

## **BILL ANALYSIS**

Senate Research Center

H.B. 3646  
By: Hochberg et al. (Shapiro)  
Education  
5/19/2009  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, school district state funding is based largely on a formula related to revenue in 2005-2006 or 2006-2007.

The purpose of H.B. 3646 is to return, to the extent possible, to a formula-driven public school finance system that improves equity, reduces recapture, provides increases in educator salaries, and addresses unintended consequences of H.B.1 passed during the 79th Legislature, 3rd Called Session, 2006.

H.B. 3646 amends current law relating to public school finance.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of education in SECTION 41 (Section 29.018, Education Code), SECTION 58 (Section 41.0032, Education Code), SECTION 68 (Section 42.25151, Education Code), SECTION 70 (Section 42.2518, Education Code), and SECTION 100 of this bill.

Rulemaking authority previously granted to the commissioner is modified in SECTION 5 (Section 21.402, Education Code), SECTION 40 (Section 21.707, Education Code), and SECTION 43 (Section 29.0822, Education Code) of this bill.

Rulemaking authority is expressly granted to the State Board of Education in SECTION 65 (Section 42.1541, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 7.024(a), Education Code, to provide that the investment capital fund consists of money appropriated for purposes of the fund, rather than money transferred to the fund as provided by Section 42.152(l) (relating to withholding the amount of \$2.5 million for transfer to the investment capital fund).

SECTION 2. Amends Sections 7.062(a) and (c), Education Code, as follows:

(a) Redefines "wealth per student."

(c) Deletes existing text providing that the use of excess funds under this subsection has priority over any provision of Chapter 42 that permits or directs the use of excess foundation school program funds, including Section 42.2521 (Adjustment for Rapid Decline in Taxable Value of Property).

SECTION 3. Amends Section 12.106, Education Code, by amending Subsection (a) and adding Subsections (a-1) and (a-2), as follows:

(a) Entitles a charter holder to receive for the open-enrollment charter school funding under Chapter 42 equal to the greater of:

(1) the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Sections 42.302(a-1)(2) (relating to the definition for wealth per student) and (3) (relating to the definition for wealth per

student), as they existed on January 1, 2009, received for the school during the 2008-2009 school year and an additional amount of \$100 for each student in weighted average daily attendance; or

(2) the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Section 42.302(a), to which the charter holder would be entitled for the school under Chapter 42 if the school were a school district without a tier one local share for purposes of Section 42.253 and without any local revenue, rather than local revenue ("LR") for purposes of Section 42.2516, rather than Section 42.302. Makes nonsubstantive changes.

(a-1) Creates this subsection from existing text. Provides that in determining funding for an open-enrollment charter school under Subsection (a)(2), adjustments under Sections 42.102 (Cost of Education Adjustment), 42.103 (Small and Mid-Sized District Adjustment), 42.104 (Use of Small or Mid-Sized District Adjustment in Calculating Special Allotments), and 42.105 (Sparsity Adjustment) rather than Sections 42.102, 42.103, 42.104, and 42.105 and the district enrichment tax rate ("DTR") under Section 42.302, are based on the average adjustment, rather than the average adjustment and average district enrichment tax rate, for the state.

(a-2) Entitles a charter holder, in addition to the funding provided by Subsection (a), to receive for the open-enrollment charter school enrichment funding under Section 42.302(a) based on the state average tax effort.

SECTION 4. Amends Subchapter D, Chapter 12, Education Code, by adding Section 12.1331, as follows:

Sec. 12.1331. WAGE INCREASE FOR CERTAIN PROFESSIONAL STAFF. (a) Provides that this section applies to a charter holder that on January 1, 2009, operated an open-enrollment charter school.

(b) Requires each charter holder, beginning with the 2009-2010 school year, to increase the monthly salary of each classroom teacher, full-time speech pathologist, full-time librarian, full-time counselor, and full-time school nurse employed by the charter holder at an open-enrollment charter school by the greater of:

(1) \$80; or

(2) the maximum uniform amount that, when combined with any resulting increases in the amount of contributions made by the charter holder for social security coverage for the specified employees or by the charter holder on behalf of the specified employees under Section 825.405, Government Code, may be provided using 50 percent of any additional funding received by the charter holder as a result of changes made by H.B. No. 3646, Acts of the 81st Legislature, Regular Session, 2009, to Chapters 41 and 42 over the funding the charter holder would have received under Chapter 42, as it existed on January 1, 2009, as determined by the commissioner of education (commissioner).

(c) Provides that a payment under Subsection (b) is in addition to wages the charter holder would otherwise pay the employee during the school year.

SECTION 5. Amends Section 21.402, Education Code, effective September 1, 2009, by amending Subsections (a), (d), and (g) and adding Subsections (c-1), (c-2), (c-3), and (c-4), as follows:

(a) Sets forth the components of the formula used to compute the minimum monthly salary of each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B (Certification of Educators), or full-time school nurse.

(c-1) Requires each school district, notwithstanding Subsection (a), for the 2009-2010 and 2010-2011 school years, to increase the monthly salary of each classroom teacher, full-time speech pathologist, full-time librarian, full-time counselor certified under Subchapter B, and full-time school nurse by the greater of:

(1) \$80; or

(2) the maximum uniform amount that, when combined with any resulting increases in the amount of contributions made by the district for social security coverage for the specified employees or by the district on behalf of the specified employees under Section 825.405, Government Code, may be provided using 50 percent of any additional funding received by the district as a result of changes made by H.B. No. 3646, Acts of the 81st Legislature, Regular Session, 2009, to Chapters 41 and 42 over the funding to which the district would have been entitled under Chapters 41 and 42, as those chapters existed on January 1, 2009, at the maintenance and operations tax rate equal to the rate adopted by the district for the 2008-2009 school year, as determined by the commissioner.

(c-2) Provides that an increase in salary under Subsection (c-1) does not include:

(1) any amount an employee would have received for the 2009-2010 or 2010-2011 school year, as applicable, under the district's salary schedule for the 2008-2009 school year, if that schedule had been in effect for the 2009-2010 or 2010-2011 school year, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2009-2010 or 2010-2011 school year; or

(2) any part of the salary to which an employee is entitled under Subsection (a).

(c-3) Provides that Subsections (c-1) and (c-2) and this subsection expire September 1, 2011.

(c-4) Provides that, notwithstanding any other provision of this section, the salary factor for purposes of this section for an employee with 21 or more years of experience is 1.0217.

(d) Entitles a classroom teacher, full-time speech pathologist, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse employed by a school district in the 2010-2011, rather than the 2006-2007, school year is, as long as the employee is employed by the same district, to a salary that is at least equal to the salary the employee received for the 2010-2011 school year. Makes a conforming change.

(g) Authorizes the commissioner to adopt rules to govern the application of this section, including rules that:

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

(2) specify the credentials a person must hold to be considered a speech pathologist or school nurse under this section.

SECTION 6. Amends Section 21.402, Education Code, effective September 1, 2010, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 7. Amends Section 21.402, Education Code, effective September 1, 2011, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 8. Amends Section 21.402, Education Code, effective September 1, 2012, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 9. Amends Section 21.402, Education Code, effective September 1, 2013, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 10. Amends Section 21.402, Education Code, effective September 1, 2014, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 11. Amends Section 21.402, Education Code, effective September 1, 2015, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 12. Amends Section 21.402, Education Code, effective September 1, 2016, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 13. Amends Section 21.402, Education Code, effective September 1, 2017, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 14. Amends Section 21.402, Education Code, effective September 1, 2018, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 15. Amends Section 21.402, Education Code, effective September 1, 2019, is amended by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 16. Amends Section 21.402, Education Code, effective September 1, 2020, is amended by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 17. Amends Section 21.402, Education Code, effective September 1, 2021, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 18. Amends Section 21.402, Education Code, effective September 1, 2022, is amended by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 19. Amends Section 21.402, Education Code, effective September 1, 2023, by adding Subsection (c-4), to set forth the salary factors per step, notwithstanding any other provision of this section, for purposes of this section for an employee with 21 or more years of experience.

SECTION 20. Amends Section 21.403(a), Education Code, effective September 1, 2009, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 21, rather than 20, is reached.

SECTION 21. Amends Section 21.403(a), Education Code, effective September 1, 2010, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 22, rather than 20, is reached.

SECTION 22. Amends Section 21.403(a), Education Code, effective September 1, 2011, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 23, rather than 20, is reached.

SECTION 23. Amends Section 21.403(a), Education Code, effective September 1, 2012, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 24, rather than 20, is reached.

SECTION 24. Amends Section 21.403(a), Education Code, effective September 1, 2013, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 25, rather than 20, is reached.

SECTION 25. Amends Section 21.403(a), Education Code, effective September 1, 2014, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 26, rather than 20, is reached.

SECTION 26. Amends Section 21.403(a), Education Code, effective September 1, 2015, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 27, rather than 20, is reached.

SECTION 27. Amends Section 21.403(a), Education Code, effective September 1, 2016, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 28, rather than 20, is reached.

SECTION 28. Amends Section 21.403(a), Education Code, effective September 1, 2017, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 29, rather than 20, is reached.

