

BILL ANALYSIS

Senate Research Center

S.B. 4
By: Taylor
Education
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 21 (85th Texas Legislature, First Called Session) created the bipartisan Texas Commission on Public School Finance (commission) which met for twelve months during calendar year 2018. It heard over 80 hours of testimony from over 155 different stakeholders, including the Texas Education Agency (TEA), the Texas Higher Education Coordinating Board (THECB), classroom educators, school district and campus leaders, parents, researchers, policy groups, government entities, non-profits, foundations, and business interests.

After thoughtful deliberation, the commission is pleased to submit the following report to the 86th Texas Legislature for its consideration as required by statute. This report includes both the commission's findings as well as 35 separate recommendations to significantly improve the state of Texas' school finance system and, more importantly, its resulting educational outcomes for our 5.4 million students.

These recommendations were made in the belief that Texas' school finance system to date has not systemically focused its attention on outcomes, a critical component of ensuring that the state's workforce can sustain our current and future economy and quality of life. Only 22 percent of Texas eighth-graders currently achieve a post-secondary credential six years following their scheduled high school graduation, and post-secondary completion rates for our low-income Texas students now only equal 12 percent, an especially troubling outcome given that this student population now represents a significant six out of every 10 public school students in Texas. We believe strongly that the need for equitable reform of our school finance system is both important and urgent if we want Texas' current economic growth to continue and for all of our students to equally participate in its prosperity.

Summary of major recommendations

The commission has made a series of recommendations to fundamentally restructure the Texas school finance system. The recommendations are both extensive and build upon one another. When taken in their totality, we believe that they will:

- Create a long-term systemic balance between the state and local share of district foundation funding for public education.
- Restructure the Texas school finance system by reallocating outdated or otherwise inefficient allotments, weights, and programs.
- Substantially increase the level of equity in the system with significantly greater investment in low-income and other historically underperforming student groups to markedly grow their educational outcomes by the year 2030.
- Significantly reduce the growth rate of property taxes and reliance on recapture as a method of finance for the state, while simultaneously substantially reducing the growth in recapture.
- Encourage widespread adoption of data-informed best practices that deliver improved results for students.

- Immediately infuse, net of property tax relief and new funding needed for student growth, significant additional state resources to fund the data-informed strategies that will improve student outcomes.
- Formulaically increase per pupil funding in the future (relative to current law) as outcomes-based funding grows from the successful investments in early learning, teacher effectiveness, and high school supports made possible by the implementation of these recommendations.

The school finance reforms recommended in this document reflect a comprehensive effort to redesign the entirety of our state’s funding system to reflect the needs of the 21st century. These recommendations should be viewed as a package that relies on components to (1) ensure that every child in Texas has an equal opportunity to participate in the prosperity of Texas through access to an equitably funded, quality education; (2) ensure that tax dollars are spent most efficiently; and (3) solve the underlying structural flaws of our current finance and revenue systems.

The commission’s major recommendations, detailed later under referenced sections of this report, are as follows:

1. Establish a statewide goal of 60 percent or higher proficiency for critical pre-K-12 outcomes by the year 2030, consistent with Texas’s higher education goal of 60x30TX, and align public school board goals and interim progress measures with these outcomes. Student outcomes in our public pre-K-12 school system should align with our current post-secondary achievement goals based on a desire for all Texas students to participate equally in the prosperity of our economy while concurrently reducing the burden of social safety net and incarceration costs attributable to our educational and societal failures. Ensuring that all Texas students have the opportunity to graduate from high school ready for college, a future career, or military service—and that they are supported in making that transition—should be the guiding principle around which a new school finance system is designed. (*See Section A: Establishing a Statewide Goal for Texas’s Pre-K-12 Education System.*)
2. Reallocate \$3.5 billion in existing revenues toward more impactful spending and greater system-wide equity, grow the basic allotment, and inject significant additional and reliable state revenue, beyond that needed for enrollment growth, to fund new strategic allotments and weights outlined below to further improve adequacy and equity in funding. The commission recommends that \$3.5 billion in select current annual allotments and outdated hold harmless provisions, detailed later in this report, be eliminated to free up monies to fund recommended strategies contained in this report, including, most importantly, an increase in compensatory education funding benefitting our low-income students. In addition, we believe that the downward slide in the state’s share of school funding should be stopped, and that substantial new state funding will likely be required for many of the proposed new allotments outlined below, including but not limited to, those for early literacy outcomes, effective educators, an extended school year, and increased Tier II yields. These critical investments are likely to have the most impact on Texas schools and students; given that they will be very likely unmet by the reallocation of the \$3.5 billion of funding discussed above, students and districts deserve and justify a commitment of additional, diversified, reliable funding beginning with the 2020–2021 biennium. (*See Section F: Proposed Reallocation of Existing Revenues.*)
3. Use current-year district property values in the Foundation School Program (FSP) formulas as opposed to prior-year values and establish a fast-growth allotment. Making this property value change will create a one-time \$1.8 billion cost savings for the state and will eliminate what is known as the formula lag, which can cause a misalignment of state and local revenues if/when local district property value growth slows/falls in the future. To mitigate the impact of this change on and provide for the additional costs of districts experiencing fast enrollment growth, the commission recommends establishing a fast-growth allotment for the top-quartile-growth districts, allocated on a per student basis, at a cost of approximately \$280 million. (*See Section F: Proposed Reallocation of Existing Revenues.*)

4. Unless otherwise noted, all funding recommendations in this report should be formula funded and significantly directed toward student populations with the greatest needs. All dollars should be formula funded to ensure transparency so that school leaders and boards have sufficient confidence that the funding will exist in subsequent years. Any recommendations for reallocations of existing funding or new investments should be prioritized toward low-income and English language learner students given that they are achieving only one-third to one-half of our recommended 60-percent statewide proficiency goal. (*See Overview of Current Pre-K-12 Educational Outcomes in Texas.*)

5. Focus additional state resources on early education to substantially increase third-grade reading levels. The commission recommends that every low-income or English language learner (ELL) student in kindergarten through third grade receive an additional 0.1 weight (students who are both low-income and ELL would therefore receive a combined weight of 0.2 weight) to provide campuses statewide with an estimated \$780 million of collective additional funding to improve critical early literacy levels. Public schools would be free to invest the dollars (specifically across pre-K through third grade) at their discretion across a variety of strategies outlined in Section B, including, but not limited to, providing optional full-day pre-K. In return for this funding, all districts offering optional pre-K (87 percent of districts currently do so) will be required to offer it in a quality manner for any enrolled student, defined as (1) a full-day offering for four-year-old pre-K; and (2) a classroom adhering to quality standards governing desired student-teacher ratios, etc. Should public schools currently have an insufficient number of seats, either directly or in partnership with private providers, such that the requirement to offer full-day pre-K would result in fewer students being served, TEA waivers may be obtained by public schools until additional pre-K seats can be constructed or located. (*See Section B: Proposed Third-Grade Reading Allotment.*)

