demonstrates college, career, or military readiness as described by Subsection (f) (relating to providing that an annual graduate demonstrates certain types of readiness if the annual graduate meets certain criteria) in excess of the minimum number of students determined for the applicable district cohort under Subsection (c) (relating to requiring the commissioner each year to determine for each school district the minimum number of annual graduates in each cohort who would have to demonstrate college, career, or military readiness in order for the district to achieve a percentage of college, career, or military readiness for that cohort equal to the threshold percentage established for that cohort), is entitled to an annual outcomes bonus of certain amounts, including if the annual graduate is enrolled in a special education program under Subchapter A, Chapter 29, \$4,000, rather than \$2,000, regardless of whether the annual graduate is educationally disadvantaged.

SECTION 1.42. Amends Section 48.111(a), Education Code, to delete existing text creating an exception under Subsection (c) (relating to prohibiting the total amount that is authorized to be used to provide allotments from exceeding \$320 million).

SECTION 1.43. Amends Sections 48.112(c) and (d), Education Code, as follows:

(c) Provides that a school district, for each classroom teacher with a teacher designation under Section 21.3521 employed by the school district, is entitled to an allotment equal to certain applicable base amounts increased by the high needs and rural factor as determined under Subsection (d).

(d) Provides that the high needs and rural factor is determined by multiplying certain applicable amounts by the average of the point value assigned to each student at a district campus under Subsection (e) (relating to a requiring that a certain point value for each student at a district campus be assigned).

SECTION 1.44. Amends Section 48.114, Education Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Provides that a school district is entitled to an allotment to fund a mentoring program and to provide stipends for mentor teachers if:

(1) the district has implemented a mentoring program for classroom teachers under Section 21.458 (Mentors); and

(2) the mentor teachers assigned under that program complete a training program that is required or developed by TEA for mentor teachers.

Deletes existing text providing that a school district that has implemented a mentoring program for classroom teachers who have less than two years of teaching experience under Section 21.458 is entitled to an allotment as determined under Subsection (b) (relating to requiring the commissioner to adopt a formula to determine the amount to which each district is entitled) to fund the mentoring program and to provide stipends for mentor teachers.

(d) Provides that a school district is entitled to an allotment of \$2,000 for each classroom teacher with less than two years of experience who participates in a mentoring program described by Subsection (a). Authorizes a district to receive an allotment under Section 48.114 (Mentor Program Allotment) for no more than 40 teachers during a school year unless an appropriation is made for the purposes of providing a greater number of allotments per district.

SECTION 1.45. Amends Sections 48.151(g), Education Code, as follows:

(g) Provides that a school district or county that provides special transportation services for eligible special education students is entitled to a state allocation at a rate per mile equal to the sum of the rate per mile set under Subsection (c) (relating to providing that each district or county operating a regular transportation system is entitled to an allotment based on a rate per mile per regular eligible student set by the legislature in the General Appropriations Act.) and \$0.13, or a greater amount provided by appropriation. Deletes existing text providing that a school district or county that provides special transportation services for eligible special education students is entitled to a state allocation paid on a previous year's cost-per-mile basis. Deletes existing text requiring that the rate per mile allowable be set by appropriation based on data gathered from the first year of each preceding biennium. Makes a nonsubstantive change.

SECTION 1.46. Amends Subchapter D, Chapter 48, Education Code, by adding Section 48.157, as follows:

Sec. 48.157. **RESIDENCY PARTNERSHIP ALLOTMENT.** (a) Defines "partnership program" and "partnership resident."

(b) Provides that the district, for each partnership resident employed at a school district in a residency position under Subchapter R, Chapter 21, is entitled to an allotment equal to a base amount of \$22,000 increased by the high needs and rural factor, as determined under Subsection (c), to an amount not to exceed \$42,000.

(c) Provides that the high needs and rural factor is determined by multiplying \$5,000 by the lesser of:

(1) the average of the point value assigned to each student at a district campus under Sections 48.112(e) and (f) (relating to providing that a student, if the campus at which a student is enrolled is classified as a rural campus, is assigned the point value two tiers higher than the student's point value); or

(2) 4.0.

(d) Provides that a district that qualifies for an allotment under this section, in addition to the funding under Subsection (b), is entitled to an additional \$2,000 for each partnership resident employed in a residency position at the district who is a candidate for special education or bilingual education certification.

(e) Provides that TSD and TSBVI are entitled to an allotment under this section. Authorizes the commissioner, if the commissioner determines that assigning point values under Subsection (c) to students enrolled in TSD or TSBVI is impractical, to use the average point value assigned for those students' home districts for purposes of calculating the high needs and rural factor.

SECTION 1.47. Amends Subchapter D, Chapter 48, Education Code, by adding Section 48.160, as follows:

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

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

(2) a program of study in computer programming and software development or in cybersecurity; and

(3) a program of study in a specialized skilled trade, such as plumbing and pipefitting, electrical, welding, diesel and heavy equipment, aviation maintenance, or applied agricultural engineering.

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

(1) high school students who reside in the attendance zone of the high school are authorized to participate in the program of study by enrolling in another high school:

(A) that is in the same district or a neighboring school district, that was assigned the same or a better campus overall performance rating under Section 39.054 (Methods and Standards for Evaluating Performance) as the high school in whose attendance zone the students reside, and that offers the program of study; and

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

(2) students enrolled in the high school:

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

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

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

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

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

(d) Provides that a school district that receives an allotment under Subsection (c) and Section 48.101 is entitled to receive an additional allotment in an amount equal to the product of 0.1 and the allotment to which the district is entitled under Section 48.101 for each student for which the district receives an allotment under Subsection (c). Provides that an open-enrollment charter school is not eligible for an allotment under this subsection.

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

(f) Authorizes TEA to reduce the amount of a school district's allotment under this section if TEA determines that the district has not complied with any provision of this section.

SECTION 1.48. Amends Section 48.202(a-1), Education Code, as follows:

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

(1) the greater of the amount of district tax revenue per weighted student per cent of tax effort available to a school district at the 96th percentile of wealth per weighted student or the amount that results from multiplying the maximum amount of the basic allotment provided under Section 48.051 for the applicable school year by 0.016, rather than multiplying 6,160, or the greater amount provided under Section 48.051(b), if applicable, by 0.016, for the first eight cents by which the district's maintenance and operations tax rate exceeds the district's tier one tax rate; and

(2) makes a conforming change to this subdivision.

SECTION 1.49. Amends Section 48.257, Education Code, by adding Subsection (b-1) and amending Subsection (c), as follows:

(b-1) Provides that a school district, if for any school year the district receives an adjustment under Subsection (b) (relating to requiring TEA to adjust the amount of the reduction required in the district's tier one revenue level up to the amount of local funds necessary) and, after that adjustment, is no longer subject to Subsection (a) (relating to requiring the district reduce the district's tier one revenue level to a level not to exceed the district's entitlement less the district's distribution from the state available school fund), is entitled to additional state aid for that school year in an amount equal to the lesser of certain amounts.

(c) Authorizes state aid to which a district is entitled under Section 13.054 (Academically Unacceptable School Districts) or Chapter 49 (Option for Local Revenue Levels in Excess of Entitlement) that is not described by Section 48.266(a)(3) (relating to requiring the commissioner to determine the amount of money allocated to the district from the available school fund), for purposes of Subsection (a), to offset the amount by which a district is required to reduce the district's revenue level under Section 48.257 (Local Revenue Level in Excess of Entitlement).

SECTION 1.50. Amends Subchapter F, Chapter 48, Education Code, by adding Section 48.280, as follows:

Sec. 48.280. SALARY TRANSITION ALLOTMENT. (a) Provides that in the 2023–2024, 2024–2025, and 2025–2026 school years, a school district is entitled to receive an annual salary transition allotment equal to the difference, if that amount is greater than zero, between:

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

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

(b) Requires TEA to calculate a school district's value for Subsection (a)(1) by determining the difference between:

(1) the amount the district is required to pay in compensation for the current school year for employees on the minimum salary schedule under Section 21.402, as amended by H.B. 100, Acts of the 88th Legislature, Regular Session, 2023, divided by the total number of employees on the minimum salary schedule under that section for that school year; and

(2) the amount paid in compensation for the 2022–2023 school year for employees on the minimum salary schedule under Section 21.402 divided by the total number of employees on the minimum salary schedule under that section for that school year:

(c) Requires TEA to calculate a school district's value for Subsection (a)(2) by determining the difference between:

(1) the total maintenance and operations revenue for the current school year divided by the total number of employees on the minimum salary schedule under Section 21.402 for that school year; and

(2) the total maintenance and operations revenue that would have been available to the district for the current school year using the basic allotment formula provided by Section 48.051 and the small and mid-sized allotment formulas provided by Section 48.101 as those sections existed on January 1, 2023, divided by the total number of employees on the minimum salary schedule under Section 21.402 for that school year.

(d) Requires TEA, in calculating the values under Subsections (b) and (c) for a school district or open-enrollment charter school to which Section 21.402 does not apply, to include as employees on the minimum salary schedule under that section employees of the district or school who would have been on the minimum salary schedule under that section if the district or school were a school district to which that section applies.

(e) Requires TEA, before making a final determination of the amount of an allotment to which a school district is entitled under this section, to ensure each school district has an opportunity to review and submit revised information to TEA for purposes of calculating the values under Subsection (a).

(f) Provides that a school district is entitled to an allotment in an amount equal to:

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

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

(g) Provides that a school district is not entitled to an allotment under this section in the 2028–2029 school year or a later school year.

(h) Defines "compensation."

(i) Provides that this section expires September 1, 2029.