SECTION 29. Amends Section 21.403(a), Education Code, effective September 1, 2018, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 30, rather than 20, is reached.

SECTION 30. Amends Section 21.403(a), Education Code, effective September 1, 2019, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 31, rather than 20, is reached.

SECTION 31. Amends Section 21.403(a), Education Code, effective September 1, 2020, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 32, rather than 20, is reached.

SECTION 32. Amends Section 21.403(a), Education Code, effective September 1, 2021, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 33, rather than 20, is reached.

SECTION 33. Amends Section 21.403(a), Education Code, effective September 1, 2022, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 34, rather than 20, is reached.

SECTION 34. Amends Section 21.403(a), Education Code, effective September 1, 2023, to require a teacher, librarian, counselor, or nurse to advance one step on the minimum salary schedule under Section 21.402 for each year of experience as a teacher, librarian, counselor, or nurse until step 35, rather than 20, is reached.

SECTION 35. Amends Section 21.415(a), Education Code, to require a school district to provide in employment contracts that qualifying employees may receive an incentive payment under an awards program established under Subchapter O (Educator Excellence Award Programs), rather than N (Awards for Student Achievement Program) or O, if the district participates in the program.

SECTION 36. Amends Sections 21.703(a) and (d), Education Code, as follows:

(a) Requires the commissioner, each state fiscal year, to deposit an amount determined by the General Appropriations Act, rather than the sum of \$1,000 multiplied by the number of classroom teachers in this state, to the credit of the educator excellence fund in the general revenue fund. Requires the Texas Education Agency (TEA), each state fiscal year, to use funds, rather than any remaining funds, in the educator excellence fund to provide a qualifying school district a grant in an amount determined by:

(1) dividing the amount of money, rather than remaining money, available for distribution in the educator excellence fund by the total number of students in weighted average daily attendance in qualifying districts for that fiscal year; and

(2) multiplying the amount determined under Subdivision (1), rather than Paragraph (A), by the number of students in weighted average daily attendance in the district.

Deletes existing Subdivision (1) requiring TEA to use not more than \$100 million of the funds in the educator excellence fund to provide grant awards under the awards for student achievement program established under Subchapter N. Makes nonsubstantive changes.

(d) Authorizes TEA, notwithstanding Subsection (a), rather than (a) or (b), to use funds in the educator excellence fund as necessary to conduct or contract with another entity to conduct the evaluation required under Section 21.706. Provides that this subsection expires June 1, 2011.

SECTION 37. Amends Section 21.704, Education Code, by adding Subsection (c-1), to require a local awards plan to provide for teachers and principals eligible to receive awards under the plan to be notified of the specific criteria and any formulas on which the awards will be based before the beginning of the period on which the awards will be based.

SECTION 38. Amends Section 21.705, Education Code, as follows:

Sec. 21.705. AWARD PAYMENTS. Requires a school district to use at least 30, rather than 60, percent of grant funds awarded to the district under this subchapter to directly award classroom teachers who effectively improve student achievement as determined by meaningful, objective measures. Requires that the remaining funds be used only to:

(1) recruit and retain highly qualified teachers and principals for campuses serving a disproportionately high number of economically disadvantaged students or students of limited English proficiency, as defined by Section 29.052 (Definitions);

(2) recruit and retain teachers certified under Subchapter B in mathematics, science, special education, bilingual education, or English as a second language;

(3) provide teacher induction and mentoring support; or

(4) provide funding for previously developed incentive programs, rather than provide stipends to effective mentors or teacher coaches; provide stipends to classroom teachers who are certified in a subject that is designated by the commissioner as commonly experiencing a critical shortage of teachers; provide stipends to classroom teachers who are certified under Subchapter B in the main subject area in which they teach; provide stipends to classroom teachers with proven records of success for improving student performance who are assigned to campuses at which the district has experienced difficulty assigning or retaining teachers; provide stipends to classroom teachers who hold postgraduate degrees; provide awards to principals who effectively increase student performance as determined by objective measures; provide awards to other campus employees who demonstrate excellence; or implement the components of a Teacher Advancement Program (TAP), including an instructionally focused accountability system and the adjustment of teaching schedules to permit ongoing applied professional growth.

SECTION 39. Amends Section 21.706(a), Education Code, as follows:

(a) Requires TEA, using funds from the educator excellence fund created under Section 21.703, to conduct or contract with another entity to conduct a comprehensive evaluation of the program, rather than the awards for student achievement program established under Subchapter N and the educator excellence awards program established under this subchapter. Makes a nonsubstantive change and conforming changes.

SECTION 40. Amends Section 21.707, Education Code, as follows:

Sec. 21.707. RULES. Requires the commissioner to adopt rules necessary to administer this subchapter. Prohibits the rules from establishing additional criteria for local awards plans other than those established by this subchapter, except as necessary to provide financial accountability for the grants.

SECTION 41. Amends Subchapter A, Chapter 29, Education Code, by adding Section 29.018, as follows:

Sec. 29.018. SPECIAL EDUCATION GRANT. (a) Requires the commissioner, from funds appropriated for the purposes of this section, federal funds, or any other funds available, to make grants available to school districts to assist districts in covering the cost of educating students with disabilities.

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

(1) the district does not receive sufficient funds, including state funds provided under Section 42.151 (Special Education) and federal funds, for a student with disabilities to pay for the special education services provided to the student; or

(2) the district does not receive sufficient funds, including state funds provided under Section 42.151 and federal funds, for all students with disabilities in the district to pay for the special education services provided to the students.

(c) Requires a school district that applies for a grant under this section to provide the commissioner with a report comparing the state and federal funds received by the district for students with disabilities and the expenses incurred by the district in providing special education services to students with disabilities.

(d) Provides that expenses that may be included by a school district in applying for a grant under this section include the cost of training personnel to provide special education services to a student with disabilities.

(e) Requires a school district that receives a grant under this section to educate students with disabilities in the least restrictive environment that is appropriate to meet the student's educational needs.

(f) Requires the commissioner to adopt rules as necessary to administer this section.

SECTION 42. Amends Section 29.082, Education Code, by adding Subsection (h), to require the commissioner to give priority to applications for extended year programs to districts with high concentrations of educationally disadvantaged students.

SECTION 43. Amends Section 29.0822, Education Code, by amending Subsections (a), (c), and (d) and adding Subsection (e), as follows:

(a) Authorizes a school district, notwithstanding Section 25.081 (Operation of Schools) or 25.082 (School Day; Pledges of Allegiance; Minute of Silence), to apply to the commissioner to provide a flexible school day program for students, rather than students in grades nine through 12, and includes students who:

(3) as a result of attendance requirements under Section 25.092 (Minimum Attendance for Class Credit), will be denied credit for one or more classes in which the students have been enrolled.

(c) Requires that a course offered in a program under this section, except in the case of a course designed for a student described by Subsection (a)(3), provide for at least the same number of instructional hours as required for a course offered in a program that meets the required minimum number of instructional days under Section 25.081 and the required length of school day under Section 25.082.

(d) Authorizes the commissioner to:

(1) set maximum funding amounts for an individual course under this section; and

(2) limit funding for the attendance of a student described by Subsection (a)(3) in a course under this section to funding only for the attendance necessary for the student to earn class credit that, as a result of attendance requirements under Section 25.092, the student would not otherwise be able to receive without retaking the class.

(e) Authorizes a student described by Subsection (a)(3) to enroll in a course in a program under this section offered during the school year or during the period in which school is recessed for the summer to enable the student to earn class credit that, as a result of attendance requirements under Section 25.092, the student would not otherwise be able to receive without retaking the class.

SECTION 44. Amends Section 29.085, Education Code, by adding Subsection (e), as follows:

(e) Requires the commissioner, from funds appropriated for the purpose, to distribute funds for programs under this section. Requires the commissioner, in distributing those funds, to give preference to school districts that received funds for a program under this section for the preceding school year and then to the districts that have the highest concentration of students who are pregnant or who are parents. Requires a school district, to receive funds for a program under this section, to apply to the commissioner. Provides that a program established under this section is required only in school districts in which the program is financed by funds distributed under this subsection and any other funds available for the program.

SECTION 45. Amends Section 29.097(g), Education Code, to provide that for purposes of Subsection (f)(2) (relating to requirements for a grant awarded under this section), a school district is encouraged to use funds allocated under Section 42.160, rather than 42.2516(b)(3).

SECTION 46. Amends Section 29.098(h), Education Code, to provide that for purposes of Subsection (g)(2) (relating to requirements for a grant awarded under this section), a school district is encouraged to use funds allocated under Section 42.160, rather than 42.2516(b)(3).

SECTION 47. Amends Section 29.918(a), Education Code, as follows:

(a) Requires a school district or open-enrollment charter school with a high dropout rate, as determined by the commissioner, notwithstanding Section 42.152 (Compensatory Education Allotment) or 42.160, rather than 39.114 or 42.152, to submit a plan to the commissioner describing the manner in which the district or charter school intends to use the compensatory education allotment under Section 42.152 and the high school allotment under Section 42.160, rather than 42.2516(b)(3), for developing and implementing research-based strategies for dropout prevention.