6. Texas's school finance system should shift a portion of its focus toward outcomes-based funding targeting two critical pre-K-12 "gates" reflecting current high levels of academic "melt." The commission recommends providing \$800 million of outcomes-based funding (allocated and paid beginning in the 2019–2020 school year based on current proficiency levels) to public schools to provide key resources and help ensure ongoing, strategic focus by school leaders on substantially increasing outcomes in two critical areas: (1) early literacy, where over 225,000 Texas third-grade children fail to meet the state standard in reading (estimated targeted funding of \$400 million); and (2) post-secondary access of career, military, or higher education without the need for remediation, where over 200,000 high school graduates annually fail to achieve a post-secondary education within six years of graduation (estimated targeted funding of \$400 million). As detailed later in this report, all outcomes-based funding would be equitably distributed to provide campuses with much higher per-student funding for their low-income students facing greater needs such that campuses with high concentrations of low-income students would receive total funding that is approximately 28 percent higher than campuses with no low-income students. Equally important, as these initial resources are wisely invested in key strategies to improve outcomes, campuses will be able to see their outcomes-based funding increase meaningfully as part of formula funding separate and apart from any increases in the basic allotment. (*See Section C: Proposed Key Outcomes Funding.*)

7. Creation of an effective educator allotment for districts wishing to differentiate compensation to pay their strongest educators higher salaries sooner in their careers. The commission is recommending creating an optional, effective educator allotment in formula funding for participating districts. Funding of this allotment would commence in the 2020–2021 biennium at \$100 million (growing an additional \$100 million each subsequent year, reaching \$1.0 billion in the 2028–2029 school year) to provide discretionary funding to districts wishing to implement locally developed multiple measure evaluation and compensation systems to enhance the retention and strategic staffing of their more effective educators across their districts. We would encourage educators to be a critical part in the development of each local evaluation system, and we would encourage the Texas Legislature to define what an acceptable evaluation system application to TEA would contain, including the variety of components and multiple types of assessments that could be used to determine educator proficiency, after receiving input from school leaders and classroom educators (a starting guideline can be found in Section D-2). The state should set a goal to ensure that its top teachers have a realistic path to a \$100,000 annual salary. In addition to helping attract and keep their effective educators in the classroom, public

schools implementing these systems would be able to identify their more effective educators and then provide incentives for them to teach at their most challenged campuses, increasing the equitable distribution of effective educators. This evaluation system will also enable districts to target professional development to individual teachers' needs and provide critical, much-needed feedback to teacher preparation programs to help them continuously improve their own training. *(See Sections D-1 and D-2: Proposed Educator Effectiveness Allotment.)*

8. Create optional program for districts to offer up to an additional 30 instructional days by providing half-day funding (up to \$50 million in year one) for each instructional day beyond the district's designated end of school year for highneeds students in preK through fifth grade. Analysis indicates that more time on task for our younger, struggling learners, very often from low-income backgrounds, will notably increase the percentage of students who achieve the state's Meets Grade Level standard in sixth grade by up to 12 to 14 percent while increasing annual pay for participating teachers by up to \$6,000 annually given the extra 30 days of teaching required. Should this initial program prove effective, we would encourage the funding of its scaling in subsequent years given the critical importance of ensuring a solid early foundation and eliminating the impact of "summer slide" for our low-income populations. *(See Section E: Proposed Other New Allotments and Programs to Improve Early Literacy.)*

9. Creation of additional allotments/programs targeting early learning. The commission recommends incentivizing the use of dual language (vs. bilingual) strategies (these funds would be delivered through a funding weight of 0.15) above the current bilingual weight of 0.10, and supporting greater dyslexia identification and student supports. It is estimated that these recommendations would involve the estimated additional expenditure of up to \$150 million annually. *(See Section E: Proposed Other New Allotments and Programs to Improve Early Learning.)*

10. Change existing allotments and formula weights, the large majority of which are recommended to be equitably adjusted, including increased compensatory education funding to invest annually an estimated \$1.1 billion dollars additionally in supporting students with the largest needs. *(See Section G: Proposed Changes in Existing Allotments/Formula Weights.)*

11. Increase the current yields on Tier II tax rates to equal \$43.50 per penny and tie future increases to a fixed percentage of the basic allotment while initially compressing the rate to provide future taxing flexibility. Many school districts have provided local enrichment through tax ratification elections and have reached the statutory maximum \$0.17 Tier II tax rate. Increasing the initial yield of the last eleven pennies ("copper pennies") to \$43.50 per penny and then tying that rate going forward to the percentage of the basic allotment established in fiscal year 2020 should allow for some inflationary protection on a district's Tier II yields. Initially compressing districts' Tier II rates will provide taxpayers with immediate tax relief while providing districts with future capacity to seek approved increases in funding via a school board vote or a tax ratification election. Compressing the tax rates as values rise is essential to ensuring that districts maintain meaningful discretion over their enrichment tier tax rates. *(See Section I: Proposed Changes in Tier II Yields.)*

12. Substantially reduce the growth in recapture. The commission recommends that recapture growth should be substantially reduced by a variety of methods. In addition to any increases in the basic allotment, the legislature should also consider other strategies as outlined in Section J, including potentially compressing Tier I tax rates. In considering the compressing of local Tier I tax rates annually, local district entitlement must be unaffected and compression can only affect the local share of required funding, with the state providing the remaining resources needed from overall general revenue *(See Section J: Proposed Strategies to Slow Property Tax and Recapture Growth.)*

13. An important note regarding special education. All students in the State of Texas deserve to have their educational needs met. As the commission examined the special education weight, it became clear that the Texas special education system is undergoing significant reform. Given this rapid change, the commission deemed it prudent to wait to implement special education formula changes until the Corrective Action Plan, having been approved by the Department of Education, can be fully implemented. Focusing on improving student outcomes for all students is

the aim of this commission and conversations about outcomes for students with severe disabilities should be ongoing and prioritized.

As proposed, S.B. 4 amends current law relating to public school finance and public education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education (commissioner) in SECTION 1.009 (Section 42.155, Education Code), SECTION 1.015 (Section 42.169, Education Code), and SECTION 2.004 (Section 11.2522, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner is rescinded in SECTION 4.001 (Sections 29.165, 39.233, 39.234, 42.160, and 42.2513, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. PUBLIC SCHOOL FINANCE

SECTION 1.001. Amends Section 5.001(4), Education Code, as follows:

(4) Provides that "educationally disadvantaged" means:

(A) creates this paragraph from existing text and makes a nonsubstantive change;
or

(B) economically disadvantaged in any manner that may reasonably impact educational achievement, as determined by the commissioner of education.