SECTION 1.51. Amends Subchapter G, Chapter 48, Education Code, by adding Sections 48.304 and 48.305, as follows:

Sec. 48.304. DAY PLACEMENT PROGRAM FUNDING. (a) Provides that a regional education service center, for each qualifying day placement program that the center makes available in partnership with a school district, open-enrollment charter school, or shared services arrangement, is entitled to an allotment of:

(1) \$250,000 for the first year of the program's operation; and

(2) \$150,000 for each year of the program's operation after the first year.

(b) Provides that day placement program qualifies for purposes of Subsection (a) if certain criteria are met.

Sec. 48.305. PARENT-DIRECTED SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES GRANT. (a) Provides that a student to whom TEA awards a grant under Subchapter A-1 (Supplemental Special Education Services Program), Chapter 29, is entitled to receive an amount of \$1,500 or a greater amount provided by appropriation.

(b) Requires the legislature to include in the appropriations for the Foundation School Program state aid sufficient for TEA to award grants under Subchapter A-1, Chapter 29, in the amount provided by this section.

(c) Authorizes a student to receive one grant under Subchapter A-1, Chapter 29, unless the legislature appropriates money for an additional grant in the General Appropriations Act.

(d) Provides that a determination of the commissioner under this section is final and is prohibited from being appealed.

SECTION 1.52. Repealer: Section 21.042 (Approval of Rules), Education Code.

Repealers: Sections 21.402(b) (relating to requiring the commissioner, not later than June 1 of each year, to determine the basic allotment and resulting monthly salaries to be paid by school districts) and (c) (relating to certain salary factors per step), Education Code.

Repealers: Sections 21.402(c-1) (relating to requiring each school district to pay a monthly salary to each classroom teacher, full-time speech pathologist, full-time librarian, full-time school counselor certified, and full-time school nurse that is at least a certain amount) and (f) (relating to providing that a teacher or librarian who received a career ladder supplement on August 31, 1993, is entitled to at least the same gross monthly salary the teacher or librarian received for the 1994–1995 school year as long as the teacher or librarian is employed by the same district), Education Code.

Repealer: Section 21.402(h) (relating to the definition of "gross monthly salary"), Education Code.

Repealers: Sections 21.403(a) (relating to requiring a teacher, librarian, school counselor, or nurse to advance one step on the minimum salary schedule for each year of experience as a teacher, librarian, school counselor, or nurse until step 20 is reached) and (d) (relating to providing that as long as a teacher or librarian who received a career ladder supplement is employed by the same school district, the teacher or librarian is entitled to certain placements), Education Code.

Repealer: Subchapter Q (Texas Teacher Residency Program), Chapter 21, Education Code;

Repealer: Section 29.002 (Definition), Education Code.

Repealer: Sections 29.026(n) (relating to requiring the commissioner to publish a report on a certain grant program) and (o) (relating to providing that Section 29.026 (Grant Program Providing Services to Students With Autism) expires September 1, 2023), Education Code.

Repealers: Sections 29.027(i) (relating to providing that Section 29.027 (Grant Program Providing Training in Dyslexia for Teachers and Staff) expires September 1, 2023) and 29.050 (Expiration), Education Code.

Repealer: Section 37.002(e) (relating to providing that a student who is sent to the campus behavior coordinator's or other administrator's office or removed from class is not considered to have been removed from the classroom for the purposes of reporting

data through PEIMS or other similar reports required by state or federal law), Education Code.

Repealers: Sections 48.111(c) (relating to prohibiting the total amount that is authorized to be used to provide allotments from exceeding \$320 million) and (c-1) (relating to prohibiting the total amount that may be used to provide allotments from exceeding certain amounts), Education Code.

Repealers: Section 48.111(c-2) (relating to providing that Subsection (c-1) and this subsection expire September 1, 2025) and 48.114(b) (relating to requiring the commissioner to adopt a formula to determine the amount to which each district is entitled), Education Code.

Repealer: Section 825.4092(f) (relating to providing that the amounts required to be paid are not required to be paid by a reporting employer for a retiree who retired from the retirement system on or after September 1, 2005, and is employed in certain positions), Government Code, as added by Chapter 546 (S.B. 202), Acts of the 87th Legislature, Regular Session, 2021.

SECTION 1.53. (a) Provides that the legislature finds that:

- (1) the Windfall Elimination Provision was enacted in 1983 to equalize the earned social security benefits of workers who spend part of their careers in exempt public service and workers who spend their entire careers participating in social security;
- (2) the Windfall Elimination Provision reduces the social security benefits of public servants who have received a pension that is not subject to social security taxes, including thousands of teachers in Texas as well as the spouses and children of these public servants;
- (3) the flawed application of the Windfall Elimination Provision diminishes Texans' retirement security and fails to recognize their rightfully earned social security and public pension benefits;
- (4) for years, the United States Congress has failed to act to remove this detriment to many citizens of Texas, including teachers; and
- (5) the United States Congress should take swift action to replace the Windfall Elimination Provision with a more fair and just formula that accurately reflects the contributions of all American workers to the social security system.

(b) Requires the secretary of the senate, as soon as practicable after the effective date of this Act, to forward official copies of the legislative findings under Subsection (a) of this section to the president of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress.

SECTION 1.54. Requires the commissioner, with the assistance of the executive director of TRS and the Comptroller of Public Accounts of the State of Texas (comptroller), not later than September 1, 2024, to make recommendations to the legislature to improve and coordinate pension contribution appropriations for public school employees.

SECTION 1.55. Makes application of Section 21.257(f), Education Code, as added by this article, prospective.

SECTION 1.56. Requires a school district or open-enrollment charter school, immediately following the effective date of this article, to redesignate a teacher who holds a designation made under Section 21.3521, Education Code, before the effective date of this article, to reflect the teacher's designation under Section 21.3521, Education Code, as amended by this article.

Requires that funding provided to a school district under Section 48.112, Education Code, for a teacher who held a designation made under Section 21.3521, Education Code, as that section existed immediately before the effective date of this article, be increased to reflect the teacher's redesignation under Section 21.3521, Education Code, as amended by this article.

SECTION 1.57. Authorizes SBEC, notwithstanding Section 21.903, Education Code, as added by this article, until SBEC adopts rules specifying the requirements for approval of an educator preparation program as a qualified educator preparation program as required by that section, to approve a program as a qualified educator preparation program for purposes of Subchapter R, Chapter 21, Education Code, as added by this article, if the commissioner determines that the program meets the requirements under Section 21.903, Education Code, as added by this article. Provides that an educator preparation program's designation as a qualified educator preparation program by the commissioner under this section remains effective until the first anniversary of the earliest effective date of a rule adopted by SBEC under Section 21.903, Education Code, as added by this article.

SECTION 1.58. Provides that this article, to the extent of any conflict, prevails over another Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 1.59. (a) Effective date, except as provided by Subsection (b) of this section or as otherwise provided by this article: upon passage or September 1, 2023.

(b) Effective date, Sections 12.106(a-2) and (d), 13.054, 30.003, 48.0051(a), (b), and (d), 48.011(a), (a-1), (d), and (e), 48.051, 48.101, 48.110(d), 48.111, 48.112(c) and (d), 48.114, 48.151(g), 48.202(a-1), and 48.257, Education Code, as amended by this article, and Sections 48.0055, 48.1022, 48.157, 48.160, and 48.280, Education Code: September 1, 2023.

ARTICLE 2. CHANGES GENERALLY APPLICABLE TO PUBLIC SCHOOLS EFFECTIVE FOR 2024–2025 SCHOOL YEAR

SECTION 2.01. Amends Section 8.051(d), Education Code, as follows:

(d) Provides that the core services are:

- (1) makes no changes to this subdivision;
- (2) training and assistance in providing each program that qualifies for a funding allotment under certain sections, including Section 48.1021, and
- (3)-(6) makes no changes to these subdivisions.

SECTION 2.02. Amends Section 11.1513, Education Code, by adding Subsection (l), as follows:

(l) Requires that the employment policy provide that:

- (1) before the beginning of each school year, the district is required to provide a duty calendar for certain professional staff as required by Section 11.15131; and
- (2) for purposes of determining the amount of a reduction in the salary of a classroom teacher, full-time counselor, or full-time librarian for unpaid leave, the employee's daily rate of pay is computed by dividing the employee's annual salary by the number of days the employee is expected to work for that school year as provided by the district's duty calendar adopted under Section 11.15131.

SECTION 2.03. Amends Subchapter D, Chapter 11, Education Code, by adding Section 11.15131, as follows:

Sec. 11.15131. DUTY CALENDAR FOR CERTAIN PROFESSIONAL STAFF. (a) Defines "supplemental duty."

(b) Requires the board of trustees of a school district, not later than the 15th day before the first instructional day of each school year, to adopt and provide to each classroom teacher, full-time counselor, and full-time librarian employed by the district a calendar that specifies the days each employee is expected to work for that school year, including the days on which the employee is expected to perform supplemental duties for more than 30 minutes outside of the instructional day, and except for days on which the employee is authorized to be required to spend time on an unanticipated duty outside of the instructional day to comply with a state or federal law.

SECTION 2.04. Amends Section 29.014(d), Education Code, as follows:

(d) Provides that the basic allotment for a student enrolled in a district to which Section 29.014 (School Districts That Provide Education Solely to Students Confined to or Educated in Hospitals) applies is adjusted by the tier of intensity of service defined in accordance with Section 48.102 and designated by commissioner rule for use under this section, rather than by the weight for a homebound student under Section 48.102(a).