SECTION 48. Amends Section 29.919(e), Education Code, to make a conforming change.

SECTION 49. Amends Section 33.002(a), Education Code, as follows:

(a) Requires the commissioner, from funds appropriated for the purpose or other funds that may be used for the purpose, to distribute funds for programs under this subchapter. Requires the commissioner, in distributing those funds, to give preference to a school district that received funds under this subsection for the preceding school year and then to the districts that have the highest concentration of students at risk of dropping out of school, as described by Section 29.081 (Compensatory Intensive, and Accelerated Instruction). Requires a school district, to receive funds for the program, to apply to the commissioner. Requires the district, for each school year that a school district receives funds under this subsection, to allocate an amount of local funds for school guidance and counseling programs that is equal to or greater than the amount of local funds that the school district allocated for that purpose during the preceding school year. Provides that this section applies only to a school district that receives funds as provided by this subsection, rather than Section 42.152(i) (relating to requiring the commissioner to withhold and distribute money to certain programs).

SECTION 50. Amends Sections 39.024(c) and (d), Education Code, as follows:

(c) Requires TEA, using funds appropriated for purposes of this subsection, to develop study guides for the assessment instruments administered under Sections 39.023(a) (relating to adopting or developing appropriate criterion-referenced assessment instruments) and (c) (relating to adopting end-of-course assessment instruments for certain secondary-level courses).

(d) Requires TEA, using funds appropriated for purposes of this subsection, to develop and make available teacher training materials and other teacher training resources to assist teachers in enabling students of limited English proficiency to meet state performance expectations.

SECTION 51. Amends Section 39.031, Education Code, as follows:

Sec. 39.031. COST. Deletes existing Subsections (a) and (b) requiring that the cost of preparing, administering, or grading the assessment instruments be paid from the funds allotted under Section 42.152, requiring each district to bear the cost in the same manner described for a reduction in allotments under Section 42.253, and requiring the commissioner, if a district does not receive an allotment under Section 42.152, to subtract the cost from the district's other foundation school fund allotments. Requires that the cost of preparing, administering, or grading the assessment instruments and releasing the question and answer keys under Section 39.023(e) (relating to releasing the questions and answer keys to each assessment instrument) be paid from amounts appropriated to TEA.

SECTION 52. Amends the heading to Section 39.114, Education Code, to read as follows:

Sec. 39.114. USE OF HIGH SCHOOL ALLOTMENT.

SECTION 53. Amends Sections 39.114(a) and (b), Education Code, as follows:

(a) Requires a school district or campus, except as provided by Subsection (b), to use funds allocated under Section 42.160, rather than 42.2516(b)(3), to implement certain programs.

(b) Makes a conforming change.

SECTION 54. Amends Section 41.001, Education Code, to define "effective tax rate." Makes nonsubstantive changes.

SECTION 55. Amends Subchapter A, Chapter 41, Education Code, by adding Sections 41.0011 and 41.0012, as follows:

Sec. 41.0011. REFERENCES TO TAXABLE VALUE OF DISTRICT PROPERTY. Provides that a reference in this chapter to the taxable value of property in a district, as determined under Subchapter M (Study of School District Property Values), Chapter 403 (Comptroller of Public Accounts), Government Code, refers to the value for the current year unless otherwise specified.

Sec. 41.0012. MODIFICATION FOR DISTRICTS WITH SPECIAL LAW TAXING AUTHORITY. (a) Provides that this section applies only to a school district that imposed a maintenance and operations tax for the 2005 tax year at a rate greater than \$1.50 per \$100 of taxable value, as permitted by special law.

(b) Requires the commissioner, for any district to which this section applies, to implement any provision of this chapter that refers to a maintenance and operations tax rate equal to the lesser of \$1 or a district's effective rate less six cents, or that makes a substantially similar reference, as if the provision referred to a rate equal to the lesser of the rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year or a district's effective maintenance and operations tax rate less six cents.

SECTION 56. Amends Section 41.002(a), Education Code, as follows:

(a) Prohibits a school district from having a wealth per student that exceeds:

(1) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to a district described by Section 42.101(b), rather than at the 88th percentile in wealth per student, for the district's maintenance and operations tax effort equal to or less than an effective tax rate of the lesser of \$1 or the rate that is six cents less than the district's effective maintenance and operations tax rate, rather than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; or

(2) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student per cent of tax effort available to a district under Section 42.302 for each cent of a district's tax rate other than the last six cents of that rate, rather than the Austin Independent School District (AISD), as determined by the commissioner in cooperation with the Legislative Budget Board (LLB), for the first six cents by which, for the district's maintenance and operations tax effort that, rather than tax rate, exceeds the tax effort described by Subdivision (1), rather than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, subject to Section 41.093(b-1); or \$319,500, for the district's maintenance and operations

tax effort that exceeds the first six cents by which the district's maintenance and operations tax effort exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year.

SECTION 57. Amends Section 41.002(e), Education Code, as follows:

(e) Prohibits the wealth per student that a school district may have after exercising an option under Section 41.003(2) (relating to the detachment of territory) or (3) (relating to the purchase of average daily attendance credit), notwithstanding Subsection (a), rather than, notwithstanding Subsection (a), and except as provided by Subsection (g), in accordance with a determination of the commissioner, from being less than the amount needed to maintain state and local revenue in an amount equal to state and local revenue per weighted student for maintenance and operation of the district for the 1992-1993 school year less the district's current year distribution per weighted student from the available school fund, other than amounts distributed under Chapter 31, if the district imposes an effective tax rate for maintenance and operation of the district equal to the greater of the district's current tax rate or \$1.50 on the \$100 valuation of taxable property.

SECTION 58. Amends Subchapter A, Chapter 41, Education Code, by adding Section 41.0032, as follows:

Sec. 41.0032. TOLLING OF ACTION TO ACHIEVE EQUALIZED WEALTH LEVEL. (a) Provides that, notwithstanding any other provision of this chapter, if a school district would otherwise be required by this chapter to take action to achieve the equalized wealth level for the first time for the 2009-2010 or a later school year, the district is not required to take that action until the following school year.

(b) Provides that for purposes of this section, a district is not required to take action to achieve the equalized wealth level until the cost to the district to purchase attendance credits under Subchapter D (Purchase of Attendance Credit) exceeds the amount to which the district is entitled under Section 42.2516.

(c) Authorizes the commissioner to adopt rules implementing this section as necessary to provide for a district described by this section a one-year tolling of the deadlines specified in this chapter.

SECTION 59. Amends Section 41.093(b-1), Education Code, as follows:

(b-1) Requires the commissioner, if the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302(g), rather than 42.302(a-1)(2), for which state funds are appropriated for a school year is an amount at least equal to the amount of revenue per weighted student per cent of tax effort available to the AISD, as determined by the commissioner in cooperation with LLB, in computing the amounts described by Subsections (a)(1) (relating to the amount of the district's maintenance and operations tax revenue per student) and (2) (relating to the amount of the statewide district average of maintenance and operations tax revenue per student) and determining the cost of an attendance credit, to exclude maintenance and operations tax revenue resulting from the last, rather than first, six cents of a district's effective maintenance and operations tax rate, provided that the district adopts a maintenance and operations tax rate for that school year at a rate at least equal to the greater of the rate adopted by the district for the 2008-2009 school year or the rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year. Requires the commissioner, if the district adopts a maintenance and operations tax at a rate lower than the greater of those rates, to exclude maintenance and operations tax revenue resulting from the first six cents by which the district's effective maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, rather than as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year.

SECTION 60. Amends Section 41.121, Education Code, as follows:

Sec. 41.121. AGREEMENT. Provides that the agreement is not effective unless the commissioner certifies that the transfer of weighted average daily attendance will not result in any of the contracting districts' wealth per student being greater than the equalized wealth level and that the agreement requires an expenditure per student in weighted average daily attendance that is at least equal to the amount per student in weighted average daily attendance required under Section 41.093 (Cost). Deletes existing text providing that the agreement is not effective under certain conditions, unless it is determined by the commissioner that a quality educational program can be delivered at a lesser amount; and authorizing the commissioner to approve a special financial arrangement between districts if that arrangement serves the best educational interests of the state.

SECTION 61. Amends Subchapter A, Chapter 42, Education Code, by adding Sections 42.009, 42.010, and 42.011, as follows:

Sec. 42.009. REFERENCES TO TAXABLE VALUE OF DISTRICT PROPERTY. Provides that a reference in this chapter to the taxable value of property in a district, as determined under Subchapter M, Chapter 403, Government Code, refers to the value for the current year.

Sec. 42.010. EFFECTIVE TAX RATE. Provides that for purposes of this chapter, a school district's effective tax rate means the rate determined by dividing the total amount of taxes collected by the district for the applicable school year less any amounts paid into a tax increment fund under Chapter 311 (Tax Increment Financing Act), Tax Code, by the quotient of the district's taxable value of property, as determined under Subchapter M, Chapter 403, Government Code, divided by 100.

Sec. 42.011. MODIFICATION FOR DISTRICTS WITH SPECIAL LAW TAXING AUTHORITY. (a) Provides that this section applies only to a school district that imposed a maintenance and operations tax for the 2005 tax year at a rate greater than \$1.50 per \$100 of taxable value, as permitted by special law.