SECTION 1.002. Amends Section 41.002(a), Education Code, as follows:

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

(1) makes no changes to this subdivision;

(2) the wealth per student specified under Subdivision (1) multiplied by ____, rather than the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to the Austin Independent School District, as determined by the commissioner of education in cooperation with the Legislative Budget Board (LBB), for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the sum of the product of the state compression percentage, as determined under Section 42.2516 (State Compression Percentage), multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year and any additional tax effort included in calculating and district's compressed tax rate under Section 42.101(a-1) (relating to the specifics of a school district's compressed tax rate), subject to Section 41.093(b-1) (relating to requiring a certain weighted tax to exclude maintenance and operations tax revenue resulting from a certain tax rate);
or

(3) the wealth per student specified under Subdivision (1) multiplied by ____, rather than \$319,500, for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (2).

SECTION 1.003. Amends Section 41.004(a), Education Code, to require the commissioner of education, not later than July 15 of each year, using the estimates of enrollment and taxable property value under Section 42.254 (Estimates Required), rather than using the estimate of enrollment under Section 42.254, to review the wealth per student of school districts in the state and notify certain districts.

SECTION 1.004. Amends Section 41.093(b-1), Education Code, as follows:

(b-1) Provides that if the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302(a-1)(1) for which state funds are appropriated for a school year is an amount at least equal to the product of the amount, rather than equal to the amount, of revenue per weighted student per cent of tax effort available to a school district with maintenance and operations tax revenue per weighted student per cent of tax effort equal to the maximum amount provided per cent under Sections 42.101(a) or (b) multiplied by ____, rather than available to the Austin Independent School District, as determined by the commissioner of education in cooperation with the LBB, the commissioner of education, in computing the amounts described by Subsections (a)(1) (relating to providing the cost of each credit for a certain amount of the district's maintenance and operations tax revenue per student in weighted average daily attendance for the school year in which the contract is executed) and (2) (relating to providing the cost of each credit for a certain amount of the district's maintenance and operations tax revenue per student in weighted average daily attendance for the preceding school year in which the contract is executed) and determining the cost of the attendance credit, is required to exclude maintenance and operations tax revenue resulting from the tax rate described by Section 41.002(a).

SECTION 1.005. Amends Section 42.101(a), Education Code, to entitle a district to an allotment equal to the lesser of \$____, rather than \$4,765, or the amount that results from a specific formula.

SECTION 1.006. Amends Section 42.152(a), Education Code, to entitle a district to an annual allotment equal to the adjusted basic allotment multiplied by ____ [0.2], and by ____ [2.41] for each full-time equivalent student who is in a remedial and support program under Section 29.081 (Compensatory, Intensive, and Accelerated Instruction) because the student is pregnant.

SECTION 1.007. Amends Section 42.153(a), Education Code, to entitle a district, for each student in average daily attendance in a bilingual education or special language program under Subchapter B (Bilingual Education and Special Language Programs), Chapter 29, to an annual allotment equal to the basic allotment, rather than specified adjusted basic allotment, multiplied by 0.1 or ____ if the student is in a bilingual education program using a dual language immersion/one-way or two-way program model.

SECTION 1.008. Amends Sections 42.154(a) and (c), Education Code, as follows:

(a) Entitles a district, for each full-time equivalent student in average daily attendance in an approved career and technology education program in grades eight through 12, rather than nine through 12, or in career and technology education programs for students with disabilities in grade seven through 12, to:

(1) an annual allotment equal to the basic allotment, rather than the adjusted basic allotment, multiplied by a weight of 1.35; and

(2) makes no changes to this subdivision.

(c) Makes conforming changes to this subsection.

SECTION 1.009. Amends Section 42.155, Education Code, by amending Subsections (c), (g), and (i) and adding Subsection (m), as follows:

(c) Entitles each district or county operating a regular transportation system to a transportation allotment based on the number of daily miles of approved route traveled by the system in providing transportation for regular eligible students of the district or county multiplied by ____ cents per mile of approved route or a greater amount per mile of approved route set by appropriation in the General Appropriations Act, rather than providing that each district or county operating a regular transportation system is entitled to an allotment based on the daily cost per regular eligible student of operating and maintaining the regular transportation system and the linear density of that system. Deletes existing text requiring the commissioner of education, in determining the cost, to

give consideration to factors affecting the actual cost of providing these transportation services in each district or county, providing that the average actual cost is to be computed by the commissioner of education and included for consideration by the legislature in the General Appropriations Act, and providing that the allotment per mile of approved route may not exceed the amount set by appropriation.

(g) Entitles a school district or county that provides special transportation services for eligible special education students to a state allocation paid on the basis of a previous year's miles of approved route traveled, rather than to a state allocation paid on the previous year's cost per mile basis. Requires the maximum rate per mile allowable to be set by appropriation, rather than requiring the maximum rate per mile allowable to be set by appropriation based on data gathered from the first year of each preceding biennium.

(i) Provides that a certain district's transportation allotment for purposes of determining a district's foundation school program allocations is determined on the basis of the number of approved daily route miles in the district multiplied by the allotment per mile of approved route, rather than the allotment per mile, to which the county transportation system is entitled.

(m) Entitles a school district that is required to take action under Chapter 41 (Equalized Wealth Level) to reduce its wealth per student to the equalized wealth level to a credit, in the amount of the allotments 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. Authorizes the commissioner of education to adopt rules necessary to implement this subsection.

SECTION 1.010. Amends Subchapter C, Chapter 42, Education Code, by adding Section 42.1561, as follows:

Sec. 42.1561. ALLOTMENT FOR STUDENT WITH DYSLEXIA. (a) Entitles a school district, subject to Subsection (b), for each student that the district serves who has been identified as having dyslexia, to an annual allotment equal to the district's basic allotment multiplied by ____.

(b) Entitles a school district to the allotment under Subsection (a) only for a student who:

(1) is receiving instruction that meets applicable dyslexia program criteria established by the Texas Education Agency (TEA) and that is provided by a person with specific training in providing that instruction; or

(2) has received the instruction described by Subdivision (1) and is permitted, on the basis of having dyslexia, to use modifications in the classroom and accommodations in the administration of assessment instruments.

(c) Requires funds allotted under this section to be used in providing services to students with dyslexia.

(d) Authorizes a school district to receive funding for a student under this section and Section 42.151 (Special Education) if the student satisfies the requirements of both sections.

