

By: Hochberg

H.B. No. 3646

A BILL TO BE ENTITLED

AN ACT

relating to public school finance.

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

SECTION 1. Section 21.402, Education Code, is amended by adding Subsections (c-1), (c-2), (c-3), and (c-4) by amending Subsections (d) and (g) to read as follows:

(c-1) Notwithstanding Subsection (a), for the 2009-2010 and 2010-2011 school years, each school district and open-enrollment charter school shall use at least the amount specified in Section 42.2512(a)(1):

(1) to increase the salaries of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, full-time school nurses and full-time speech pathologists;

(2) for any resulting increase in the district or open-enrollment charter school contribution to the retirement system required under 825.405, Government Code; and

(3) for any resulting increase in the district or open-enrollment charter school contribution under the federal Social Security Act.

(c-2) An increase in salary under Subsection (c-1) does not include any amount to which 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

1 schedule had been in effect for the 2009-2010 or 2010-2011 school
2 year, including any local supplement and any money representing a
3 career ladder supplement the employee would have received in the
4 2009-2010 or 2010-2011 school year.

5 (c-3) An increase in salary under Subsection (c-1) does not
6 include any part of the salary to which an employee is entitled
7 under Subsection (a).

8 (c-4) Subsections (c-1), (c-2), (c-3) and this subsection
9 expire September 1, 2011.

10 (d) A classroom teacher, full-time librarian, full-time
11 counselor certified under Subchapter B, ~~[or]~~ full-time school
12 nurse, or full-time speech pathologist employed by a school
13 district in the 2010-2011 [~~2006-2007~~] school year is, as long as the
14 employee is employed by the same district, entitled to a salary that
15 is at least equal to the salary the employee received for the
16 2010-2011 [~~2006-2007~~] school year.

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

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

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

25 SECTION 2. Subchapter A, Chapter 29, Education Code, is
26 amended by adding Section 29.018 to read as follows:

27 Sec. 29.018. SPECIAL EDUCATION GRANT. (a) From funds

1 appropriated for the purposes of this section, federal funds, or
2 any other funds available, the commissioner shall make grants
3 available to school districts to assist districts in covering the
4 cost of educating students with disabilities.

5 (b) A school district is eligible to apply for a grant under
6 this section if:

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

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

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

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

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

1 (f) The commissioner shall adopt rules as necessary to
2 administer this section.

3 SECTION 3. Section 29.082, Education Code, is amended by
4 amending adding Subsections (h) to read as follows:

5 (h) The commission shall give priority to applications for
6 extended year programs to districts with high concentrations of
7 educationally disadvantaged students.

8 SECTION 4. Section 29.0822, Education Code, is amended by
9 amending Subsections (a) and (c) and adding Subsections (e) to read
10 as follows:

11 (a) Notwithstanding Section 25.081 or 25.082, a school
12 district may apply to the commissioner to provide a flexible school
13 day program for students [~~in grades nine through 12~~] who:

14 (1) have dropped out of school or are at risk of
15 dropping out of school as defined by Section 29.081; [~~or~~]

16 (2) attend a campus that is implementing an innovative
17 redesign of the campus or an early college high school under a plan
18 approved by the commissioner; or

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

22 (c) Except in the case of a course designed for a student
23 described by Subsection (a)(3), a [A] course offered in a program
24 under this section must provide for at least the same number of
25 instructional hours as required for a course offered in a program
26 that meets the required minimum number of instructional days under
27 Section 25.081 and the required length of school day under Section

1 25.082.

2 (e) A student described by Subsection (a)(3) may enroll in a
3 course in a program under this section offered during the school
4 year or during the period in which school is recessed for the
5 summer. The student may enroll in such a course to the extent
6 necessary for the student to earn class credit that, as a result of
7 attendance requirements under Section 25.092, the student would not
8 otherwise be able to receive without retaking the class.

9 SECTION 5. Section 29.085, Education Code, is amended by
10 adding Subsections (e) and (f) to read as follows:

11 (e) In distributing these funds, preference shall be given
12 to a school district that received funds for a program under this
13 section for the preceding school year. The program established
14 under this section is required only in school districts in which the
15 program is financed by funds appropriated for this purpose and any
16 other funds distributed by the commissioner for the program.

17 (f) To receive funds for this program, a school district
18 must apply to the commissioner. The commissioner shall give a
19 preference to the districts that apply that have the highest
20 concentration of students who are pregnant or who are parents.

21 SECTION 6. Subchapter A, Chapter 33, Education Code, is
22 amended by amending Section 33.002, and adding Section 33.008 and
23 33.009 to read as follows:

24 Sec. 33.002. CERTIFIED COUNSELOR. (a) This section
25 applies only to a school district that receives funds as provided by
26 this subchapter [~~Section 42.152(i)~~].