(b) Requires the commissioner, for any district to which this section applies, to implement any provision of this chapter that refers to a maintenance and operations tax rate equal to the lesser of \$1 or a district's effective rate less six cents, or that makes a substantially similar reference, as if the provision referred to a rate equal to the lesser of:

(1) the rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; or

(2) a district's effective maintenance and operations tax rate less six cents.

SECTION 62. Amends Section 42.101, Education Code, as follows:

Sec. 42.101. BASIC ALLOTMENT. (a) Creates this subsection from existing text. Entitles a district, 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 (Special Allotments), to an allotment in an amount equal to the product of the amount per student per cent of tax effort available to a district described by Subsection (b), rather than at the percentile in wealth per student specified by Section 42.302(a-1)(1) (relating to the definition of wealth per student), multiplied by the lesser of:

(1) the number of cents that is six cents less than the number of cents in the district's effective maintenance and operations tax rate; or

(2) 100, rather than 86. Deletes existing text authorizing a greater amount for any school year to be provided by appropriation.

(b) Requires the commissioner, for purposes of Subsection (a), to determine the amount per cent of tax effort available to a district with a taxable value of property equal to the product of the statewide average taxable value of property per weighted student multiplied by 0.0001723, or a higher value as specified in the General Appropriations Act.

SECTION 63. Amends Section 42.106, Education Code, as follows:

Sec. 42.106. New heading: TUITION ALLOTMENT FOR DISTRICTS NOT OFFERING ALL GRADE LEVELS. Entitles a school district that contracts for students residing in the district to be educated in another district under Section 25.039(a) (relating to providing by contract for students residing in the district who are at grade levels not offered by the district) to receive an allotment equal to the total amount of tuition required to be paid by the district under Section 25.039 (Contracts and Tuition for Education Outside District), rather than for the school year for which the adjustment is made, not to exceed the amount specified by commissioner rule under Section 25.039(b) (relating to requiring the school district in which the students reside to pay tuition to any district with which it has a contract). Deletes existing text setting forth the components of the formula to determine the taxable value of a property of a school district that contracts for students residing in the district to be educated in another district.

SECTION 64. Amends Section 42.152(c), Education Code, as follows:

(c) Authorizes specifically, the funds, other than an indirect cost allotment established under State Board of Education (SBOE) rule, which are prohibited from exceeding 45, rather than 15, percent, to be used to meet the costs of providing a compensatory, intensive, or accelerated instruction program under Section 29.081 or an alternative education program established under Section 37.008 (Disciplinary Alternative Education Programs) or to support a program eligible under Title I of the Elementary and Secondary Education Act of 1965, as provided by Pub. L. No. 103-382 and its subsequent amendments, and by federal regulations implementing that Act, at a campus at which at least 40 percent of the students are educationally disadvantaged

SECTION 65. Amends Subchapter C, Chapter 42, Education Code, by adding Section 42.1541, as follows:

Sec. 42.1541. INDIRECT COST ALLOTMENTS. (a) Requires SBOE to by rule to increase the indirect cost allotments established under Sections 42.151(h) (relating to funds being used in the special education program), 42.152(c) (relating to funds being used to fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments), 42.153(b) (relating to funds being used in providing bilingual education or special language programs), and 42.154(a-1) (relating to developing and implementing a pilot program) and (c) (relating to funds being used in providing career and technology education programs in grades nine through 12) and in effect for the 2008-2009 school year as necessary to reflect the increased percentage of total maintenance and operations funding represented by the basic allotment under Section 42.101 as a result of amendment of that section by H.B. No. 3646, Acts of the 81st Legislature, Regular Session, 2009.

(b) Requires SBOE to take the action required by Subsection (a) not later than the date that permits the increased indirect cost allotments to apply beginning with the 2009-2010 school year.

(c) Provides that this section expires September 1, 2010.

SECTION 66. Amends Section 42.152, Education Code, by adding Subsections (s), (s-1), (s-2), (s-3), (s-4), and (s-5), as follows:

(s) Entitles a school district, in addition to the allotment provided under Subsection (a), to an annual allotment equal to \$650:

(1) for each student in average daily attendance who has a parent or guardian who is serving on active duty in a combat zone as a member of the armed forces of the United States; and

(2) for each student in average daily attendance who has a parent or guardian serving on active duty as a member of the armed forces of the United States, and has transferred to a campus in the district during the school year as a result of a change in residence because of an action taken under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687).

(s-1) Authorizes a school district, notwithstanding any other provision of this section, to use funds allotted to the district under Subsection (s) only to provide supplemental programs and services described by Subsection (c) or Subsection (f) (relating to the commissioner withholding an amount to be determined by the commissioner, but not less than \$10,000,000) for students described by Subsection (s) who are enrolled in the district.

(s-2) Prohibits the amount appropriated for allotments under Subsection (s) from exceeding \$9.9 million in a school year. Requires the commissioner, if the total amount of allotments to which districts are entitled under Subsection (s) for a school year exceeds the amount appropriated for allotments under that subsection, to reduce each district's allotment under that subsection proportionately.

(s-3) Provides that notwithstanding any other provision of this chapter, payments for allotments under Subsection (s) are made as adjustments under Section 42.253(i) (relating to requiring the commissioner to determine the amount of state funds entitled to each school district). Requires the commissioner, if the commissioner determines that the amount appropriated for purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter, to fund the adjustment for the allotments under Subsection (s) from the excess funds.

(s-4) Requires the commissioner, if the commissioner determines that the amount by which the funds appropriated for purposes of the Foundation School Program exceeds the amount to which school districts are entitled under this chapter is not sufficient to provide for the allotments under Subsection (s) as limited by Subsection (s-1), to reduce the number by which the statewide average taxable value of property per weighted student is multiplied for purposes of Section 42.101(b) by the amount necessary to provide the remaining funds. Requires the commissioner to include the amount of the reduction in the adjustments under Section 42.253(i) in the next school year.

(s-5) Provides that Subsections (s), (s-1), (s-2), (s-3), (s-4), and this subsection expire September 1, 2013.

**SECTION 67.** Amends Subchapter C, Chapter 42, Education Code, by adding Section 42.160, as follows:

**Sec. 42.160. HIGH SCHOOL ALLOTMENT.** (a) Entitles a school district to an annual allotment in an amount determined by the commissioner under Subsection (a-1) for each student in weighted average daily attendance in grades 9 through 12 in the district. Provides that for purposes of this subsection, the number of students in weighted average daily attendance is calculated by multiplying the number of students in average daily attendance in grades 9 through 12 in the district by the ratio for the district of the number of students in weighted average daily attendance to the number of students in average daily attendance.

(a-1) Requires the commissioner to determine the amount of the allotment provided under Subsection (a) so that the total state cost of funding the allotment equals the total state cost of funding the allotment that would have resulted if the

allotment were provided in the amount of \$275 for each student in average daily attendance in grades 9 through 12 in the district.

(b) Entitles a school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized wealth level to a credit, in the amount of the allotment to which the district is entitled under this section, against the total amount required under Section 41.093 for the district to purchase attendance credits. Entitles a school district that is otherwise ineligible for state aid under this chapter to receive allotments under this section.

SECTION 68. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.25151, as follows:

Sec. 42.25151. ADJUSTMENT FOR SUPPLEMENTAL PAYMENTS ASSOCIATED WITH AGREEMENTS UNDER TEXAS ECONOMIC DEVELOPMENT ACT. (a) Defines "supplemental payment."

(b) Requires the commissioner, notwithstanding Section 42.2516, to for any school year, subject to Subsection (b-1), reduce the amounts due to a school district under this chapter by an amount equal to the value of any supplemental payment received during that school year by the district or a foundation or other entity created to benefit the district or the district's students, or increase the amounts necessary for a school district to comply with the requirements of Chapter 41 by an amount equal to the value of any supplemental payments received during that school year by the district or a foundation or other entity created to benefit the district or the district's students.

(b-1) Entitles a school district, each school year, to retain a total benefit from supplemental payments not to exceed the amounts authorized in Sections 313.027(i) and (j), Tax Code.

(c) Requires a school district to report each supplemental payment through the Public Education Information Management System (PEIMS) and clearly identify each supplemental payment in the district's adopted budget and in the annual report required by Section 44.007 (Accounting System; Report).

(d) Authorizes the commissioner, in consultation with the comptroller of public accounts (comptroller), as appropriate, to adopt rules necessary to implement this section.

(e) Provides that this section does not apply to supplemental payments made in connection with an agreement entered into before September 1, 2009.

SECTION 69. Amends Section 42.2516, Education Code, by amending Subsections (a), (a-1), (b), (b-1), (b-2), (c), (e), (f), (f-1), and (g) and adding Subsections (a-2), (b-3), (b-4), (e-1), (h-1), and (m), as follows:

(a) Redefines "state compression percentage." Requires the commissioner, in consultation with LBB, to determine the state compression percentage for each school year based on the percentage by which a district is able to reduce the district's maintenance and operations tax rate for that year, as compared to the district's adopted maintenance and operations tax rate for the 2005 tax year, as a result of state funds appropriated for distribution under this section for that year from the property tax relief fund established under Section 403.109 (Property Tax Relief Fund), Government Code, or from another funding source available for school district property tax relief.