SECTION 1.011. Amends Section 42.158(d), Education Code, to prohibit the amount appropriated for allotments under this section (New Instructional Facility Allotment), subject to Subsection (d-1) (relating to authorizing the amount of \$1 million to be appropriated each school year to supplement a certain allotment and requiring the commissioner of education to take certain action with the specified amount) from exceeding \$____, rather than \$25 million, in a school year.

SECTION 1.012. Amends Subchapter C, Chapter 42, Education Code, as follows:

Sec. 42.1581. STUDY ON NEW INSTRUCTIONAL FACILITY ALLOTMENT. (a) Requires TEA to conduct a study on the amount of funding necessary to fully fund the new instructional facility allotment under Section 42.158 (New Instructional Facility Allotment), taking into account estimated growth in student enrollment.

(b) Requires TEA, not later than September 1, 2020, to submit to the legislature a report on the results of the study and any recommendations for legislative or other action.

(c) Provides that this section expires September 1, 2019.

SECTION 1.013. Amends Subchapter C, Chapter 42, Education Code, by adding Sections 42.162, 42.163, and 42.164, as follows:

Sec. 42.162. THIRD GRADE READING ALLOTMENT. (a) Entitles a school district, for each student who is educationally disadvantaged and performed satisfactorily during the preceding school year on a third grade reading multidimensional assessment on the list adopted by the commissioner of education under Subsection (b), to an annual allotment equal to the district's basic allotment multiplied by ____.

(b) Requires the commissioner of education to:

(1) adopt a list of at least two third grade reading multidimensional assessments approved for purposes of this section; and

(2) for each assessment included on the list under Subdivision (1), set a score that indicates satisfactory performance for purposes of this section.

(c) Requires funds allocated under this section to be used to fund programs and services designed to improve student performance on a third grade reading multidimensional assessment included on the list adopted by the commissioner of education under Subsection (b).

Sec. 42.163. EARLY READING ALLOTMENT. (a) Entitles a school district, for each student in average daily attendance in kindergarten through third grade, to an annual allotment equal to the district's basic allotment multiplied by ____ if the student is educationally disadvantaged or in a bilingual education or special language program under Subchapter B (Bilingual Education and Special Language Programs), Chapter 29.

(b) Requires funds allocated under this section to be used to fund programs and services designed to improve student performance on a third grade multidimensional assessment included on the list adopted by the commissioner of education under Section 42.162.

(c) Entitles a school district to an allotment under each subdivision of Subsection (a) for which a student qualifies.

(d) Authorizes a school district to receive funding for a student under this section and under Section 42.152 (Compensatory Education Allotment) and 42.153 (Bilingual Education Allotment), as applicable, if the student satisfies the requirements of each applicable section.

Sec. 42.164. SMALL AND MID-SIZED DISTRICT ALLOTMENT. (a) Entitles small and mid-sized districts to an annual allotment in accordance with this section. Defines "AA," "ADA," and "BA" for purposes of this section.

(b) Entitles a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance to an annual allotment for each student in average daily attendance based on a specified formula.

(c) Entitles a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance to an annual allotment for each student in average daily attendance based on certain specified formulas.

(d) Entitles a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance to an annual allotment for each student in average daily attendance based on the specified formula that results in the greatest annual allotment.

SECTION 1.014. Amends Sections 42.164(b) and (d), Education Code, effective September 1, 2023, as follows:

(b) Entitles a school district that has not more than 1,600 students in average daily attendance, rather than a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance, to an annual allotment for each student in average daily attendance based on a specified formula.

(d) Entitles a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance based on the certain specified formula that results in the greatest annual allotment.

SECTION 1.015. Amends Subchapter C, Chapter 42, Education Code, by adding Sections 42.165 and 42.169, as follows:

Sec. 42.165. FAST GROWTH ALLOTMENT. Entitles a school district in which the growth in student enrollment in the district over the preceding three years is in the top quartile of student enrollment growth in school districts in the state for that period, as determined by the commissioner of education, to an annual allotment of \$___ for each student in average daily attendance.

(b) Provides that an open-enrollment charter school is not entitled to an allotment under this section.

Sec. 42.169. ALLOTMENT FOR STUDENT ACHIEVEMENTS IN COLLEGE, CAREER, OR MILITARY READINESS. (a) Entitles a school district, for each student who is educationally disadvantaged and graduated high school in the preceding school year demonstrating college, career, or military readiness as described by Subsection (b), to an annual allotment equal to the basic allotment multiplied by ___.

(b) Provides that, for purposes of this section, a student demonstrates college, career, or military readiness if the student achieves minimum scores set by commissioner rule on the ACT, the SAT, an assessment instrument designated by the Texas Higher Education Coordinating Board (THECB) under Section 51.334 (Assessment Instruments), or the Armed Services Vocational Aptitude Battery and graduates from high school having enrolled at a postsecondary educational institution, earned an industry-accepted certificate, or enlisted in the armed forces of the United States.

SECTION 1.016. Amends Section 42.252(a), Education Code, to define "DPV" as the taxable value of property in the school district for the current tax year, rather than the preceding tax year, determined under Subchapter M (Study of School District Property Values), Chapter 403, Government Code.

SECTION 1.017. Amends Section 42.302(a-1), Education Code, as follows:

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

(1) the product of the amount of district tax revenue per weighted student per cent of tax effort available to a district with maintenance and operations tax revenue per weighted student per cent of tax effort equal to the maximum amount provided per cent under Section 42.101(a) or (b) multiplied by ____, rather than the greater of the amount of district tax revenue per weighted student per cent of tax effort that would be available to the Austin Independent School District, as determined by the commissioner of education in cooperation with the LBB, if the reduction of the limitation on tax increases as provided by Section 11.26(a-1) (relating to providing the tax limitation on a homestead for the 2007 tax year if the individual qualifies for a limitation on the individual's residence homestead for the 2007 tax year), (a-2) (relating to providing the tax limitation on a homestead for the 2007 tax year if the individual qualifies for a limitation on the individual's residence homestead preceding the 2007 tax year), or (a-3) (relating to providing that the limitation on tax increases by this section on a residence homestead computed by certain subsections continues to apply to the homestead in subsequent years until the limitation expires), Tax Code, did not apply, or the amount of district tax revenue per weighted student per cent of tax effort used for purposes of this subdivision in the preceding school year, for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the sum of 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 and any additional tax effort included in calculating the district's compressed tax rate under Section 42.101(a-1); and

(2) the product of the amount of district tax revenue per weighted student per cent of tax effort available to a district with maintenance and operations tax revenue per cent of tax effort equal to the maximum amount provided per cent under Section 42.101 (a) or (b), multiplied by ____ for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (1), rather than \$31.95 for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (1).

ARTICLE 2. PUBLIC EDUCATION.