SECTION 2.05. Amends Section 29.018, Education Code, by adding Subsection (g) to provide that Section 29.018 (Special Education Grant) expires September 1, 2026.

SECTION 2.06. Amends Sections 29.022(a), (a-1), (b), (c), (c-1), (d), (f), (h), (k), (l), (s), and (t), Education Code, as follows:

(a) Requires a school or campus that receives equipment as provided by this subsection to place, operate, and maintain one or more video cameras in special education classrooms and other special education settings, provided that certain criteria are met. Deletes existing text requiring a school or campus that receives equipment as provided by this subsection to place, operate, and maintain one or more video cameras in self-contained classrooms and other special education settings in which a majority of the students in regular attendance are provided special education and related services and are assigned to one or more self-contained classrooms or other special education settings for at least 50 percent of the instructional day, provided that certain criteria are met.

(a-1), (b), (c), (c-1), (d), (f), (h), (k), (s), and (t) Makes conforming changes to these subsections.

SECTION 2.07. Amends Sections 29.022(u)(3) and (4), Education Code, to define "special education classroom or other special education setting," to redefine "staff member," and to delete existing text defining "self-contained classroom."

SECTION 2.08. Amends Section 29.316(c), Education Code, as follows:

(c) Requires that the report on the language acquisition of children eight years of age or younger who are deaf or hard of hearing:

(1) makes no changes to this subdivision;

(2) state for each child:

(A) the percentage of the instructional day the child spends on average in a general education setting, rather than the instructional arrangement used with the child, as described by Section 48.102, including the time the child spends in a mainstream instructional arrangement; and

(B)-(E) makes no changes to these paragraphs; and

(3)-(4) makes no changes to these subdivisions.

SECTION 2.09. Amends Section 48.051(a), Education Code, as follows:

(a) Provides that for each student in average daily attendance, not including the time students spend each day in special education programs in a setting other than a general education setting, rather than in an instructional arrangement other than a mainstream education program or career and technology programs, for which an additional allotment is made under Subchapter C (Student-Based Allotments), a district is entitled to an allotment equal to the amount that results from a certain formula, rather than equal to the lesser of \$6,160 or the amount that results from a certain formula.

SECTION 2.10. Amends Section 48.102, Education Code, as follows:

Sec. 48.102. SPECIAL EDUCATION. (a) Provides that for each student in average daily attendance in a special education program under Subchapter A, Chapter 29, a school district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight in an amount set by the legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualifies.

Deletes existing text providing that for each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, a school district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by 1.15. Deletes existing text providing that for each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a certain weight determined according to instructional arrangement.

(a-1) Requires that the amount of an allotment under this section, notwithstanding Subsection (a), for the 2024–2025 and 2025–2026 school years, be determined in accordance with Section 48.1023. Provides that this subsection expires September 1, 2026.

(b) Requires the commissioner by rule to define seven tiers of intensity of service for use in determining funding under this section. Requires the commissioner to include one tier specifically addressing students receiving special education services in residential placement.

Deletes existing text requiring that a special instructional arrangement for students with disabilities residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services be established by commissioner rule. Deletes existing text requiring that the funding weight for this arrangement be 4.0 for those students who receive their education service on a local school district campus. Deletes existing text requiring that a special instructional arrangement for students with disabilities residing in state schools be established by commissioner rule with a funding weight of 2.8.

(c) Redesignates existing Subsection (g) as Subsection (c). Requires the commissioner to adopt rules and procedures governing contracts for residential and day program placement of students receiving special education services, rather than for residential placement of special education students.

(d) Redesignates existing Subsection (h) as Subsection (d).

(e) Redesignates existing Subsection (i) as Subsection (e) Requires TEA to ensure, rather than encourage, the placement of students in special education programs, including students in residential placement, rather than residential instructional arrangements, in the least restrictive environment appropriate for their educational needs.

(f) Redesignates existing Subsection (j) as Subsection (f). Provides that a school district that provides an extended year program required by federal law for special education students who may regress is entitled to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled for each student, rather than each full-time equivalent student, in average daily attendance, multiplied by the amount designated for the highest tier of intensity of service for which the student qualifies under this section, rather than for the student's instructional arrangement under this section, for each day the program is provided divided by the number of days in the minimum school year.

(g) Redesignates existing Subsection (k) as Subsection (g).

(h) Requires the commissioner, not later than December 1 of each even-numbered year, to submit to the Legislative Budget Board (LBB), for purposes of the allotment under this section, proposed weights for the tiers of intensity of service for the next state fiscal biennium.

Deletes existing text prohibiting the number of contact hours credited per day for each student in the off home campus instructional arrangement, for funding purposes, from exceeding the contact hours credited per day for the multidistrict class instructional arrangement in the 1992–1993 school year. Deletes existing text prohibiting the contact hours credited per day for each student in the resource room; self-contained, mild and moderate; and self-contained, severe, instructional arrangements for funding purposes from exceeding the average of the statewide total contact hours credited per day for those three instructional arrangements in the 1992–1993 school year. Deletes existing text requiring the commissioner by rule to prescribe the qualifications an instructional arrangement is required to meet in order to be funded as a particular instructional arrangement under this section. Deletes existing text requiring the commissioner, in prescribing the qualifications that a mainstream instructional arrangement is required to meet, to establish requirements that students with disabilities and their teachers receive the direct, indirect, and support services that are necessary to enrich the regular classroom and enable student success. Deletes existing text defining "full-time equivalent student." Deletes existing text requiring the legislature to provide by appropriation for the state's share of the costs of those placements.

SECTION 2.11. Amends Subchapter C, Chapter 48, Education Code, by adding Sections 48.1021 and 48.1023, as follows:

Sec. 48.1021. SPECIAL EDUCATION SERVICE GROUP ALLOTMENT. (a) Provides that for each six-week period in which a student in a special education program under Subchapter A, Chapter 29, receives eligible special education services, a school district is entitled to an allotment in an amount set by the legislature in the General Appropriations Act for the service group for which the student is eligible.

(a-1) Requires that the amount of an allotment under this section, for the 2024–2025 and 2025–2026 school years, notwithstanding Subsection (a), be determined in accordance with Section 48.1023. Provides that this subsection expires September 1, 2026.

(b) Requires the commissioner by rule to establish four service groups for use in determining funding under this section. Requires the commissioner, in establishing the groups, to consider the level of services, equipment, and technology required to meet the needs of students receiving special education services.

(c) Provides that a school district is entitled to receive an allotment under this section for each service group for which a student is eligible.

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

(e) Requires that at least 55 percent of the funds allocated under this section be used for a special education program under Subchapter A, Chapter 29.

(f) Requires the commissioner, not later than December 1 of each even-numbered year, to submit to the LBB, for purposes of the allotment under this section, proposed amounts of funding for the service groups for the next state fiscal biennium.

Sec. 48.1023. SPECIAL EDUCATION TRANSITION FUNDING. (a) Authorizes the commissioner, for the 2024–2025 and 2025–2026 school years, to adjust weights or amounts provided under Section 48.102 or 48.1021 as necessary to ensure compliance with requirements regarding maintenance of state financial support under 20 U.S.C. Section 1412(a)(18) and maintenance of local financial support under applicable federal law.

(b) Requires the commissioner, for the 2024–2025 and 2025–2026 school years, to determine the formulas through which school districts receive funding under Sections 48.102 and 48.1021. Authorizes the commissioner, in determining the formulas, to combine the methods of funding under those sections with the method of funding provided by Section 48.102, as it existed on January 1, 2023.

(c) Authorizes the commissioner, for the 2026–2027 school year, to adjust the weights or amounts set by the legislature in the General Appropriations Act for purposes of Section 48.102 or 48.1021. Requires the commissioner, before making an adjustment under this subsection, to notify and must receive approval from the LBB.

(d) Prohibits the sum of funding provided under Sections 48.102 and 48.1021 for the 2024-2025 or for the 2025-2026 school year as adjusted under this section, notwithstanding any other provision of this section, from exceeding the sum of:

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

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

(e) Requires each school district and open-enrollment charter school to report to TEA information necessary to implement this section.

(f) Requires TEA to provide technical assistance to school districts and open-enrollment charter schools to ensure a successful transition in funding formulas for special education.

(g) Provides that this section expires September 1, 2028.

SECTION 2.12. Amends Section 48.103(c), Education Code, as follows:

(c) Authorizes a school district to receive funding for a student under each provision of this section, Section 48.102, and Section 48.1021 for which the student qualifies. Deletes existing text authorizing a school district to receive funding for a student under this section and Section 48.102 if the student satisfies the requirements of both sections.

SECTION 2.13. Amends Sections 48.104(a), (d), and (e), Education Code, as follows:

(a) Provides that for each student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student is educationally disadvantaged, 0.28, rather than 0.275.

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

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

SECTION 2.14. Amends Section 48.108(a), Education Code, to make a conforming change.

SECTION 2.15. Amends Section 48.279(e), Education Code, to require the commissioner, after the commissioner has replaced any withheld federal funds as provided by Subsection (d) (relating to requiring the commissioner to use for that school year an amount of funds equal to the amount of withheld funds in the same manner and for the same purposes as the withheld funds would have been provided), to distribute the remaining amount, if any, of funds described by Subsection (a) (relating to providing that certain funds appropriated or transferred are state funds for purposes of compliance with the requirements regarding maintenance of state financial support for special education under 20 U.S.C. Section 1412(a)(18)) to proportionately increase funding for the special education allotment under Section 48.102 and the special education service group allotment under Section 48.1021.

SECTION 2.16 Effective date: September 1, 2024.