(a-1) Provides that for the state fiscal year ending August 31, 2009, the state compression percentage is 66.67 percent. Provides that for each subsequent state fiscal year, the state compression percentage is the lesser of the percentage determined in accordance with Subsection (a) or the state compression percentage for the preceding state fiscal year.

(a-2) Requires the commissioner, not later than March 1 of each year, to inform school districts of the state compression percentage for the following school year and post the state compression percentage for the following school year on TEA's website. Deletes existing text providing that Subsection (a) applies beginning with the state fiscal year ending August 31, 2009; providing that for the state fiscal year ending August 31, 2007, the state compression percentage is 88.67 percent; providing that for the state fiscal year ending August 31, 2008, the state compression percentage is 66.67 percent; and providing that this subsection expires September 1, 2009.

(b) Entitles a school district, subject to Subsections (b-1), (b-2), (b-3), (b-4), (f-1), (g), and (h-1) but notwithstanding any other provision of this title, to state revenue necessary to provide the district with:

(1) the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount at least equal to the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district available to the district for the 2008-2009 school year for the district's maintenance and operations tax rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; and

(2) an amount equal to the difference, if any, between the amount of maintenance and operations revenue the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n) (relating to reducing certain school district's taxable value accordance with Section 403.302(d)(5), Government Code), Tax Code, meeting the criteria under Section 403.302(d)(4), Government Code, in the current tax year and the amount of maintenance and operations revenue collected by the district in the reinvestment zone at the district's compressed tax rate.

Deletes existing text entitling a school district, subject to Subsections (b-1), (b-2), (f-1), (g), and (h) but notwithstanding any other provision of this title, to state revenue necessary to provide the district with the sum of the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the greater of the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district available to the district for the 2005-2006 school year; the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate adopted by the district for the 2005 tax year; or the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate equal to the rate described by Section 26.08(i) (relating to the effective maintenance and operations tax rate of a school district) or (k)(1) (relating to the sum of the effective maintenance and operations tax rate of the district), Tax Code, as applicable, for the 2006 tax year; an amount equal to the product of \$2,500 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum

salary under Section 21.402; and an amount equal to the product of \$275 multiplied by the number of students in average daily attendance in grades nine through 12 in the district.

(b-1) Provides that the amount determined for a school district under Subsection (b) is increased or reduced as follows:

(1) if for any school year the district is entitled to a greater allotment under Section 42.158 (New Instructional Facility Allotment) than the allotment to which the district was entitled under that section for the 2008-2009 school year, rather than for the school year on which the district's entitlement under Subsection (b) is based, the district's entitlement under Subsection (b) is increased by an amount equal to the difference between the amount to which the district is entitled under Section 42.158 for that school year and the amount to which the district was entitled under that section for the 2008-2009 school year, rather than for the 2005-2006 school year, if the amount determined for the district under Subsection (b) is determined under Subsection (b)(1)(A), or the 2006-2007 school year, if the amount determined for the district under Subsection (b) is determined under Subsection (b)(1)(B) or (C); and

(2) if for any school year the district is not entitled to an allotment under Section 42.158 or is entitled to a lesser allotment under that section than the allotment to which the district was entitled under that section for the 2008-2009 school year, rather than for the school year on which the district's entitlement under Subsection (b) is based, the district's entitlement under Subsection (b) is reduced by an amount equal to the difference between the amount to which the district was entitled under Section 42.158 for the 2008-2009 school year, rather than the 2005-2006 or 2006-2007 school year as appropriate based on whether the district's entitlement under Subsection (b) is determined under Subsection (b)(1)(A), (B), or (C), and the amount to which the district is entitled under Section 42.158 for the current school year.

(b-2) Provides that the amount determined for a school district under Subsection (b) is increased or reduced as follows:

(1) if for any school year the district is entitled to a greater allotment under Section 42.155 (Transportation Allotment) or greater additional state aid under Section 42.2515 (Additional State Aid for Ad Valorem Tax Credits Under Texas Economic Development Act), than the allotment or additional state aid to which the district was entitled under Section 42.155 or 42.2515 as applicable, for the 2008-2009 school year, rather than for the school year on which the district's entitlement under Subsection (b) is based, the district's entitlement under Subsection (b) is increased by an amount equal to the difference between the amount to which the district is entitled under Section 42.155 or 42.2515, as applicable, for that school year and the amount to which the district was entitled under the applicable section for the 2008-2009 school year, rather than as applicable for the 2005-2006 school year, if the amount determined for the district under Subsection (b) is determined under Subsection (b)(1)(A); or the 2006-2007 school year, if the amount determined for the district under Subsection (b) is determined under Subsection (b)(1)(B) or (C); and

(2) if for any school year the district is not entitled to an allotment under Section 42.155 or additional state aid under Section 42.2515 or is entitled to a lesser allotment or less additional state aid under the applicable section than the allotment or additional state aid to which the district was entitled under the applicable section for the 2008-2009 school year, rather than for the school year on which the district's entitlement under Subsection (b) is based, the district's entitlement under Subsection (b) is reduced by an amount equal to the difference between the amount to which the district was entitled under Section 42.155 or 42.2515, as applicable, for the 2008-2009 school year, rather than the 2005-2006 or 2006-2007 school year, as appropriate based on whether the district's

entitlement under Subsection (b) is determined under Subsection (b)(1)(A), (B), or (C), and the amount to which the district is entitled under the applicable section for the current school year.

(b-3) Provides that the amount determined for a school district under Subsection (b) is increased or reduced to reflect changes in the amount of funds to which the district is entitled under Section 42.160, in comparison to the amount of funds to which the district was entitled during the 2008-2009 school year under the high school allotment provided by Subsection (b)(3), as it existed on January 1, 2009.

(b-4) Provides that the amount determined under Subsection (b) for a school district that paid tuition under Section 25.039 during the 2008-2009 school year in accordance with a contract authorized by that section is reduced by the amount of tuition paid during that school year.

(c) Requires the commissioner, in determining the amount to which a district is entitled under Subsection (b), to include:

(1) any amounts received by the district during the 2008-2009 school year under Rider 86, page III-23, Chapter 1428 (H.B. 1), Acts of the 80th Legislature, Regular Session, 2007 (the General Appropriations Act);

(2) any amount necessary to reflect an adjustment made by the commissioner under Section 42.005 (Average Daily Attendance);

(3) any amount necessary to reflect an adjustment made by the commissioner under Section 42.2531 (Additional State Aid for Staff Salary Increases);

(4) any amount necessary to maintain the professional staff salary allotment provided by Subsection (b)(2) and the high school allotment provided by Subsection (b)(3), as those subsections existed on January 1, 2009; the staff salary allotment provided by Section 42.2513 (Additional State Aid for Staff Salary Increase), as that section existed on January 1, 2009; funding provided by Section 42.2514 (Additional State Aid for School Employee Benefits), as that section existed on January 1, 2009, for school district employees who participate in a group health coverage plan provided by or through the district; the \$110 per weighted student allocation authorized in Rider 82, page III-23, Chapter 1330 (H.B. 1), Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); and any other amounts to which the district was entitled under this subchapter, as it existed on January 1, 2009; and

(5) any amount to which the district is entitled under Section 42.106.

Deletes existing Subdivisions (2) and (4) requiring the commissioner, in determining the amount to which a district is entitled under Subsection (b-1), to include any amounts described by Rider 69, page III-19, Chapter 1369, Acts of the 79th Legislature Regular Session, 2005 (the General Appropriations Act); for a school district that received additional revenue for the 2005-2006 school year as a result of an agreement under Subchapter E, Chapter 41: if the amount of state revenue to which the district is entitled under Subsection (b) is computed based on the amount described by Subsection (b)(1)(A), the amount of that additional revenue retained by the district for the 2005-2006 school year, which is the amount by which the total maintenance and operations revenue available to the district for that school year exceeded the total maintenance and operations revenue that would have been available to the district for that school year if the district had not entered into the agreement, less any amount the district paid to another entity under the agreement; or if the amount of state revenue to which the district is entitled under Subsection (b) is computed based on the amount described by Subsection (b)(1)(B) or (C), the amount of the additional revenue that would have been retained by the district for the 2006-2007 school year if the district had entered into the agreement on the same terms as under the agreement

for the 2005-2006 school year, which is the amount by which the total maintenance and operations revenue that would have been available to the district for the 2006-2007 school year if the district had entered into the agreement exceeds the total maintenance and operations revenue that would have been available to the district for that school year if the district had not entered into the agreement and had imposed a maintenance and operations tax at the rate of \$1.50 on the \$100 valuation of taxable property, less any amount the district would have paid to another entity under the agreement; and any amount necessary to reflect an adjustment made by the commissioner under Section 42.2521 (Adjustment for Rapid Decline in Taxable Value of Property).