SECTION 2.001. Amends Chapter 4, Education Code, by adding Section 4.003, as follows:

Sec. 4.003. 60x30TX GOALS. Provides that to further the state's master plan developed under Section 61.051 (Coordination of Institutions of Public Higher Education) for at least 60 percent of all adults aged 25 to 34 in this state to achieve a postsecondary degree or workforce credential by 2030, the following goals are established:

(1) requires at least 60 percent of all public school students to perform satisfactorily on a third grade reading multidimensional assessment included on the list adopted by the commissioner of education under Section 42.162 by 2030; and

(2) requires at least 60 percent of all public school students graduating high school to meet college, career, and military readiness standards by 2030.

SECTION 2.002. Amends Subchapter B, Chapter 7, Education Code, by adding Section 7.038, as follows:

Sec. 7.038. 60x30TX PROGRESS REPORT. (a) Requires TEA and THECB, not later than December 1 of each even-numbered year, to jointly prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing legislative committees with primary jurisdiction over public education a report

assessing the state's progress toward achieving the 60x30TX goals established under Section 4.003.

(b) Requires the report to:

(1) be combined with THECB's report on the state's master plan for higher education required under Section 61.051(a-3);

(2) analyze progress made toward 60x30TX goals disaggregated by household income, native language, ethnicity, gender, and any other category identified by the commissioner of education and the commissioner of higher education; and

(3) include recommendations for legislative or other action, including statutory or funding changes, to assist the state in meeting those goals.

SECTION 2.003. Amends Sections 11.252(a), Education Code, to require the district improvement plan to be aligned with the 60x30TX district plans developed under Section 11.2522 and include provisions for certain enumerated tasks.

SECTION 2.004. Amends Subchapter F, Chapter 11, Education Code, by adding Section 11.2522, as follows:

Sec. 11.2522. 60x30TX DISTRICT PLANS. (a) Requires each school district, in addition to the district improvement plan developed under Section 11.252, to develop three-year and five-year district plans for achieving the 60x30TX goals established under Section 4.003.

(b) Requires each plan developed under Subsection (a) to identify student achievement goals for certain demographic categories.

(c) Requires each school district, not later than September 1 of each year, to submit to TEA and post on the district's Internet website a report assessing the progress of the district and each campus in the district toward achieving the goals identified in the district's plans developed under Subsection (a).

(d) Authorizes the commissioner of education to adopt rules as necessary to implement this section.

SECTION 2.005. Amends Section 11.253(d), Education Code, to require each campus improvement plan to be aligned with the 60x30TX district plans developed under Section 11.2522 and take certain enumerated actions.

SECTION 2.006. Reenacts Section 12.104(b), Education Code, as amended by Chapters 324 (S.B. 1488), 522 (S.B.179), and 735 (S.B. 1153), Acts of the 85th Legislature, Regular Session, 2017, to provide that an open-enrollment charter school is subject to the 60x30TX plans under Section 11.2522. Redesignates former Subdivision (P) as Subdivision (S) and makes nonsubstantive changes throughout.

SECTION 2.007. Amends Subchapter H, Chapter 21, Education Code, by adding Section 21.360, as follows:

Sec. 21.360. EDUCATOR EFFECTIVENESS PROGRAM. (a) Authorizes a school district to submit a request to the commissioner of education for state funding under this section to assist the district in providing merit salary increases under an educator effectiveness program approved by TEA and implemented by the district.

(b) Requires an educator effectiveness program to provide merit salary increases to educators based on an evaluation of the effectiveness of the educator under a multi-measure system developed by the district in partnership with stakeholders

and the district's educators that includes measures that account for campus leader observations, teacher peer review, student surveys, and student academic growth.

(c) Requires a school district to award higher merit salary increases under the district's educator effectiveness program to highly effective educators who are assigned to campuses with poor overall or domain performance rating under Section 39.054 (Methods and Standards For Evaluating Performance).

(d) Authorizes a school district, to be eligible to receive funding for an educator effectiveness program under this section, to implement a program developed by TEA, collaborate with other school districts to develop a program to be approved by TEA, or develop a program to be approved by TEA.

(e) Requires the commissioner of education, from funds appropriated for that purpose, to provide funding under this section in accordance with rules adopted by the commissioner of education. Requires the commissioner of education, if funds are not available to provide funding to each school district that submits a request under Subsection (b), to give priority to:

(1) school districts with the highest proportion of economically disadvantaged students; and

(2) school districts with the highest number of campuses assigned an overall performance rating of F under Section 39.054.

(f) Requires the district, from funds provided to a school district under this section, to use:

(1) a small percentage of the funds to provide signing bonuses to new classroom teachers who attend educator preparation programs, implement a mentoring program in which classroom teachers receiving merit salary increases under the district's educator effectiveness program mentor students and new classroom teachers, and pay for costs associated with the development and implementation of the district's educator effectiveness program; and

(2) a small percentage of the funds, which is prohibited from being more than three percent, to provide merit salary increases to outstanding principals as determined under the educator effectiveness program.

(g) Prohibits the percentage of classroom teachers in this state receiving a merit salary increase under this section from exceeding specific percentages for certain school years.

(h) Requires a school district that receives funding for the district's educator effectiveness program under this section to annually submit to TEA a report providing certain information regarding educators employed by the district under the educator effectiveness program.

SECTION 2.008. Amends Section 28.006(d), Education Code, as follows:

(d) Requires the superintendent of each school district to:

(1) makes no changes to this subdivision;

(2) not later than the 60th day after the date on which a reading instrument was administered, report, in writing, to a student's parent or guardian the student's results on the instrument, rather than report in writing to a student's parent or guardian the student's results on the reading instrument; and

(3) makes no changes to this subdivision.

SECTION 2.009. Amends Section 28.025(c), Education Code, as follows:

(c) Authorizes a student to graduate and receive a diploma only if:

(1) the student successfully completes the curriculum requirements identified by the State Board of Education (SBOE) under Subsection (a) (relating to requiring SBOE to designate certain requirements and courses for the foundation high school program) and complies with Sections 28.0256 and 39.025 (Secondary-Level Performance Required), rather than complies with Section 39.025; or

(2) makes no changes to this subdivision.

SECTION 2.010. Amends Subchapter B, Chapter 28, Education Code, by adding Section 28.0256, as follows:

Sec. 28.0256. FINANCIAL AID APPLICATION REQUIREMENT FOR HIGH SCHOOL GRADUATION. (a) Requires each student, before graduating from high school, to complete and submit a free application for federal student aid or, if applicable, a Texas application for state financial aid.