ARTICLE 3. EDUCATION SAVINGS ACCOUNT PROGRAM

SECTION 3.01. Provides that the purpose of this article is to:

- (1) provide additional educational options to assist families in this state in exercising the right to direct the educational needs of their children; and
- (2) achieve a general diffusion of knowledge.

SECTION 3.02. Amends Chapter 29, Education Code, by adding Subchapter J, as follows:

SUBCHAPTER J. EDUCATION SAVINGS ACCOUNT PROGRAM

Sec. 29.351. DEFINITIONS. Defines "account," certified educational assistance organization," "child with disability," "higher education provider," "parent," "program," and "program participant."

Sec. 29.352. ESTABLISHMENT OF PROGRAM. Requires the comptroller to establish a program to provide funding for approved education-related expenses of children participating in the program.

Sec. 29.353. PROGRAM FUND. (a) Provides that the program fund (fund) is an account in the general revenue fund to be administered by the comptroller.

(b) Provides that the fund is composed of:

- (1) general revenue transferred to the fund;
- (2) money appropriated to the fund;
- (3) gifts, grants, and donations received under Section 29.370; and
- (4) any other money available for purposes of the program.

(c) Authorizes money in the fund to be appropriated only for the uses specified by this subchapter.

Sec. 29.354. SELECTION OF CERTIFIED EDUCATIONAL ASSISTANCE ORGANIZATIONS. (a) Authorizes an organization to apply to the comptroller for certification as a certified educational assistance organization during an application period established by the comptroller.

(b) Requires an organization, to be eligible for certification, to:

- (1) have the ability to perform the duties and functions required of a certified educational assistance organization under this subchapter;
- (2) be in good standing with the state; and
- (3) be able to assist the comptroller in administering the program, including the ability to:
 - (A) accept, process, and track applications for the program;
 - (B) assist prospective applicants, applicants, and program participants with finding preapproved education service providers and vendors of educational products;
 - (C) accept and process payments for approved education-related expenses; and
 - (D) verify that program funding is used only for approved education-related expenses.

(c) Authorizes the comptroller to certify not more than five educational assistance organizations to support the administration of the program, including by:

- (1) administering:
 - (A) the application process under Section 29.356; and
 - (B) the program expenditures process under Section 29.360; and
- (2) assisting prospective applicants, applicants, and program participants with understanding approved education-related expenses and finding preapproved education service providers and vendors of educational products.

Sec. 29.355. ELIGIBLE CHILD. (a) Provides that a child is eligible to participate in the program and is authorized, subject to available funding and the requirements of this subchapter, to initially enroll in the program for the school year following the school year in which the child's application is submitted under Section 29.356 if the child:

- (1) is eligible to:

(A) attend a public school under Section 25.001 (Admission); or

(B) enroll in a public school's prekindergarten program under Section 29.153; and

(2) either:

(A) attended any public school in this state for at least 90 percent of the school year preceding the school year for which the child applies to enroll in the program; or

(B) is enrolling in prekindergarten or kindergarten for the first time, including a child who was homeschooled before enrollment.

(a-1) Provides that, notwithstanding Subsection (a) and subject to Section 29.356(b-1), a child is eligible to participate in the program if the child:

(1) meets the qualifications under Subsection (a)(1);

(2) attended private school on a full-time basis for the preceding school year; and

(3) is a member of a household with a total annual income that is at or below 200 percent of the federal poverty guidelines.

(b) Authorizes a child who establishes eligibility under this section to, subject to available funding and the requirements of this subchapter, participate in the program until the earliest of the following dates:

(1) the date on which the child graduates from high school;

(2) the date on which the child is no longer eligible to attend a public school under Section 25.001;

(3) the date on which the child enrolls in a public school, including an open-enrollment charter school, in a manner in which the child will be counted toward the school's average daily attendance for purposes of the allocation of funding under the foundation school program; or

(4) the date on which the child is declared ineligible for the program by the comptroller under this subchapter.

(c) Provides that, notwithstanding Subsection (a) or (b), a child is not eligible to participate in the program during the period in which the child's parent or legal guardian is a state representative or state senator.

Sec. 29.356. APPLICATION TO PROGRAM. (a) Authorizes a parent of an eligible child to apply to a certified educational assistance organization to enroll the child in the program for the following school year. Requires the comptroller to establish quarterly deadlines by which an applicant is required to complete and submit an application form to participate in the program.

(b) Requires a certified educational assistance organization, on receipt of more acceptable applications during an application period for admission under this section than available positions in the program due to insufficient funding, to, at the direction of the comptroller:

(1) for not more than two-thirds of the available positions, prioritize applicants who would otherwise attend a campus with an overall

performance rating under Section 39.054 of C, D, or F;

(2) fill the remaining available positions with applicants who would otherwise attend a campus with an overall performance rating under Section 39.054 of A or B; and

(3) subject to Subdivisions (1) and (2), consider applications in the order received.

(b-1) Provides that this subsection applies only to children who are eligible to participate in the program under Section 29.355(a-1). Prohibits more than 10 percent of available positions in the program from being provided to children to whom this subsection applies. Requires the comptroller each year to notify each certified educational assistance organization regarding the number of children to whom this subsection applies that the organization is authorized to accept for participation in the program for that year. Requires a certified educational assistance organization, in accepting children to whom this subsection applies to participate in the program, to ensure, to the extent feasible, that the organization accepts an equivalent number of children from each region of this state.

(c) Requires the comptroller to create an application form for the program and requires each certified educational assistance organization to make the application form readily available through various sources, including the organization's Internet website. Requires that the application form state the quarterly application deadlines established by the comptroller under Subsection (a). Requires each organization to ensure that the application form, including any required supporting document, is capable of being submitted to the organization electronically.

(d) Requires a certified educational assistance organization to post on the organization's Internet website an applicant and participant handbook with a description of the program, including:

(1) expenses allowed under the program under Section 29.359;

(2) a list of preapproved education service providers and vendors of educational products under Section 29.358;

(3) a description of the application process under this section and the program expenditures process under Section 29.360; and

(4) a description of the responsibilities of program participants.

(e) Requires a certified educational assistance organization to annually provide to the parent of each child participating in the program the information described by Subsection (d). Authorizes the organization to provide the information electronically.

(f) Provides that a certified educational assistance organization:

(1) is authorized to require the parent of a child participating in the program to submit annual notice regarding the parent's intent for the child to continue participating in the program for the next school year; and

(2) is prohibited from requiring a program participant in good standing to annually resubmit an application for continued participation in the program.

Sec. 29.357. PARTICIPATION IN PROGRAM. Requires a parent of a child participating in the program, to receive funding under the program, to agree to:

- (1) spend money received through the program only for expenses allowed under Section 29.359;
- (2) share or authorize the administrator of an assessment instrument to share with the program participant's certified educational assistance organization the results of any assessment instrument required to be administered to the child under Section 29.358(b)(1)(B) or other law;
- (3) refrain from selling an item purchased with program money; and
- (4) notify the program participant's certified educational assistance organization not later than 30 business days after the date on which the child:
 - (A) enrolls in a public school, including an open-enrollment charter school;
 - (B) graduates from high school; or
 - (C) is no longer eligible to either:
 - (i) enroll in a public school under Section 25.001; or
 - (ii) enroll in a public school's prekindergarten program under Section 29.153.

Sec. 29.358. PREAPPROVED PROVIDERS. (a) Requires the comptroller to by rule establish a process for the preapproval of education service providers and vendors of educational products for participation in the program. Requires the comptroller to allow for the submission of applications on a rolling basis.

(b) Requires the comptroller to approve an education service provider or vendor of educational products for participation in the program if the provider or vendor:

- (1) for a private school, demonstrates:
 - (A) accreditation by an organization recognized by:
 - (i) the Texas Private School Accreditation Commission; or
 - (ii) TEA; and
 - (B) annual administration of a nationally norm-referenced assessment instrument or the appropriate assessment instrument required under Subchapter B, Chapter 39;
- (2) for a public school, demonstrates:
 - (A) accreditation by TEA; and
 - (B) the ability to provide services or products to children participating in the program in a manner in which the children are not counted toward the school's average daily attendance;
- (3) for a private tutor, therapist, or teaching service:
 - (A) demonstrates that the tutor or therapist or each employee of the teaching service who intends to provide educational services to a child participating in the program:

(i) is an educator employed by or a retired educator formerly employed by a school accredited by TEA, an organization recognized by TEA, or an organization recognized by the Texas Private School Accreditation Commission;

(ii) holds a relevant license or accreditation issued by a state, regional, or national certification or accreditation organization; or

(iii) is employed in or retired from a teaching or tutoring capacity at a higher education provider;

(B) the tutor or therapist or each employee of the teaching service who intends to provide educational services to a child participating in the program either:

(i) completes a national criminal history record information review; or

(ii) provides to the comptroller documentation indicating that the tutor, therapist, or employee, as applicable, has completed a national criminal history record information review within a period established by comptroller rule; and

(C) the tutor or therapist or each employee of the teaching service who intends to provide educational services to a child participating in the program is not included in the registry under Section 22.092 (Registry of Persons Not Eligible for Employment in Public Schools); or

(4) for a higher education provider, demonstrates nationally recognized postsecondary accreditation.

(c) Requires the comptroller to review the national criminal history record information or documentation for each private tutor, therapist, or teaching service employee who submits information or documentation under this section and verify that the individual is not included in the registry under Section 22.092. Requires the tutor, therapist, or service to provide the comptroller with any information requested by the comptroller to enable the comptroller to complete the review.

(d) Requires an education service provider or vendor of educational products to provide information requested by the comptroller to verify the provider's or vendor's eligibility for preapproval under Subsection (b). Prohibits the comptroller from approving a provider or vendor if the comptroller cannot verify the provider's or vendor's eligibility for preapproval.