(e) Provides that the amount of revenue to which a school district is entitled because of the technology allotment under Section 32.005 (Technology Allotment) is not included in making a determination under Subsection (b), rather than Subsection (b)(1).

(e-1) Provides that the amount of revenue to which a school district is entitled under Section 42.2518 is in addition to the amount of revenue to which the district is entitled under Subsection (b).

(f) Requires the commissioner, for purposes of determining the amount of revenue to which a school district is entitled under this section, to use the average tax collection rate for the district for the 2006, 2007, and 2008 tax years, rather than the 2003, 2004, and 2005 tax years.

(f-1) Requires the commissioner, in accordance with rules adopted by the commissioner, to adjust the amount of a school district's local revenue derived from maintenance and operations tax collections, as calculated for purposes of determining the amount of state revenue to which the district is entitled under this section, if the district, for the 2010, rather than 2007, tax year or a subsequent tax year:

(1) adopts an exemption under Section 11.13(n) (relating to an individual being entitled to an exemption from taxation by a taxing unit), Tax Code, that was not in effect for the 2009 tax year, rather than the 2005 or 2006 tax year, or eliminates an exemption under Section 11.13(n), Tax Code, that was in effect for the 2009 tax year, rather than the 2005 or 2006 tax year;

(2) adopts an exemption under Section 11.13(n), Tax Code, at a greater or lesser percentage than the percentage in effect for the district for the 2009 tax year, rather than the 2005 or 2006 tax year;

(3) grants an exemption under an agreement authorized by Chapter 312 (Property Development and Tax Abatement Act), Tax Code, that was not in effect for the 2009 tax year, rather than the 2005 or 2006 tax year, or ceases to grant an exemption authorized by that chapter that was in effect for the 2009 tax year, rather than the 2005 or 2006 tax year; or

(4) agrees to deposit taxes into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan that was not in effect for the 2009 tax year, rather than the 2005 or 2006 tax year, or ceases depositing taxes into a tax increment fund created under that chapter under a reinvestment zone financing plan that was in effect for the 2009 tax year, rather than the 2005 or 2006 tax year.

(g) Requires the commissioner, if a school district adopts a maintenance and operations tax rate that is below the rate equal to the sum of six cents and the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, to reduce the district's entitlement under this section in proportion to the amount by which the rate equal to the adopted rate less six cents is less than the rate equal to the product of the state compression percentage multiplied by the rate adopted by the district for the 2005 tax year.

(h-1) Entitles a school district, notwithstanding any other provision of this title, to receive a minimum increase as determined under this subsection for each student in weighted average daily attendance as a result of changes made by H.B. No. 3646, Acts of the 81st Legislature, Regular Session, 2009, to Chapter 41 and this chapter over the amount to which the district would have been entitled under those chapters, as they existed on January 1, 2009, at the maintenance and operations tax rate equal to the rate adopted by the district for the 2008-2009 school year, as determined by the commissioner. Requires the commissioner to determine the amount of the minimum increase under this subsection by multiplying the number of students in weighted average daily attendance in the state by \$100, subtracting the amount necessary to provide the additional state aid under Section 42.2518 to which school districts are entitled, and dividing the remainder by the number of students in weighted average daily attendance in the state. Requires the commissioner, as necessary to provide that minimum increase, to adjust the amount of state aid provided to a school district under this chapter or adjust the number of attendance credits that a school district is required to purchase under Section 41.093.

(m) Provides that for purposes of Subsections (b) and (h-1), the number of students in weighted average daily attendance in a school district is computed by dividing the sum of the school district's allotments under Subchapters B (Basic Entitlement) and C (Special Allotments), less any allotment to the district for transportation, any allotment under Section 42.158 or 42.160, and 50 percent of the adjustment under Section 42.102, by the basic allotment for the applicable year.

SECTION 70. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2518, as follows:

Sec. 42.2518. ADDITIONAL STATE AID FOR EXTENSION OF PROFESSIONAL STAFF SALARY SCHEDULE. (a) Entitles a school district, including a school district that is otherwise ineligible for state aid under this chapter, to state aid in an amount, as determined by the commissioner, necessary to compensate the school district for additional salary costs the district incurs because of the increased number of years covered by the minimum salary schedule for certain professional staff made by H.B. No. 3646, Acts of the 81st Legislature, Regular Session, 2009.

(b) Authorizes a district to use state aid received under this section only to pay salary costs incurred because of the increased number of years covered by the minimum salary schedule.

(c) Provides that a determination by the commissioner under this section is final and may not be appealed.

(d) Authorizes the commissioner to adopt rules to implement this section.

SECTION 71. Amends Section 42.252(a), Education Code, to set forth a formula that determines each school district's share of the Foundation School Program, subject to Section 42.302(g). Redefines "TR" and "DPV."

SECTION 72. Amends Section 42.2522(c), Education Code, to require the commissioner, in the first year of a state fiscal biennium, before providing funding as provided by Subsection (a)(2) (relating to the commissioner determining the total amount of state funds appropriated), to ensure that sufficient appropriated funds for purposes of the Foundation School Program are available for the second year of the biennium, rather than for the second year of the biennium, including funds to be used for purposes of Section 42.2521.

SECTION 73. Amends Section 42.253, Education Code, adding Subsection (c-1), as follows:

(c-1) Requires that the amounts to be paid under Section 42.2516(b)(4) be paid at the same time as other state revenue is paid to the district. Requires that payments be based on amounts paid under Section 42.2516(b)(4) for the preceding year. Requires that any deficiency be paid to the district at the same time the final amount to be paid to the

district is determined, and any overpayment be deducted from the payments the district would otherwise receive in the following year.

SECTION 74. Amends Section 42.260(a), Education Code, to redefine "participating charter school."

SECTION 75. Amends Section 42.261(a), Education Code, to provide that funds appropriated by the legislature for a tax year for the purpose of reducing a school district's maintenance and operations tax rate and providing state aid under Section 42.2516 are not excess funds for purposes of Section 42.2517 (Excess Funds for Cost of Education Adjustment); are not available for purposes of Section 42.2522 (Adjustment for Optional Homestead Exemption), rather than Section 42.2521 or 42.2522; are prohibited from being used for purposes of Chapter 46 (Assistance With Instructional Facilities and Payment of Existing Debt); and are prohibited from being provided by the commissioner to a school district for a purpose other than reduction of the district's maintenance and operations tax rate.

SECTION 76. Amends Section 42.302, Education Code, by amending Subsections (a), (a-2), and (b) and adding Subsections (g) and (g-1), as follows:

(a) Provides that each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment, subject to Subsection (g), up to the maximum level specified in this subchapter. Redefines "GL," "WADA," "DTR," and "LR."

(a-2) Provides that the limitation on district enrichment tax rate ("DTR") under Section 42.303 does not apply to the last six cents of the district's effective maintenance and operations tax effort, rather than the district's maintenance and operations tax effort described by Subsection (a-1)(2).

(b) Provides that in computing the district enrichment tax rate of a school district, the total amount of maintenance and operations taxes collected by the school district does not include the amount of the district's local fund assignment under Section 42.252; taxes paid into a tax increment fund under Chapter 311, Tax Code; or revenue resulting from the last six cents of the district's effective maintenance and operations tax rate.

(g) Provides that this subsection applies to the last six cents of a district's effective tax rate for maintenance and operations, regardless of whether any of those cents would otherwise be considered as part of the district's local share under Section 42.252, provided that the district adopts a maintenance and operations tax rate at a rate at least equal to the greater of the rate adopted by the district for the 2008-2009 school year or the rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year. Entitles a district, for each cent of tax effort to which this subsection applies, to a guaranteed level of state and local funds per weighted student equal to the greater of the amount of district tax revenue per weighted student per cent of tax effort available to AISD, as determined by the commissioner in cooperation with LBB, or the amount of district tax revenue per weighted student per cent of tax effort used for purposes of this subsection in the preceding school year. Entitles the district, if a district adopts a maintenance and operations tax rate at a rate lower than the greater of the rates described above, to the guaranteed level described by this subsection for the first six cents by which the district's effective maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year.

(g-1) Provides that subsection (g) applies beginning with the 2010-2011 school year. Entitles a school district, for the 2009-2010 school year, for each cent of tax effort described by Subsection (g) to a guaranteed level of state and local funds per weighted student equal to the amount of district tax revenue per weighted student per cent of tax effort available to AISD, as determined by the commissioner in cooperation with LBB. Provides that this subsection expires September 1, 2010.

SECTION 77. Amends Section 42.303, Education Code, as follows:

Sec. 42.303. LIMITATION ON ENRICHMENT TAX RATE. Prohibits the district enrichment tax rate ("DTR") under Section 42.302 from exceeding \$0.17 per \$100 of valuation, rather than the amount per \$100 of valuation by which the maximum rate permitted under Section 45.003 (Bond and Tax Elections) exceeds the rate of \$0.86, or a greater amount for any year provided by appropriation.