(b) Provides that a student is not required to comply with Subsection (a) if:

(1) the student's parent or other person standing in parental relation submits a signed form indicating that the parent or other person authorizes the student to decline to complete and submit the financial aid application; or

(2) the student signs and submits the form described by Subdivision (1) on the student's own behalf if the student is 18 years of age or older or the student's disabilities of minority have been removed for general purposes under Chapter 31 (Removal of Disabilities of Minority), Family Code.

(c) Requires a school district or open-enrollment charter school to adopt a form to be used for purposes of Subsection (b).

SECTION 2.011. Amends Subchapter D, Chapter 29, Education Code, by adding Section 29.124, as follows:

Sec. 29.124. REPORT. (a) Requires TEA, not later than December 1 of each year, to submit to the legislature a report comparing the number of students identified as gifted and talented students during each of the two preceding school years.

(b) Requires the report to include any recommendations for legislative or other action necessary to ensure that the number of students identified as gifted and talented students does not decline for any school year.

SECTION 2.012. Amends Section 29.153, Education Code, by amending Subsections (b), (c), (d), and (f), and adding Subsections (c-1) and (d-1), as follows:

(b) Provides that a child is eligible for enrollment in a prekindergarten class under this section (Free Prekindergarten For Certain Children) if the child is at least three years of age and:

(1) is unable to speak and comprehend the English language;

(2) is educationally disadvantaged;

(3) is a homeless child, as defined by 42 U.S.C. Section 11434a, regardless of the residence of the child, of either parent of the child, or of the child's guardian or other person having lawful control of the child;

(4) is the child of an active duty member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who is ordered to active duty by proper authority;

(5) is the child of a member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who was injured or killed while serving on active duty;

(6) is or ever has been in the conservatorship of the Department of Family and Protective Services following an adversary hearing held as provided by Section 262.201 (Full Adversary Hearing; Findings of the Court), Family Code;

(7) is the child of a person eligible for the Star of Texas Award as:

(A) a peace officer under Section 3106.002 (Peace Officers' Star of Texas Award), Government Code;

(B) a firefighter under Section 3106.003 (Firefighters' Star of Texas Award), Government Code; or

(C) an emergency medical first responder under Section 3106.004 (Emergency Medical Responders' Star of Texas Award), Government Code; or

(8) is the child of an educator employed by a school district in this state.

(c) Authorizes a prekindergarten class under this section to be operated on a half-day basis for children under four years of age and requires it to be operated on a full-day basis for children who are at least four years of age, rather than requiring a prekindergarten to be operated on a half-day basis.

(c-1) Requires a prekindergarten class under this section for children who are at least four years of age to comply with the program standards required for high quality prekindergarten programs under Subchapter E-1.

(d) Authorizes the commissioner of education, on application of a district, to exempt a district from the application of all or any part of this section, including all or any part of Subchapter E-1 for a prekindergarten class described by Subsection (c-1), if the commissioner or education determines that:

(1) makes a nonsubstantive change to this subdivision; or

(2) implementing any part of this section would result in fewer eligible children being enrolled in a prekindergarten class under this section.

(d-1) Requires the district, if the number of children who are eligible for enrollment in a prekindergarten class offered by a school district under this section exceeds the total number of open seats available in prekindergarten classes in the district, to give enrollment preference to children who are eligible for enrollment under Subsection (b)(1), (2), (3), (4), (5), (6), or (7).

(f) Provides that a child who is eligible for enrollment in a prekindergarten class under Subsection (b)(4), (5), or (8), rather than Subsection (b)(4) or (5), remains eligible for enrollment after the child begins a prekindergarten class if, as applicable, rather than eligible for enrollment if, the child's parent:

(1)–(2) makes nonsubstantive changes to these subdivisions; or

(3) is no longer employed as an educator by a school district in this state, rather than after the child begins a prekindergarten class.

SECTION 2.013. Amends Section 29.1531(a), Education Code, to authorize a school district to offer on a tuition basis or use district funds to provide an additional half-day of prekindergarten classes to children who are eligible for classes under Section 29.153 and are under four years of age, rather than to provide an additional half-day of prekindergarten classes to children eligible for classes under Section 29.153.

SECTION 2.014. Amends Section 29.1543, Education Code, to require a report under this section (Early Education Reports) to contain certain information, including the number and percentage of students who perform satisfactorily on a third grade reading multidimensional assessment including on the list adopted by the commissioner of education under Section 42.162, disaggregated by whether the student was eligible for free prekindergarten under Section 29.153 and whether the student attended kindergarten in the district. Makes nonsubstantive changes throughout.

SECTION 2.015. Amends the heading to Subchapter E-1, Chapter 29, Education Code, to read as follows:

**SUBCHAPTER E-1. HIGH QUALITY PREKINDERGARTEN PROGRAM
REQUIREMENTS**

SECTION 2.016. Amends Section 29.164, Education Code, to redefine "program" for this subchapter.

SECTION 2.017. Amends Section 29.167(a), Education Code, to require a school district to select and implement a curriculum for a prekindergarten program that takes certain enumerated actions, rather than requiring a school district to select and implement a curriculum for a prekindergarten grant program under this subchapter that takes certain enumerated actions.

SECTION 2.018. Amends Section 29.170(a), Education Code, to require the commissioner of education to evaluate the use and effectiveness of prekindergarten funding in improving student learning, rather than requiring the commissioner of education to evaluate the use and effectiveness of funding provided under this subchapter in improving student learning.

SECTION 2.019. Amends Section 29.171(a), Education Code, to authorize a school district that offers a prekindergarten program under this subchapter, rather than authorizing a school district participating in the grant program under this subchapter, to enter into a contract with an eligible private provider to provide services or equipment for the program.

SECTION 2.020. Amends Subchapter Z, Chapter 29, Education Code, by adding Section 29.924, as follows:

Sec. 29.924. BLENDED LEARNING MATERIALS. (a) Defines "blended learning" for purposes of this section.

(b) Requires the commissioner of education to develop a list of professional development materials for use by school districts that assist educators in implementing blended learning. Requires the materials to be based on best practices for blended learning.

SECTION 2.021. Amends Sections 39.0261(a), (e), and (f), Education Code, as follows:

(a) Provides that, in addition to the assessment instruments otherwise authorized or required by this subchapter:

(1) each school year and at state cost, a school district may administer to students in the spring of the eighth grade an established, valid, reliable, and nationally norm-referenced preliminary college preparation assessment instrument for the purpose of diagnosing the academic strengths and deficiencies of students before entrance into high school;

(2) each school year and at state cost, a school district may administer to students in the 10th grade an established, valid, reliable, and nationally norm-referenced preliminary college preparation assessment instrument for the purpose of measuring a student's progress toward readiness for college and the workplace; and

(3) high school students in the spring of the 11th grade or during the 12th grade are authorized to select and take once, at state cost:

(A) creates this paragraph from existing text and makes a nonsubstantive change; or

(B) the assessment instrument designated by THECB under Section 51.334 (Assessment Instruments).