(e) Requires an education service provider or vendor of educational products that no longer satisfies the requirements of this section to notify the comptroller not later than the 30th business day after the date that the provider or vendor no longer meets the requirements.

(f) Prohibits this section from being construed to allow a learning pod, as defined by Section 27.001 (Definitions), or a home school to qualify as an approved education service provider or vendor of educational products.

Sec. 29.359. APPROVED EDUCATION-RELATED EXPENSES. (a) Authorizes money received under the program, subject to Subsection (b), to be used only for the following education-related expenses incurred by a child participating in the program at a

preapproved education service provider or vendor of educational products:

- (1) tuition and fees for a private school;
- (2) the purchase of textbooks or other instructional materials or uniforms required by a school, higher education provider, or course in which the child is enrolled, including purchases made through a third-party vendor of educational products;
- (3) costs related to academic assessments;
- (4) fees for services provided by a private tutor or teaching service;
- (5) fees for transportation provided by a fee-for-service transportation provider for the child to travel to and from a preapproved education service provider or vendor of educational products; and
- (6) fees for educational therapies or services provided by a practitioner or provider, only for fees that are not covered by any federal, state, or local government benefits such as Medicaid or the Children's Health Insurance Program (CHIP) or by any private insurance that the child is enrolled in at the time of receiving the therapies or services.

(b) Prohibits money received under the program from being used to pay any person who is related to the program participant within the third degree by consanguinity or affinity, as determined under Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), Government Code.

(c) Provides that a finding that a program participant used money distributed under the program to pay for an expense not allowed under Subsection (a) does not affect the validity of any payment made by the participant for an approved education-related expense that is allowed under that subsection.

Sec. 29.360. PROGRAM EXPENDITURES. (a) Requires the comptroller to disburse from the program fund to each certified educational assistance organization the amount specified under Section 29.361(a) for each child participating in the program served by the organization.

(b) Requires the parent of a child participating in the program, to initiate payment to an education service provider or vendor of educational products for an education-related expense approved under Section 29.359, to submit a request in a form prescribed by comptroller rule to the certified educational assistance organization that serves the child.

(c) Requires a certified educational assistance organization, subject to Subsection (d) and Sections 29.362(h) and 29.364, on receiving a request under Subsection (b), to verify that the request is for an expense approved under Section 29.359 and, not later than the 15th business day after the date the organization verifies the request, send payment to the education service provider or vendor of educational products.

(d) Prohibits a disbursement under this section from exceeding the applicable program participant's account balance.

(e) Requires a certified educational assistance organization to provide program participants with electronic access to:

- (1) view the participant's current account balance;
- (2) initiate the payment process under Subsection (b); and

- (3) view a summary of the participant's past account activity, including payments from the account to education service providers and vendors of educational products.

Sec. 29.361. AMOUNT OF PAYMENT; FINANCING. (a) Requires a parent of a child participating in the program, regardless of the quarterly deadline by which the parent applies for enrollment in the program under Section 29.356(a), to receive each year that the child participates in the program payments from the state from funds available under Section 29.353 to the child's account equal to a total amount of \$8,000.

(b) Provides that this subsection applies only to a school district with a student enrollment of less than 20,000. Provides that for the first five school years during which a child residing in the district participates in the program, a school district to which this subsection applies is entitled to receive \$10,000 from money appropriated for purposes of this subchapter.

(c) Provides that any money remaining in a child's account at the end of a fiscal year is carried forward to the next fiscal year unless another provision of this subchapter mandates the closure of the account.

(d) Authorizes the parent of a child participating in the program to make payments for the expenses of educational programs, services, and products not covered by money in the child's account.

(e) Prohibits a payment under Subsection (a) from being financed using federal money or money from the available school fund or instructional materials fund.

(f) Provides that payments received under this subchapter do not constitute taxable income to a parent of a child participating in the program, unless otherwise provided by federal law.

(g) Requires TEA, not later than May 1 of each year, to submit to the comptroller the data necessary to calculate the amount specified under Subsection (a).

Sec. 29.362. ADMINISTRATION OF ACCOUNTS. (a) Requires a certified educational assistance organization, on receipt of money distributed by the comptroller for purposes of making payments to program participants, to make quarterly payments to the account of each child participating in the program served by the organization in equal amounts on or before the first day of July, October, January, and April.

(b) Authorizes the comptroller each year to deduct from the total amount of money appropriated for purposes of this subchapter an amount, not to exceed three percent of that total amount, to cover the comptroller's cost of administering the program.

(c) Requires each certified educational assistance organization, not later than the first day of the month preceding the start of each quarter, to submit to the comptroller in the form prescribed by comptroller rule an estimate of the organization's costs of administering the program for that quarter.

(d) Requires the comptroller each quarter to disburse from money appropriated for the program to each certified educational assistance organization the amount necessary to cover the organization's costs of administering the program for that quarter, calculated as provided by Subsection (e). Prohibits the total amount disbursed to a certified educational assistance organization under this subsection for a state fiscal year from exceeding five percent of the amount distributed to the organization under the program for that fiscal year.

(e) Provides that the amount of a certified educational assistance organization's

disbursement under Subsection (d) is the lesser of:

- (1) the amount of the organization's estimate submitted under Subsection (c);
- (2) the product of the total amount to be disbursed and the average percentage of program participants served by the organization during the preceding quarter; or
- (3) five percent of the amount distributed to the organization for purposes of making payments to program participants for that quarter.

(f) Requires a certified educational assistance organization, on or before the first day of October and February, to:

- (1) verify with TEA that each child participating in the program is not enrolled in a public school, including an open-enrollment charter school, in a manner in which the child is counted toward the school's average daily attendance for purposes of the allocation of state funding under the foundation school program; and
- (2) notify the comptroller if the organization determines that a child participating in the program is enrolled in a public school, including an open-enrollment charter school, in a manner in which the child is counted toward the school's average daily attendance for purposes of the allocation of state funding under the foundation school program.

(g) Requires the comptroller by rule to establish a process by which a program participant is authorized to authorize the comptroller or a certified education assistance organization to make a payment directly from the participant's account to a preapproved education service provider or vendor of educational products for an expense allowed under Section 29.359.

(h) Requires that the child's account be closed and any remaining money returned to the comptroller for deposit in the program fund on the date on which a child who participated in the program is no longer eligible to participate in the program under Section 29.355 and payments for any education-related expenses allowed under Section 29.359 from the child's account have been completed.

(i) Requires that any interest or other earnings attributable to money held by a certified education assistance organization for purposes of the program, each quarter, be remitted to the comptroller for deposit in the program fund.

Sec. 29.363. AUDITING. (a) Requires the comptroller to contract with a private entity to audit accounts and student eligibility data not less than once per year to ensure compliance with applicable law and program requirements. Requires that the audit include a review of:

- (1) a certified educational assistance organization's internal controls over program transactions; and
- (2) compliance by:
 - (A) program participants with the requirements of Section 29.357; and
 - (B) certified educational assistance organizations with the requirements of Section 29.354.

(b) Authorizes the private entity, in conducting an audit, to require a program

participant or a certified educational assistance organization to provide information and documentation regarding any transaction occurring under the program.

(c) Requires the private entity to report to the comptroller any violation of this subchapter or other relevant law, including any transactions the entity determines to be unusual or suspicious, found by the entity during an audit conducted under this section. Requires the comptroller to report the violation or transaction to:

- (1) the applicable certified educational assistance organization;
- (2) the education service provider or vendor of educational products, as applicable; and
- (3) the parent of each child participating in the program who is affected by the violation or transaction.

Sec. 29.364. SUSPENSION OF ACCOUNT. (a) Requires the comptroller to suspend the account of a program participant who fails to remain in good standing by complying with applicable law or a requirement of the program.

(b) Requires the comptroller, on suspension of an account under Subsection (a), to notify the program participant in writing that the account has been suspended and that no additional payments are authorized to be made from the account. Requires that the notification specify the grounds for the suspension and state that the participant has 30 business days to respond and take any corrective action required by the comptroller.

(c) Requires the comptroller, on the expiration of the 30-day period under Subsection (b), to:

- (1) order closure of the suspended account;
- (2) order temporary reinstatement of the account, conditioned on the performance of a specified action by the program participant; or
- (3) order full reinstatement of the account.

(d) Authorizes the comptroller to recover money distributed under the program that was used for expenses not allowed under Section 29.359 or for a child who was not eligible to participate in the program at the time of the expenditure. Authorizes the money to be recovered from the program participant or the entity that received the money in accordance with Subtitles A (General Provisions) and B (Enforcement and Collection), Title 2, Tax Code, or as provided by other law if the program participant's account is suspended or closed under this section. Requires the comptroller to deposit money recovered under this subsection to the credit of the program fund.

Sec. 29.365. TUITION AND FEES; REFUND PROHIBITED. (a) Prohibits an education service provider or vendor of educational products from charging a child participating in the program an amount greater than the standard amount charged for that service or product by the provider or vendor.

(b) Prohibits an education service provider or vendor of educational products receiving money distributed under the program from in any manner rebating, refunding, or crediting to or sharing with a program participant, or any person on behalf of a participant, any program money paid or owed by the participant to the provider or vendor.

Sec. 29.366. REFERRAL TO DISTRICT ATTORNEY. Requires the comptroller, if the

comptroller obtains evidence of fraudulent use of an account or money distributed under the program by a certified educational assistance organization or program participant, to notify the appropriate local county or district attorney with jurisdiction over the principal place of business of the certified educational assistance organization or the residence of the program participant, as applicable.