SECTION 78. Amends Section 44.004, Education Code, by amending Subsection (h) and adding Subsection (j), as follows:

(h) Authorizes a school district with a fiscal year beginning July 1, notwithstanding any other provision of this section, to use the certified estimate of the taxable value of district property required by Section 26.01(e), rather than Section 26.01(d) (relating to requiring the chief appraiser to prepare and certify a list of properties reasonably likely to be taxable but not included on the appraisal roll), Tax Code, in preparing the notice required by this section if the district does not receive on or before June 7 the certifying appraisal roll for the district required by Section 26.01(a) (relating to requiring the chief appraiser to prepare and certify to the assessor for each taxing unit participating in the district that part of the appraisal roll for the district that lists the property taxable by the unit), Tax Code.

(j) Authorizes a school district, notwithstanding Subsections (g) (relating to the budget being adopted before the adoption of the tax rate), (h), and (i) (relating to adopting a budget at the public meeting), to adopt a budget after the district adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the district elects to adopt a tax rate before receiving the certified appraisal roll for the district as provided by Section 26.05(g). Requires a school district, if the district elects to adopt a tax rate before adopting a budget, to publish notice and hold a meeting for the purpose of discussing the proposed tax rate as provided by this section. Requires the district, following adoption of the tax rate, to publish notice and hold another public meeting before the district is authorized to adopt a budget. Requires the comptroller to prescribe the language and format to be used in the notices. Authorizes the school district to use the certified estimate of taxable value in preparing a notice under this subsection.

SECTION 79. Amends Section 45.001(a), Education Code, to authorize the governing board of an independent school district, including the city council or commission that has jurisdiction over a municipally controlled independent school district, the governing board of a rural high school district, and the commissioners court of a county, on behalf of each common school district under its jurisdiction, to perform certain actions, including to levy, pledge, assess, and collect annual ad valorem taxes sufficient to pay the principal of and interest on the bonds as or before the principal and interest become due, subject to Section 45.003.

SECTION 80. Amends Section 46.003(a), Education Code, to redefine "BTR" and "DPV."

SECTION 81. Amends Section 46.006(g), Education Code, to redefine "wealth per student."

SECTION 82. Amends Section 46.032(a), Education Code, to redefine "EDTR" and "DPV."

SECTION 83. Amends Section 46.033, Education Code, as follows:

Sec. 46.033. ELIGIBLE BONDS. Provides that bonds, including bonds issued under Section 45.006 (Maintenance Tax Required for Judgment Ordering Ad Valorem Tax Refund; Bonds), are eligible to be paid with state and local funds under this subchapter if the district made payments on the bonds during the final school year, rather than the 2006-2007 school year, of the preceding state fiscal biennium or taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year; and the district does not receive state assistance under Subchapter A for payment of the principal and interest on the bonds.

SECTION 84. Amends Section 46.034(c), Education Code, to make a conforming change.

SECTION 85. Amends Section 3.005, Election Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Requires an election ordered by an authority of a political subdivision, except as provided by Subsections (c) (relating to an election to be held on the date of the general election for state and county officers) and (d), rather than Subsection (c), to be ordered not later than the 62nd day before election day.

(d) Requires that an election under Section 26.08, Tax Code, to ratify a tax rate adopted by the governing body of a school district under Section 26.05(g) of that code be ordered not later than the 30th day before election day.

SECTION 86. Amends Section 4.008, Election Code, as follows:

Sec. 4.008. NOTICE TO COUNTY CLERK. (a) Creates an exception under Subsection (b).

(b) Requires the governing body of a school district that orders an election under Section 26.08, Tax Code, to ratify an ad valorem tax rate adopted by the governing body under Section 26.05(g) of that code to deliver notice of the election to the county clerk of each county in which the school district is located not later than the 30th day before election day.

SECTION 87. Amends Sections 403.302(d), (g), (i), and (j), Government Code, as follows:

(d) Redefines "taxable value."

(g) Requires the comptroller to provide to the commissioner of education preliminary taxable value estimates, rather than publish preliminary findings, listing values by district, before July 1 of the year of the study, and to certify preliminary findings, listing values by district, by February 1 of the year following the year of the study. Requires that preliminary findings be delivered to each school district and be certified to the commissioner of education. Prohibits a preliminary taxable value estimate provided under this subsection from being appealed, but may be revised by the comptroller at any time before preliminary findings are certified.

(i) Requires the comptroller, if the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), for purposes of Subsection (d)(13) (relating to the portion of the appraised value of property the collection of delinquent taxes on which is deferred), rather than Subsection (d)(14) (relating to the amount by which the market value of a residence homestead exceeds the appraised value of that property), to subtract from the market value as determined by the appraisal district of residence homesteads to which Section 23.23 (Limitations on Appraised Value of Residence Homestead), Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code. Makes a conforming change.

(j) Requires the comptroller, for purposes of Chapter 42, rather than Section 42.2511 (Additional State Aid for Homestead Exemption), Education Code, to certify to the commissioner certain information.

SECTION 88. Amends Section 822.201(b), Government Code, to redefine "salary and wages."

SECTION 89. Amends Sections 825.405(a) and (b), Government Code, as follows:

(a) Requires the employing district, for members entitled to the minimum salary for certain school personnel under Section 21.402, Education Code, and for members who

would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, to pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum salary, rather than that exceeds the statutory minimum or former statutory minimum, as applicable.

(b) Provides that for purposes of this section the statutory minimum salary for certain school personnel under Section 21.402, Education Code, is the salary provided by that section, rather than by Section 21.402 or the former Sections 16.056 and 16.058, Education Code, multiplied by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed; and the statutory minimum salary for members who would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, is a minimum salary computed in the same manner as the minimum salary for certain school personnel under Section 21.402, Education Code, multiplied by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed. Makes nonsubstantive changes.

SECTION 90. Amends Section 1579.251(a), Insurance Code, to require that the state contribution be distributed through the school finance formulas under Chapters 41 and 42, Education Code, and used by school districts and charter schools as provided by Section 42.260, rather than Sections 42.2514 and 42.260, Education Code.

SECTION 91. Amends Section 1581.053(b), Insurance Code, to provide that, notwithstanding Subsection (a) (relating to authorizing a school district or participating charter school to use state funds), amounts a district or school is required to use to pay contributions under a group health coverage plan for district or school employees under Section 42.260, rather than Section 42.2514 or 42.260, Education Code, other than amounts described by Section 42.260(c)(2)(B) (relating to funding amounts to pay contributions under a group health coverage plan), are not used in computing whether the district or school complies with Section 1581.052 (Required Minimum Effort).

SECTION 92. Amends Section 26.01(e), Tax Code, to require the chief appraiser, not later than June 7, to prepare and certify to the comptroller an estimate of the taxable value of property in each school district participating in the appraisal district and the total market value of that property. Requires the chief appraiser, except as provided by Subsection (f) (relating to Subsection (e) not applying to a county or municipality that elects not to receive the estimate or assistance), not later than April 30, rather than by June 7, to also prepare and certify to the assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit.

SECTION 93. Amends Section 26.05, Tax Code, by adding Subsection (g), to authorize the governing body of a school district that elects to adopt a tax rate before the adoption of a budget for the fiscal year that begins in the current tax year, notwithstanding Subsection (a) (relating to the adoption of a tax rate), to adopt a tax rate for the current tax year before receipt of the certified appraisal roll for the school district if the chief appraiser of the appraisal district in which the school district participates has certified to the assessor for the school district an estimate of the taxable value of property in the school district as provided by Section 26.01(e). Requires that the effective tax rate and the rollback tax rate of the district, if a school district adopts a tax rate under this subsection, be calculated based on the certified estimate of taxable value.

SECTION 94. Amends Section 26.08, Tax Code, by adding Subsection (p) to provide that, notwithstanding Subsections (n) (relating to computing the roll back tax rate) and (o) (relating to an exception to Subsection (n)), a school district is not required to obtain the approval at an election under this section of the district's adopted tax rate if the rate does not exceed the sum of the maintenance and operations tax rate of the district for the most recent tax year of the period that consists of the 2007 and 2008 tax years in which the district's tax rate was approved at an election under this section, and the district's current debt rate.

SECTION 95. Amends Section 26.08, Tax Code, by adding Subsection (q), to provide that notwithstanding Subsections (i) (relating to the effective maintenance and operations tax rate of a school district), (n), and (o), if for the preceding tax year the district adopted a maintenance and operations tax rate that was less than the district's effective maintenance and operations tax rate for that preceding tax year, the rollback tax rate of the district for the current tax year is calculated as if the district adopted a maintenance and operations tax rate for the preceding tax year that was equal to the district's effective maintenance and operations tax rate for that preceding tax year.

SECTION 96. Amends Chapter 26, Tax Code, by adding Section 26.083, as follows:

Sec. 26.083. TEMPORARY AUTHORIZATION TO ADOPT SCHOOL DISTRICT TAX RATE THAT EXCEEDS DISTRICT'S ROLLBACK TAX RATE. (a) Authorizes the governing body of a school district in the manner provided by law for official action by the governing body to call an election to authorize the district to adopt a maintenance and operations tax rate not to exceed a specified rate for a specified period.

(b) Requires that an election under this section be held on a uniform election date. Provides that if the governing body of the school district has not adopted a tax rate for the current tax year before the date the election is held, the election applies to the district's tax rate for the current tax year and the following four tax years. Provides that if the governing body of the school district adopted a tax rate for the current tax year before the date the election is held, the election applies to the district's tax rate for the following five tax years.