(e) Provides that Subsection (a)(3) does not prohibit a high school student from selecting and taking, at the student's own expense, an assessment instrument described by that subdivision, rather than providing that Subsection (a)(3) does not prohibit a high school student in the spring of the 11th grade or during the 12th grade from selecting and taking, at the student's own expense, one of the valid, reliable, and nationally norm-referenced assessment instruments used by colleges and universities as part of their undergraduate admissions processes more than once.

(f) Provides that provisions of this section (College Preparation Assessments) regarding assessment instruments administered under Subsection (a)(1) and (2) apply only if the legislature appropriates funds for those purposes, rather than providing that the provisions of this section apply only if the legislature appropriates funds for purposes of this section.

SECTION 2.022. Amends Section 39A.105, Education Code, as follows:

Sec. 39A.105. CONTENTS OF CAMPUS TURNAROUND PLAN. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes the campus, if the campus is an elementary or middle school campus, to submit a campus turnaround plan that provides for staffing of the campus with highly effective educators if the campus has implemented an educator effectiveness program under Section 21.360. Requires the commissioner of education, from funds appropriated for that purpose, to provide matching funds to the school district at which the campus is located for a campus that submits a campus turnaround plan that includes the provisions of this subsection.

ARTICLE 3. CONFORMING CHANGES.

SECTION 3.001. Amends Section 7.062(c), Education Code, to provide that the use of excess funds under this subsection has priority over any provision of Chapter 42 (Foundation School Program) that permits or directs the use of excess foundation school program funds, including Sections 42.2521 (Adjustment For Rapid Decline in Taxable Value of Property), 42.2522 (Adjustment For Optional Homestead Exemption), and 42.2531 (Adjustment by Commissioner), rather than including Sections 42.2517 (Excess Funds For Cost of Education Adjustment), 42.2521, 42.2522, and 42.2531.

SECTION 3.002. Amends Section 8.051(d), Education Code, as follows:

(d) Requires each regional education service center to maintain core services for purchase by school districts and campuses and provides that core services are:

(1) makes no changes to this subdivisions;

(2) training and assistance in providing a gifted and talented program that qualifies for a funding allotment under Sections 42.151, 42.152, or 42.153, rather than training and assistance in providing each program that qualifies for a funding allotment under Sections 42.151, 42.152, 42.153, or 42.156 (Gifted and Talented Student Allotment); and

(3)–(6) makes no changes to these subdivisions.

SECTION 3.003. Amends Section 12.106(a-1), Education Code, as follows:

(a-1) Provides that in determining funding for an open-enrollment charter school under Subsection (a) (relating to entitling a charter holder to receive certain funding):

(1) the adjustment under Section 42.105 (Sparsity Adjustment) is based on the average adjustment for the state, rather than adjustments under Sections 42.102 (Cost of Education Adjustment), 42.104 (Use of Small or Mid-Sized Adjustment in Calculating Special Allotments), and 42.105 are based on the average adjust for the state;

(2) the charter holder is entitled to an adjustment under former Section 42.103 (Small and Mid-Sized District Adjustment) based on, rather than the adjustment under Section 42.103 is based on, the average adjustment for the state that would have been provided under that section as it existed on January 1, 2018.

SECTION 3.004. Amends Section 29.014(d), Education Code, to remove the cost of education adjustment under Section 42.102 for the school district in which the district is geographically located from the adjustments to the basic allotment for a student enrolled in a district to which this section applies.

SECTION 3.005. Amends Section 29.918(a) and (b), Education Code, as follows:

(a) Requires a school district or open-enrollment charter school with a high dropout rate, notwithstanding Section 42.152, as determined by the commissioner of education, to submit to the commissioner of education describing the manner in which the district or charter school intends to use the compensatory education allotment under Section 42.152 for developing and implementing research-based strategies for dropout prevention, rather than requiring a school district or open-enrollment charter school with a high dropout rate, notwithstanding Section 39.234 (Use of High School Allotment) or 42.152, as determined by the commissioner of education, to submit to the commissioner of education 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 (High School Allotment) for developing and implementing research-based strategies for dropout prevention.

(b) Prohibits a school district or open-enrollment charter school to which this section (Dropout Prevention Strategies) applies from spending or obligating more than 25 percent of the district's or charter school's compensatory education allotment, rather than compensatory education allotment or high school allotment, unless the commissioner of education approves the plan submitted under Subsection (a). Makes a conforming change.

SECTION 3.006. Amends Section 39.0233(a), Education Code, to require the questions adopted under this subsection to be developed in a manner consistent with any college readiness standards adopted under Subchapter F-1 (Texas Success Initiative), Chapter 51, rather than

adopted under Section 39.233 (Recognition of High School Completion and Success and College Readiness Programs) and Subchapter F-1, Chapter 51.

SECTION 3.007. Amends Section 41.034(a), Education Code, as follows:

(a) Requires the commissioner of education, for the first and second school years after creation of a consolidated district under this subchapter (Consolidated by Agreement), to:

(1) adjust allotments to the consolidated district to the extent necessary to preserve the effects of an adjustment under Section 42.105, rather than under Section 42.102, 42.103, or 42.105, to which either of the consolidating districts would have been entitled but for the consolidation; and

(2) if either of the consolidating districts would have been entitled to an allotment under Section 42.164 but for the consolidation, adjust allotments to the consolidated district in the amount of the allotment to which the district would have been entitled under that section.

SECTION 3.008. Amends Section 41.099(a), Education Code, to provide that Sections 41.094 (Payment) and 41.097 (Credit For Appraisal Costs), rather than Sections 41.002(e) (relating to specifying the amount of wealth per student a school district is authorized to have after certain circumstances), 41.094, 41.097, and 41.098 (Early Agreement Credit) apply only to a district that execute certain agreements.

SECTION 3.009. Amends Section 41.257, Education Code, as follows:

Sec. 41.257. New heading: APPLICATION OF SPARSITY ADJUSTMENT AND TRANSPORTATION AND SMALL DISTRICT ALLOTMENTS. Requires the budget of the consolidated district to apply the benefit of the adjustment or allotment to the schools of the consolidating district to which Section 42.105, 42.155 (Transportation Allotment), or 42.164, rather than to which Section 42.103, 42.105, or 42.155, would have applied in the event that the consolidated district still qualifies as a small or sparse district.