Sec. 29.367. SPECIAL EDUCATION NOTICE. (a) Requires a certified educational assistance organization to post on the organization's Internet website and provide to each parent who submits an application for the program a notice that:

(1) states that a private school is not subject to federal and state laws regarding the provision of educational services to a child with a disability in the same manner as a public school; and

(2) provides information regarding rights to which a child with a disability is entitled under federal and state law if the child attends a public school, including:

(A) rights provided under the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.); and

(B) rights provided under Subchapter A.

(b) Requires a private school in which a child with a disability who is a program participant enrolls to provide to the child's parent a copy of the notice required under Subsection (a).

Sec. 29.368. PROGRAM PARTICIPANT, PROVIDER, AND VENDOR AUTONOMY. (a) Provides that an education service provider or vendor of educational products that receives money distributed under the program is not a recipient of federal financial assistance and is prohibited from being considered to be an agent of state government on the basis of receiving that money.

(b) Prohibits a rule adopted or other governmental action taken related to the program from imposing requirements that are contrary to or limit the religious or institutional values or practices of an education service provider, vendor of educational products, or program participant, including by limiting the ability of the provider, vendor, or participant, as applicable, to:

(1) determine the methods of instruction or curriculum used to educate students;

(2) determine admissions and enrollment practices, policies, and standards;

(3) modify or refuse to modify the provider's, vendor's, or participant's religious or institutional values or practices, including operations, conduct, policies, standards, assessments, or employment practices that are based on the provider's, vendor's, or participant's religious or institutional values or practices; or

(4) exercise the provider's, vendor's, or participant's religious or institutional practices as determined by the provider, vendor, or participant.

Sec. 29.369. STUDENT RECORDS AND INFORMATION. (a) Requires the school district or open-enrollment charter school that the child would otherwise attend, on request by the parent of a child participating or seeking to participate in the program, to provide a copy of the child's school records possessed by the district or school, if any, to the child's parent or, if applicable, the private school the child attends.

(b) Requires TEA, a school district, or an open-enrollment charter school, as necessary to verify a child's eligibility for the program, to provide to a certified educational assistance organization any information available to TEA, the district, or the school requested by the organization regarding a child who participates or seeks to participate in the program, including information regarding the child's public school enrollment status and whether the child can be counted toward a public school's average daily attendance for purposes of the allocation of funding under the foundation school program. Prohibits the organization from retaining information provided under this subsection beyond the period necessary to determine a child's eligibility to participate in the program.

(c) Provides that the certified educational assistance organization or an education service provider or vendor of educational products that obtains information regarding a child participating in the program:

(1) is required to comply with state and federal law regarding the confidentiality of student educational information; and

(2) is prohibited from selling or otherwise distributing information regarding a child participating in the program.

Sec. 29.370. GIFTS, GRANTS, AND DONATIONS. Authorizes the comptroller and a certified educational assistance organization to solicit and accept gifts, grants, and donations from any public or private source for any expenses related to the administration of the program, including establishing the program and contracting for the report required under Section 29.371.

Sec. 29.371. ANNUAL REPORT. (a) Requires the comptroller to require that each certified educational assistance organization compile program data and produce an annual longitudinal report regarding:

(1) the number of program applications received, accepted, and waitlisted, disaggregated by age;

(2) program participant satisfaction;

(3) the results of assessment instruments shared in accordance with Section 29.357(2);

(4) the effect of the program on public and private school capacity, availability, and quality;

(5) the amount of cost savings accruing to the state as a result of the program;

(6) in a report submitted in an even-numbered year only, an estimate of the total amount of funding required for the program for the next state fiscal biennium;

(7) the amount of gifts, grants, and donations received under Section 29.370; and

(8) based on surveys of former program participants or other sources available to an organization, the number and percentage of children participating in the program who, within one year after graduating from high school, are:

(A) college ready, as indicated by earning a minimum of 12 non-remedial semester credit hours or the equivalent or an associate

degree from a postsecondary educational institution;

(B) career ready, as indicated by:

(i) earning a credential of value included in the library of credentials established under Section 2308A.007 (Credential Library), Government Code; or

(ii) employment at or above the median wage in the child's region; or

(C) military ready, as indicated by achieving a passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery and enlisting in the armed forces of the United States or the Texas National Guard.

(b) Requires each certified educational assistance organization, in producing the report, to:

(1) use appropriate analytical and behavioral science methodologies to ensure public confidence in the report; and

(2) comply with the requirements regarding the confidentiality of student educational information under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

(c) Requires that the report cover a period of not less than five years and include, subject to Subsection (b)(2), the data analyzed and methodology used.

(d) Requires the comptroller and each certified educational assistance organization to post the report on the comptroller's and organization's respective Internet websites.

Sec. 29.372. RULES; PROCEDURES. Requires the comptroller to adopt rules and procedures as necessary to implement, administer, and enforce this subchapter.

Sec. 29.373. APPEAL; JUDICIAL REVIEW. (a) Authorizes a program participant to appeal to the comptroller an administrative decision made by the comptroller or a certified educational assistance organization under this subchapter, including a decision regarding eligibility, allowable expenses, or the participant's removal from the program.

(b) Authorizes a program participant, education service provider, or vendor of educational products who is adversely affected or aggrieved by a decision made by the comptroller or a certified educational assistance organization under this subchapter to file a suit challenging the decision in a district court in the county in which the program participant resides or the provider or vendor has its principal place of business, as applicable.

Sec. 29.374. RIGHT TO INTERVENE IN CIVIL ACTION. (a) Authorizes a program participant, education service provider, or vendor of educational products to intervene in any civil action challenging the constitutionality of the program.

(b) Authorizes a court in which a civil action described by Subsection (a) is filed to require that all program participants, education service providers, and vendors of educational products wishing to intervene in the action file a joint brief. Prohibits a program participant, education service provider, or vendor of educational products from being required to join a brief filed on behalf of the state or a state agency.

SECTION 3.03. Amends Section 22.092(d), Education Code, as follows:

(d) Requires TEA to provide equivalent access to the registry maintained under this section to:

(1) makes no changes to this subdivision;

(2)-(3) makes nonsubstantive changes to these subdivisions; and

(4) the comptroller for the purpose of preapproving education service providers and vendors of educational products under Section 29.358 for participation in the program established under Subchapter J, Chapter 29.

SECTION 3.04. Amends Section 411.109, Government Code, by adding Subsection (c), to provide that the comptroller is entitled to obtain criminal history record information maintained by the Department of Public Safety of the State of Texas about a person who is a private tutor, a therapist, or an employee of a teaching service or school who intends to provide educational services to a child participating in the program established under Subchapter J, Chapter 29, Education Code, and is seeking approval to receive money distributed under that program.

SECTION 3.05. Provides that Subchapter J, Chapter 29, Education Code, as added by this article, applies beginning with the 2024–2025 school year.

SECTION 3.06. (a) Requires the comptroller, not later than February 15, 2024, to adopt rules as provided by Section 29.372, Education Code, as added by this article.

(b) Authorizes the comptroller to identify rules required by the passage of Subchapter J, Chapter 29, Education Code, as added by this article, that are required to be adopted on an emergency basis for purposes of the 2024–2025 school year and authorizes the comptroller to use the procedures established under Section 2001.034 (Emergency Rulemaking), Government Code, for adopting those rules. Provides that the comptroller is not required to make the finding described by Section 2001.034(a) (relating to authorizing a state agency to adopt an emergency rule without prior notice or hearing, or with an abbreviated notice and a hearing that it finds practicable, if the agency meets certain criteria), Government Code, to adopt emergency rules under this subsection.

SECTION 3.07. (a) Provides that the constitutionality and other validity under the state or federal constitution of all or any part of Subchapter J, Chapter 29, Education Code, as added by this article, is authorized to be determined in an action for declaratory judgment under Chapter 37 (Declaratory Judgments), Civil Practice and Remedies Code, in a district court in the county in which the violation is alleged to have occurred or where the plaintiff resides or has its principal place of business.

(b) Provides that an order, however characterized, of a trial court granting or denying a temporary or otherwise interlocutory injunction or a permanent injunction on the grounds of the constitutionality or unconstitutionality, or other validity or invalidity, under the state or federal constitution of all or any part of Subchapter J, Chapter 29, Education Code, as added by this article, is authorized to be reviewed only by direct appeal to the Supreme Court of Texas (supreme court) filed not later than the 15th business day after the date on which the order was entered. Requires the supreme court to give precedence to appeals under this section over other matters.

(c) Provides that the direct appeal is an accelerated appeal.

(d) Provides that this section exercises the authority granted by Section 3-b (Direct Appeal From Order Granting or Denying Injunction), Article V (Judicial Department), Texas Constitution.

(e) Provides that the filing of a direct appeal under this section will automatically stay any temporary or otherwise interlocutory injunction or permanent injunction granted in accordance with this section pending final determination by the supreme court, unless the

supreme court makes specific findings that the applicant seeking such injunctive relief has pleaded and proved that:

- (1) the applicant has a probable right to the relief it seeks on final hearing;
- (2) the applicant will suffer a probable injury that is imminent and irreparable, and that the applicant has no other adequate legal remedy; and
- (3) maintaining the injunction is in the public interest.

(f) Provides that an appeal under this section, including an interlocutory, accelerated, or direct appeal, is governed, as applicable, by the Texas Rules of Appellate Procedure, including Rules 25.1(d)(6), 28.1, 32.1(g), 37.3(a)(1), 38.6(a) and (b), 40.1(b), and 49.4.