(c) Sets forth certain language required to be on the ballot for the election to permit voting for or against the proposition. Requires that the ballot proposition include the proposed limit on the school district's maintenance and operations tax rate.

(d) Authorizes the school district, if a majority of the votes cast in the election favor the proposition, for the current tax year and the following four tax years or for the following five tax years, as applicable, to adopt a tax rate that does not exceed the sum of the rate stated in the ballot proposition and the district's current debt rate for the applicable year without being required to hold an election under Section 26.08 to ratify the adopted tax rate, regardless of whether the adopted tax rate exceeds the district's rollback tax rate for that tax year.

(e) Provides that if the proposition is not approved as provided by Subsection (d), Section 26.08 applies to the school district's tax rate for the applicable tax years.

SECTION 97. Amends Section 31.06(a), Tax Code, to provide that except as provided by Section 31.061 (Payment of Taxes Assessed Against Real Property by Conveyance to Taxing Unit of Property), taxes are payable only as provided by this section. Requires a collector to accept United States currency or a check or money order in payment of taxes and to accept payment by credit card or electronic funds transfer. Deletes existing text providing that except as provided by Section 31.061, taxes are payable only in currency of the United States; authorizing a collector, however, to accept a check or money order in payment of taxes, and to accept payment by credit card or electronic funds transfer; authorizing a collector and a person to enter into an agreement under which the person pays taxes by electronic funds transfer; requiring that the agreement be in writing, be signed by the collector and the person, and specify the means or format of payment by electronic funds transfer.

SECTION 98. Amends Section 313.027, Tax Code, adding Subsections (i) and (j), as follows:

(i) Prohibits a person and the school district from entering into an agreement under which the person agrees to provide supplemental payments to a school district in an amount that exceeds an amount equal to \$100 per student per year in average daily attendance, as defined by Section 42.005, Education Code, or for a period that exceeds the period described by Section 313.021(4) (relating to the definition for qualifying time period) or 313.104(2)(B) (relating to a credit against taxes for qualified property in the

first three tax years of a person's eligibility) of this code. Provides that this limit does not apply to an amount described by Subsection (f)(1) (relating to the agreement incorporating each relevant provision) of this section.

(j) Provides that a local school district is entitled to enter into multiple contracts with applicants and is entitled to receive the amount per student in average daily attendance as specified in Subsection (i) above.

SECTION 99. (a) (1) Repealer: Subchapter N (Awards for Student Achievement Program), Chapter 21 (Educators), Education Code;

(2) Repealer: Section 21.704(b) (relating to the authorization of a campus incentive plan), Education Code;

(3) Repealer: Section 39.024(e) (relating to the commissioner retaining a portion of the total amount of funds allotted), Education Code;

(4) Repealer: Sections 41.002(b) (relating to the commissioner adjusting the taxable values of a school district) and (g) (relating to the wealth per student that a district may have), Education Code;

(5) Repealer: Section 41.098 (Early Agreement Credit), Education Code;

(6) Repealer: Section 42.103(e) (relating to the commissioner making the adjustment authorized by Subsection (d)(2)), Education Code;

(7) Repealer: Sections 42.152(e) (relating to the commissioner retaining a portion of the total amount allotted), (f) (relating to the commissioner retaining a portion of the funds allotted), (g) (relating to the commissioner coordinating the funds withheld), (h) (relating to the commissioner reducing each district's tier one allotments), (i) (relating to the commissioner withholding \$7.5 million or more), (j) (relating to the commissioner coordinating the funds withheld in Subsection (i)), (k) (relating to the commissioner reducing each district's tier one allotments), (l) (relating to the commissioner withholding \$2.5 million for transfer to the investment capital fund), (m) (relating to the commissioner withholding an amount not exceeding \$1 million each fiscal year), (n) (relating to the commissioner reducing each district's allotment), (o) (relating to the commissioner reducing each district's allotment under Subsection (a)), (p) (relating to requirements of the commissioner), and (u) (relating to the commissioner withholding funds for prekindergarten through high school programs), Education Code;

(8) Repealer: Sections 42.2511 (Additional State Aid for Homestead Exemption), 42.2512 (Additional State Aid for Professional Staff Salaries), 42.2513, and 42.2514, Education Code;

(9) Repealer: Section 42.2516(h) (relating to requirements of the commissioner under certain conditions), Education Code;

(10) Repealer: Section 42.2521, Education Code; and

(11) Repealer: Section 42.302(a-1) (relating to the definition of wealth per student), Education Code.

(b) Repealer: Sections 825.405(h) (relating to this section not applying to state contributions for members employed by a school district in a school year) and (i) (relating to the comptroller certifying certain tax rates to the Teacher Retirement System of Texas), Government Code.

(c) Repealer: Subchapter C (State Assistance for Meeting Minimum Effort), Chapter 1581, Insurance Code.

(d) Repealer: Section 2, Chapter 1191 (H.B. 828), Acts of the 80th Legislature, Regular Session, 2007 (relating to the computation of certain amounts under the Foundation School Program.), which amended Subsection (a-1), Section 42.302, Education Code.

(e) Repealer: Section 40, Chapter 1504 (H.B. 6), Acts of the 77th Legislature, Regular Session, 2001 (relating to open-enrollment charter schools).

SECTION 100. (a) Provides that notwithstanding any other provision of this Act, Sections 12.1331 and 21.402(c-1), Education Code, as added by this Act, are expressly contingent on a determination by the commissioner of education that payment of wage and salary increases and associated benefits required by those sections are allowable uses of federal funds received by school districts and open-enrollment charter schools under the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) and appropriated as part of the Foundation School Program. Prohibits the commissioner from making a determination under this subsection until the state's application to spend funds under the American Recovery and Reinvestment Act of 2009 has been approved by the United States government. Requires the commissioner to promptly notify school districts and open-enrollment charter schools of that determination. Provides that a determination by the commissioner under this subsection is final and may not be appealed.

(b) Authorizes a school district or open-enrollment charter school to enter into an employment contract or agreement that is contingent on a determination of the commissioner under Subsection (a) of this section.

(c) Authorizes the commissioner by rule to determine the applicable minimum salary schedule for use by school districts during the 2010-2011 state fiscal biennium following a determination under Subsection (a) of this section. Provides that if the commissioner determines that federal funds received by school districts and open-enrollment charter schools under the American Recovery and Reinvestment Act of 2009 may not be used for purposes of Sections 12.1331 and 21.402(c-1), Education Code, as added by this Act, those amendments have no effect in determining the salary required to be paid to an employee of a school district or open-enrollment charter school.

SECTION 101. Provides that Section 21.402(c-4), Education Code, as added by this Act, does not affect a contract between a school district and a person entitled to a minimum salary under Section 21.402, Education Code, if the contract was entered into before the effective date of the change in law made by this Act; and provides for a salary greater than the minimum salary to which the person would be entitled under Section 21.402(c-4), Education Code, as added by this Act.

SECTION 102. Requires that the provisions of Section 42.2516(b)(2), Education Code, as amended by this Act, be effective for the fiscal year that begins September 1, 2006, and any amounts due a district be paid to the district in the fiscal year that begins September 1, 2009, at the time other payments are made to the district.

SECTION 103. Provides that Section 44.004, Education Code, Sections 3.005 and 4.008, Election Code, and Sections 26.01 and 26.05, Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 104. Provides that Section 26.083, Tax Code, as added by this Act, applies only to the ad valorem tax rate of a school district for a tax year beginning on or after the effective date of this Act.

SECTION 105. (a) Provides that Section 26.08(p), Tax Code, as added by this Act, applies to the ad valorem tax rate of a school district beginning with the 2009 tax year, except as provided by Subsection (b) of this section.

(b) Provides that if the governing body of a school district adopted an ad valorem tax rate for the school district for the 2009 tax year before the effective date of this Act, Section 26.08(p), Tax Code, as added by this Act, applies to the ad valorem tax rate of

that school district beginning with the 2010 tax year, and the law in effect when the tax rate was adopted applies to the 2009 tax year with respect to that school district.

SECTION 106. Requires the commissioner to ensure that each school district receives, within the amount to which the district is entitled under Section 42.2516, Education Code, the total amount to which the district is entitled as a result of the adjustment provided under Section 42.103(d), Education Code.

SECTION 107. (a) Provides that the change in law made by Section 26.08(q), Tax Code, as added by this Act, applies to the ad valorem tax rate of a school district beginning with the 2009 tax year, except as provided by Subsection (b) of this section.

(b) Provides that if the governing body of a school district adopted an ad valorem tax rate for the school district for the 2009 tax year before the effective date of this Act, the change in law made by Section 26.08(q), Tax Code, as added by this Act, applies to the ad valorem tax rate of that school district beginning with the 2010 tax year, and the law in effect when the tax rate was adopted applies to the 2009 tax year with respect to that school district.

SECTION 108. Provides that to the extent of any conflict, this Act prevails over another Act of the 81st Legislature, Regular Session, 2009, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 109. Effective date, except as otherwise provided by this Act: September 1, 2009.