SECTION 3.010. Amends Section 42.007(c), Education Code, as follows:

(c) Requires the funding elements to include:

(1) makes no changes to this subdivision;

(2) deletes existing text of Subdivision (2) relating to adjustments designed to reflect the variation in known resource costs and costs of education beyond the control of school districts, deletes the designation of Subdivision (3), replaces the former Subdivision (2) with the text from Subdivision (3), replaces a reference to adjusted basic allotment with a reference to basic allotment, and redesignates following subdivisions accordingly;

(3) makes no further changes to this subdivision;

(4) the enrichment tax rate under Subchapter F (Guaranteed Yield Program), rather than the enrichment and facilities tax rate under Subchapter F; and

(5)–(6) makes no further changes to these subdivisions.

SECTION 3.011. Amends Section 42.105(a) and (c), Education Code, as follows:

(a) Requires a school district that has fewer than 130 students in average daily attendance, notwithstanding Section 42.101, rather than notwithstanding Sections 42.101, 42.102, and 42.103, to be provided a basic allotment on certain basis. Makes conforming changes

(c) Makes conforming changes.

SECTION 3.012. Amends Section 42.151(a) and (k), Education Code, as follows:

(a) Makes conforming changes.

(k) Entitles a certain school district to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner of education, of the basic allotment, rather than of the adjusted basic allotment or adjusted allotment, as applicable, for each full-time equivalent student in average daily attendance, multiplied by a certain amount, for each day the program is provided divided by the number of days in the minimum school year.

SECTION 3.013. Amends Section 42.152(a), Education Code, to make a conforming change.

SECTION 3.014. Amends Section 42.157(a), Education Code, to make a conforming change.

SECTION 3.015. Amends Section 42.2518(a), Education Code, to provide that the state aid excluded under this subsection includes adjustment in wealth per student that would have been provided under former Sections 41.002 (e), (f) (relating to providing a certain school districts tax rate), and (g) (relating to providing the specified formula for the wealth per student that a district may have under subsection (e)) or former Section 42.2516.

SECTION 3.016. Amends Section 42.302(a), Education Code, to provide that "WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapter B (Basic Entitlement) and C (Special Allotments), less any allotment to the district for transportation and any allotment under Section 42.158, rather than 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 3.017. Amends Section 322.008(b), Government Code, as follows:

(b) Authorizes the general appropriations bill to include for purposes of information the funding elements computed by the LBB under Section 42.007 (Equalized Funding Elements), Education Code, rather than under Section 42.007, Education Code, excluding the values for each school district calculated under Section 42.007(c)(2), Education Code. Requires the funding under Section 42.007(c)(2), Education Code, rather than under Section 42.007(c)(3), Education Code, if the funding elements are included, to be reported in dollar amounts per pupil.

SECTION 3.018. Amends Section 825.405(b), Government Code, as follows:

(b) Provides that for purposes of this section (Contributions Based on Compensation Above Statutory Minimum):

(1) the statutory minimum salary for certain school personnel under Section 21.402 (Minimum Salary Schedule For Certain Professional Staff), Education Code, is the salary provided by that section multiplied by the cost of education index adjustment adopted by the foundation school fund budget committee and contained in Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on March 26, 1997, applicable to the district in which the member is employed, rather than providing that the statutory minimum salary for certain school personnel under Section 21.402, Education Code, is the salary provided by that section multiplied by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed; and

(2) a certain 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 index adjustment adopted by the foundation school fund budget committee and contained in Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on March 26, 1997, applicable to the district in which the member is employed, rather than multiplied by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed.

ARTICLE 4. REPEALER

SECTION 4.001. (a) Provides that the following provisions of the Education Code are repealed:

- (1) Repealer: Section 29.097(g) (relating to encouraging a school district to use funds allocated under Section 42.160 for certain purposes), Education Code;
- (2) Repealer: Section 29.098(e) (relating to encouraging a school district to use funds allocated under Section 42.160 for certain purposes), Education Code;
- (3) Repealer: Section 29.165 (High Quality Prekindergarten Grant Program), Education Code;
- (4) Repealer: Section 29.166 (High Quality Grant Program Funding), Education Code;
- (5) Repealer: Section 39.233 (Recognition of High School Completion and Success and College Readiness Programs), Education Code;
- (6) Repealer: Section 39.234 (Use of High School Allotment), Education Code;
- (7) Repealer: Section 41.002(e) (relating to specifying the amount of wealth per student a school district is authorized to have after certain circumstances), Education Code;

Repealer: Section 41.002(f) (relating to providing a certain school district's tax rate), Education Code;

Repealer: Section 41.002(g) (relating to providing the specified formula for the wealth per student that a district may have under Subsection (e));
- (8) Repealer: Section 41.098 (Early Agreement Credit), Education Code;
- (9) Repealer: Section 42.102 (Cost of Education Adjustment), Education Code;
- (10) Repealer: Section 42.103 (Small and Mid-Sized District Adjustment), Education Code;
- (11) Repealer: Section 42.104 (Use of Small or Mid-Sized District Adjustment in Calculating Special Allotments), Education Code;
- (12) Repealer: Section 42.155(b)(3) (relating to defining "linear density"), Education Code;
- (13) Repealer: Section 42.156 (Gifted and Talented Student Allotment), Education Code;
- (14) Repealer: Section 42.160 (High School Allotment), Education Code;
- (15) Repealer: Section 42.2513 (Additional State Aid for Staff Salary Increases), Education Code; and

(16) Repealer: Section 42.2517 (Excess Funds For Cost of Education Adjustment), Education Code.

(b) Repealer: Section 42.164(c) (relating to entitling a certain school district to an allotment), Education Code, as added by this Act, effective date: September 1, 2023.

ARTICLE 5. TRANSITION

SECTION 5.001. (a) Provides that Article 2 of this Act applies beginning with the 2019–2020 school year, except as provided by Subsection (b) of this section.

(b) Provides that Section 28.025, Education Code, as amended by this Act, and Section 28.0256, Education Code, as added by this Act, apply beginning with students enrolled at the 12th grade level during the 2020–2021 school year.

SECTION 5.002. Requires the commissioner of education, not later than September 1, 2019, to adopt the list of approved third grade reading multidimensional assessments as required under Section 42.162, Education Code, as added by this Act.

SECTION 5.003. Requires each school district, not later than September 1, 2020, to submit and post on the district's Internet website the initial report required under Section 11.2522, Education Code, as added by this Act.

SECTION 5.004. Requires TEA and THECB, not later than December 1, 2020, to jointly prepare and submit the initial report required under Section 7.038, Education Code, as added by this Act.

SECTION 5.005. Provides that, to the extent of any conflict, this Act prevails over another Act of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes.

ARTICLE 6. EFFECTIVE DATE

SECTION 6.001. Effective date: September 1, 2019, except as otherwise provided by this Act.