(g) Provides that this section does not authorize an award of attorney's fees against this state, and Section 37.009 (Costs), Civil Practice and Remedies Code, does not apply to an action filed under this section.

(h) Provides that this section does not authorize a taxpayer suit to contest the denial of a tax credit by the comptroller of public accounts.

SECTION 3.08. Severability clause.

SECTION 3.09. Effective date, this article: September 1, 2023.

ARTICLE 4. SPECIAL EDUCATION

SECTION 4.01. Amends Section 29.001, Education Code, as follows:

Sec. 29.001. New heading: IMPLEMENTATION OF SPECIAL EDUCATION LAW.

(a) Requires TEA, as the state education agency responsible for carrying out the purposes of Part B, Individuals with Disabilities Education Act (IDEA) (20 U.S.C. Section 1411 et seq.), to develop, and revise as necessary, a comprehensive system to ensure statewide and local compliance with federal and state law related to special education.

(b) Requires that the comprehensive system, rather than the statewide design, include the provision of services primarily through school districts and shared services arrangements, supplemented by regional education service centers.

(c) Requires that the comprehensive system focus on maximizing student outcomes and include:

- (1) rulemaking, technical assistance, guidance documents, monitoring protocols, and other resources as necessary to implement and ensure compliance with federal and state law related to special education;
- (2) the facilitation of interagency coordination when other state agencies are involved in the delivery of instructional or related services to students with disabilities;
- (3) the pursuit of strategies to meet statewide special education and related services personnel needs;
- (4) ensuring that regional education service centers throughout the state maintain a regional support function, which is authorized to include direct service delivery and a component designed to facilitate the placement of students with disabilities who cannot be appropriately served in their resident districts;
- (5) effectively monitoring and periodically conducting site visits of all

school districts to ensure that rules adopted under this subchapter are applied in a consistent and uniform manner, to ensure that districts are complying with those rules, and to ensure that annual statistical reports filed by the districts and not otherwise available through the Public Education Information Management System under Sections 48.008 and 48.009 are accurate and complete; and

(6) the provision of training and technical assistance to ensure that certain criteria are met.

Deletes existing text requiring TEA to develop, and modify as necessary, a statewide design, consistent with federal law, for the delivery of services to children with disabilities in this state that includes rules for the administration and funding of the special education program so that a free appropriate public education is available to all of those children between the ages of three and 21.

Deletes existing text requiring TEA to also develop and implement a statewide plan with programmatic content that includes procedures designed to: ensure state compliance with requirements for supplemental federal funding for all state-administered programs involving the delivery of instructional or related services to students with disabilities; periodically assess statewide personnel needs in all areas of specialization related to special education and pursue strategies to meet those needs through a consortium of representatives from regional education service centers, local education agencies, and institutions of higher education and through other available alternatives; allow TEA to effectively monitor and periodically conduct site visits of all school districts to ensure that rules adopted under this section are applied in a consistent and uniform manner, to ensure that districts are complying with those rules, and to ensure that annual statistical reports filed by the districts and not otherwise available through the Public Education Information Management System under Sections 48.008 (Public Education Information Management System (PEIMS)) and 48.009 (Required PEIMS Reporting) are accurate and complete; and ensure that, when appropriate, each student with a disability is provided an opportunity to participate in career and technology and physical education classes, in addition to participating in regular or special classes. Makes nonsubstantive changes.

SECTION 4.02. Amends Subchapter A, Chapter 29, Education Code, by adding Section 29.0012, as follows:

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

(b) Requires TEA by rule to adopt a set of performance indicators for measuring and evaluating the quality of learning and achievement for students receiving special education services at the school district or open-enrollment charter school to be considered at a meeting held under this section. Requires that the indicators include performance on the college, career, or military readiness outcomes described by Section 48.110.

SECTION 4.03. Amends Section 29.003, Education Code, as follows:

Sec. 29.003. ELIGIBILITY CRITERIA. (a) Requires TEA to develop specific eligibility criteria based on the general classifications established by this section and in accordance with federal law, rather than with reference to contemporary diagnostic or evaluative terminologies and techniques.

(b) Provides that a student is eligible to participate in a school district's special education program:

- (1) from birth through 21 years of age if the student has a visual impairment or is deaf or hard of hearing and that disability prevents the student from being adequately or safely educated in public school without the provision of special education services;
- (2) from three years of age through five years of age if the student is experiencing developmental delays as described by 20 U.S.C. Section 1401(3)(B) and defined by commissioner rule; or
- (3) from 3 years of age through 21 years of age if the student has one or more of the disabilities described by 20 U.S.C. Section 1401(3)(A) and that disability prevents the student from being adequately or safely educated in public school without the provision of special education services.

Deletes existing text providing that a student is eligible to participate in a school district's special education program if the student is not more than 21 years of age and has a visual or auditory impairment that prevents the student from being adequately or safely educated in public school without the provision of special services, or if the student is at least three but not more than 21 years of age and has one or more of certain disabilities that prevents the student from being adequately or safely educated in public school without the provision of special services.

SECTION 4.04. Amends Subchapter A, Chapter 29, Education Code, by adding Section 29.0056, as follows:

Sec. 29.0056. INFORMATION REGARDING STATE SUPPORTED LIVING CENTERS. (a) Defines "state supported living center."

(b) Requires the Health and Human Services Commission, in collaboration with TEA and stakeholders who represent the full continuum of educational residential placement options, to develop and provide to TEA materials regarding educational residential placement options for children who may qualify for placement in a state supported living center. Requires TEA to make the materials developed under this subsection available to school districts.

(c) Requires the school district, at a meeting of a child's admission, review, and dismissal committee at which residential placement is discussed, to provide to the child's parent the materials developed under Subsection (b).

SECTION 4.05. Amends Section 29.008, Education Code, by amending Subsections (a) and (b) and adding Subsection (a-1), as follows:

(a) Requires the commissioner to establish a list of approved public or private facilities, institutions, or agencies inside or outside of this state that a school district, shared services arrangement unit, or regional education service center is authorized to contract with for the provision of services to students with disabilities in a residential placement. Authorizes the commissioner to approve either the whole or a part of a facility or program.

Deletes existing text authorizing a school district, shared services arrangement unit, or regional education service center to contract with a public or private facility, institution, or agency inside or outside of this state for the provision of services to students with disabilities. Deletes existing text requiring that each contract for residential placement be approved by the commissioner. Deletes existing text authorizing the commissioner to approve a residential placement contract only after at least a programmatic evaluation of personnel qualifications, adequacy of physical plant and equipment, and curriculum content. Makes nonsubstantive changes.

(a-1) Requires that each contract described by this section be approved by the commissioner. Authorizes the commissioner to approve a contract under this section only after at least a programmatic evaluation of personnel qualifications, costs, adequacy of physical plant and equipment, and curriculum content.

(b) Provides that this subsection expires September 1, 2027.

SECTION 4.06. Amends the heading to Section 29.009, Education Code, to read as follows:

Sec. 29.009. PUBLIC NOTICE CONCERNING EARLY CHILDHOOD SPECIAL EDUCATION PROGRAMS.

SECTION 4.07. Amends Section 29.010, Education Code, as follows:

Sec. 29.010. New heading: GENERAL SUPERVISION AND COMPLIANCE. (a) Requires TEA to develop, rather than adopt, and implement a comprehensive system for monitoring school district compliance with federal and state laws relating to special education. Requires that the monitoring system include a comprehensive cyclical process and a targeted risk-based process. Requires TEA to establish criteria and instruments for use in determining district compliance under this section.

Deletes existing text requiring that the monitoring system provide for ongoing analysis of district special education data and of complaints filed with TEA concerning special education services and for inspections of school districts at district facilities. Deletes existing text requiring TEA to use the information obtained through analysis of district data and from the complaints management system to determine the appropriate schedule for and extent of the inspection.

(b) Requires TEA, as part of the monitoring process, rather than to complete the inspection, to obtain information from parents and teachers of students in special education programs in the district.

(c) Requires TEA to develop and implement a system of interventions and sanctions for school districts TEA identifies as being in noncompliance with, rather than whose most recent monitoring visit shows a failure to comply with major requirements of, the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), federal regulations, state statutes, or TEA requirements necessary to carry out federal law or regulations or state law relating to special education.

(d) Authorizes TEA to establish a graduated process of sanctions to apply to districts that remain in noncompliance for more than one year. Provides that that the sanctions are required to range in severity and are authorized to include the withholding of funds.

Deletes existing text requiring that the first stage of sanctions, for districts that remain in noncompliance for more than one year, begin with annual or more frequent monitoring visits. Deletes existing text authorizing subsequent sanctions to range in severity up to the withholding of funds.

(e) Makes no changes to this subsection.

Deletes existing Subsection (f) providing that this section does not create an obligation for or impose a requirement on a school district or open-enrollment charter school that is not also created or imposed under another state law or a federal law.

SECTION 4.08. Amends Section 29.018, Education Code, by adding Subsection (g) to provide that Section 29.018 (Special Education Grant) expires September 1, 2026.

SECTION 4.09. Amends Section 29.026(i), Education Code, as follows:

(i) Provides that a program selected to receive a grant under this section is to be funded for two years. Deletes existing text requiring the commissioner to select programs and award grant funds to those programs beginning in the 2018–2019 school year. Makes a nonsubstantive change.

SECTION 4.10. Amends Section 29.027(d), Education Code, as follows:

(d) Provides that a grant under this section is to be awarded for two years. Deletes existing text requiring the commissioner to select grant recipients and award grant funds beginning in the 2021–2022 school year. Makes a nonsubstantive change.

SECTION 4.11. Amends Subchapter A, Chapter 29, Education Code, by adding Section 29.029, as follows:

Sec. 29.029. SUPPORTS FOR RECRUITING SPECIAL EDUCATION STAFF. (a) Requires TEA, from funds appropriated or otherwise available for the purpose, to provide grants to school districts and open-enrollment charter schools to increase the number of qualified and appropriately credentialed special education staff, including special education teachers, special education paraprofessionals, evaluation personnel, ancillary instruction personnel, and related service personnel.

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

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

SECTION 4.12. Amends the heading to Subchapter A-1, Chapter 29, Education Code, to read as follows:

SUBCHAPTER A-1. PARENT-DIRECTED SERVICES FOR STUDENTS RECEIVING SPECIAL EDUCATION SERVICES

SECTION 4.13. Sections 29.041(2) and (3), Education Code, to define "supplemental instructional materials" and "supplemental services" and to delete existing text defining "supplemental special education instructional materials" and "supplemental special education services."

SECTION 4.14. Amends Sections 29.042(a) and (c), Education Code, as follows:

(a) Requires TEA by rule to establish and administer a parent-directed program for students receiving special education services, through which a parent is authorized to direct supplemental services and supplemental instructional materials for the parent's student who meets the eligibility requirements for participation in the program. Requires TEA, subject to Subsection (c), to provide each student approved as provided by this subchapter a grant in the amount provided under Section 48.305 to purchase supplemental services and supplemental instructional materials.

Delete existing text requiring TEA by rule to establish and administer a supplemental special education services and instructional materials program for students who meet the eligibility requirements for participation in the program. Delete existing text requiring TEA, subject to Subsection (c), to provide each student approved as provided by this subchapter a grant of not more than \$1,500 to purchase supplemental special education

services and supplemental special education instructional materials.

(c) Authorizes a student to receive one grant under this subchapter unless the legislature appropriates money for an additional grant in the General Appropriations Act. Deletes existing text requiring the commissioner to set aside an amount not to exceed \$30 million from the total amount of funds appropriated for each state fiscal year to fund the program under this section. Deletes existing text prohibiting the total amount provided for student grants under Subsection (a), for each state fiscal year, from exceeding the amount set aside by the commissioner under this subsection.

SECTION 4.15. Section 29.045, Education Code, as follows:

Sec. 29.045. APPROVAL OF APPLICATION; ASSIGNMENT OF ACCOUNT. Requires TEA, rather than requires TEA subject to available funding, to approve each student who meets the program eligibility criteria established under Section 29.044 (Program Eligibility Criteria) and assign to the student an account maintained under Section 29.042(b). Authorizes the account to only be used by the student's parent to purchase supplemental services or supplemental instructional materials, rather than supplemental special education services or supplemental special education instructional materials for the student, subject to Sections 29.046 (Account Use Restriction) and 29.047 (Agency-Approved Providers and Vendors: Criteria and Application).

SECTION 4.16. Amends Sections 29.046(a) and (b), Education Code, to make conforming changes.

SECTION 4.17. Amends Sections 29.047(a), (c), (d), and (e), Education Code, to make conforming changes.

SECTION 4.18. Amends Subchapter A-1, Chapter 29, Education Code, by adding Section 29.0475, as follows:

Sec. 29.0475. PROGRAM PARTICIPANT, PROVIDER, AND VENDOR AUTONOMY. (a) Provides that a provider of supplemental services or vendor of supplemental instructional materials that receives money distributed under the program is not a recipient of federal financial assistance on the basis of receiving that money.

(b) Prohibits a rule adopted or action taken related to the program by an individual, governmental entity, court of law, or program administrator from:

(1) considering the actions of a provider of supplemental services, vendor of supplemental instructional materials, or program participant to be the actions of an agent of state government;

(2) limiting:

(A) a provider of supplemental services' ability to determine the methods used to educate the provider's students or to exercise the provider's religious or institutional values; or

(B) a program participant's ability to determine the participant's educational content or to exercise the participant's religious values;

(3) obligating a provider of supplemental services or program participant to act contrary to the provider's or participant's religious or institutional values, as applicable;

(4) imposing any regulation on a provider of supplemental services, vendor of supplemental instructional materials, or program participant beyond those regulations necessary to enforce the requirements of the program; or

(5) requiring as a condition of receiving money distributed under the program:

(A) a provider of supplemental services to modify the provider's creed, practices, admissions policies, curriculum, performance standards, employment policies, or assessments; or

(B) a program participant to modify the participant's creed, practices, curriculum, performance standards, or assessments.

(c) Provides that in a proceeding challenging a rule adopted by a state agency or officer under this subchapter, the agency or officer has the burden of proof to establish by clear and convincing evidence that the rule:

(1) is necessary to implement or enforce the program as provided by this subchapter;

(2) does not violate this section;

(3) does not impose an undue burden on a program participant or a provider of supplemental services or vendor of supplemental instructional materials that participates or applies to participate in the program; and

(4) is the least restrictive means of accomplishing the purpose of the program while recognizing the independence of a provider of supplemental services to meet the educational needs of students in accordance with the provider's religious or institutional values.

SECTION 4.19. Amends Section 29.048, Education Code, as follows:

Sec. 29.048. ADMISSION, REVIEW, AND DISMISSAL COMMITTEE DUTIES. (a) Requires a student's admission, review, and dismissal committee to develop a student's individualized education program under Section 29.005, in compliance with the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), without consideration of any supplemental services, rather than supplemental special education services, or supplemental instructional materials that are authorized to be provided under the program under this subchapter.

(b) Requires the admission, review, and dismissal committee of a student approved for participation in the program, unless the district first verifies that an account has been assigned to the student under Section 29.045, to provide to the student's parent at an admission, review, and dismissal committee meeting for the student certain information. Makes a conforming change.

SECTION 4.20. Amends Subchapter A-1, Chapter 29, Education Code, by adding Section 29.0485, as follows:

Sec. 29.0485. DETERMINATION OF COMMISSIONER FINAL. Provides that notwithstanding Section 7.057 (Appeals), a determination of the commissioner under this subchapter is final and is prohibited from being appealed.

SECTION 4.21. Amends Section 29.049, Education Code, as follows:

Sec. 29.049. RULES. Requires the commissioner to adopt rules as necessary to administer the supplemental services, rather than special education services, and supplemental instructional materials program under this subchapter.

SECTION 4.22. Amends Section 29.315, Education Code, as follows:

Sec. 29.315. TEXAS SCHOOL FOR THE DEAF MEMORANDUM OF UNDERSTANDING. Deletes existing text requiring TEA and TSD to agree to, and by commissioner rule adopt no later than September 1, 1998, a memorandum of understanding to establish certain criteria.

SECTION 4.23. Amends Section 30.001(b), Education Code, as follows:

(b) Requires that the plan for the coordination of services to children with disabilities in each region served by a regional education service center include procedures for:

(1)-(4) makes no changes to these subdivisions; and

(5) providing for special education supports, rather than special services, including special seats, books, instructional media, and other supplemental supplies and services required for proper instruction.

SECTION 4.24. Amends Section 30.002(g), Education Code, as follows:

(g) Provides that the supplemental allowance is authorized to be spent only for special education services uniquely required by the nature of the student's disabilities and is prohibited from being used in lieu of educational funds otherwise available under this code or through state or local appropriations.

SECTION 4.25. Amends Section 30.005, Education Code, as follows:

Sec. 30.005. TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED MEMORANDUM OF UNDERSTANDING. Deletes existing text requiring TEA and TSBVI to agree to, and by commissioner rule adopt a memorandum of understanding to establish criteria.

SECTION 4.26. Amends Section 37.146(a), Education Code, as follows:

(a) Requires that a complaint alleging the commission of a school offense, in addition to the requirements imposed by Article 45.019 (Requisites of Complaint), Code of Criminal Procedure:

(1) makes no changes to this subdivision; and

(2) be accompanied by a statement from a school employee stating:

(A) whether the child is eligible for or receives special education services under Subchapter A, Chapter 29; and

(B) makes no changes to this paragraph.

SECTION 4.27. Amends Section 48.265(a), Education Code, as follows:

(a) Authorizes the commissioner, if the commissioner determines that the amount appropriated for the purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter, to provide grants using the excess money for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education classrooms or other special education settings required under Section 29.022.

Deletes existing text requiring the commissioner by rule, notwithstanding any other provision of law, if the commissioner determines that the amount appropriated for the purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter, to establish a grant program through which excess funds are awarded as grants for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education

classrooms or other special education settings required under Section 29.022.

SECTION 4.28. Effective date, this article: upon passage or September 1, 2023.

ARTICLE 5. FISCAL RESPONSIBILITY

SECTION 5.01. (a) Provides that notwithstanding any other section of this Act, in a state fiscal year, TEA or the comptroller is not required to implement a provision found in another section of this Act that is drafted as a mandatory provision imposing a duty on TEA to take an action unless money is specifically appropriated to TEA for that fiscal year to carry out that duty. Authorizes TEA or the comptroller to implement the provision in that fiscal year to the extent other funding is available to TEA to do so.

(b) Provides that if, as authorized by Subsection (a) of this section, TEA or the comptroller does not implement the mandatory provision in a state fiscal year, TEA or the comptroller, as applicable, in its legislative budget request for the next state fiscal biennium, is required to certify that fact to LBB and include a written estimate of the costs of implementing the provision in each year of that next state fiscal biennium.

(c) Provides that this section and the suspension of TEA's or the comptroller's duty to implement a mandatory provision of this Act, as provided by Subsection (a) of this section, expires and the duty to implement the mandatory provision resumes on September 1, 2027.