27 Sec. 33.008. A program established under this subchapter is

1 required only in school districts in which the program is financed
2 by funds appropriated for this purpose or other funds distributed
3 by the commissioner for a program under this subchapter. In
4 distributing these funds, preference shall be given to a school
5 district that received funds for a program under this subchapter
6 for the preceding school year.

7 Sec. 33.009. To receive funds for the program, a school
8 district must apply to the commissioner. The commissioner shall
9 give a preference to the districts that apply that have the highest
10 concentration of at-risk students. For each school year that a
11 school district receives funds under this subchapter the district
12 shall allocate an amount of local funds for school guidance and
13 counseling programs that is equal to or greater than the amount of
14 local funds that the school district allocated for that purpose
15 during the preceding school year.

16 SECTION 7. Section 39.031, Education Code, is amended to
17 read as follows:

18 Sec. 39.031. COST. ~~[(a)]~~ The cost of preparing,
19 administering, or grading the assessment instruments and ~~[shall be~~
20 ~~paid from the funds allotted under Section 42.152, and each~~
21 ~~district shall bear the cost in the same manner described for a~~
22 ~~reduction in allotments under Section 42.253. If a district does~~
23 ~~not receive an allotment under Section 42.152, the commissioner~~
24 ~~shall subtract the cost from the district's other foundation school~~
25 ~~fund allotments.~~

26 ~~[(b) The]~~ the cost of releasing the question and answer keys
27 under Section 39.023(e) shall be paid from amounts appropriated to

1 the agency.

2 SECTION 8. Subsection (a), Section 41.002, Education Code
3 is amended to read as follows:

4 (a) A school district may not have a wealth per student that
5 exceeds:

6 (1) for a district with an effective maintenance and
7 operations tax rate of \$1.06 or less, the wealth per student that
8 generates the amount of maintenance and operations tax revenue per
9 weighted student available to a district with a taxable value of
10 property per weighted student in daily attendance used to compute
11 the basic allotment under Section 42.101 [~~at the percentile in~~
12 ~~wealth per student for the district's maintenance and operations~~
13 ~~tax effort equal to or less than the rate equal to the product of the~~
14 ~~state compression percentage, as determined under Section 42.2516,~~
15 ~~multiplied by the maintenance and operations tax rate adopted by~~
16 ~~the district for the 2005 tax year~~]; or

17 [~~(2) the wealth per student that generates the amount~~
18 ~~of maintenance and operations tax revenue per weighted student~~
19 ~~available to the Austin Independent School District, as determined~~
20 ~~by the commissioner in cooperation with the Legislative Budget~~
21 ~~Board, for the first six cents by which the district's maintenance~~
22 ~~and operations tax rate exceeds the rate equal to the product of the~~
23 ~~state compression percentage, as determined under Section 42.2516,~~
24 ~~multiplied by the maintenance and operations tax rate adopted by~~
25 ~~the district for the 2005 tax year, subject to Section 41.093(b-1),~~
26 ~~or]~~

27 [~~(3)~~] (2) for a district with an effective tax rate

1 that exceeds \$1.06, \$319,500~~[, for the district's maintenance and~~
2 ~~operations tax effort that exceeds the first six cents by which the~~
3 ~~district's maintenance and operations tax effort exceeds the rate~~
4 ~~equal to the product of the state compression percentage, as~~
5 ~~determined under Section 42.2516, multiplied by the maintenance and~~
6 ~~operations tax rate adopted by the district for the 2005 tax year].~~

7 SECTION 9. Section 42.101, Education Code, is amended to
8 read as follows:

9 Sec. 42.101. BASIC ALLOTMENT. For each student in average
10 daily attendance, not including the time students spend each day in
11 special education programs in an instructional arrangement other
12 than mainstream or career and technology education programs, for
13 which an additional allotment is made under Subchapter C, a
14 district is entitled to an allotment in an amount equal to the
15 product of the amount per student per cent of tax effort available
16 to a district with a taxable value of property per weighted student
17 in daily attendance divided by _____, where the divisor represents
18 the approximate statewide local share of funding, which may be set
19 by appropriation, [specified by Section 42.302(a-1)(1)],
20 multiplied by the lesser of: ~~[86. A greater amount for any school~~
21 ~~year may be provided by appropriation.]~~

22 (1) the district's effective tax rate for maintenance
23 and operations multiplied by 100; or

24 (2) 100.

25 SECTION 10. Subsection (b), Section 42.102, Education Code,
26 is amended to read as follows:

27 (b) The cost of education adjustment is 93 percent of the

1 cost of education index adjustment adopted by the foundation school
2 fund budget committee and contained in Chapter 203, Title 19, Texas
3 Administrative Code, as that chapter existed on March 26, 1997.

4 SECTION 11. Subchapter C, Chapter 42, Education Code, is
5 amended by adding Section 42.159 to read as follows:

6 Sec. 42.159. HIGH SCHOOL ALLOTMENT. A school district is
7 entitled to an amount equal to the product of \$275 multiplied by the
8 number of students in average daily attendance in grades nine
9 through 12 in the district.

10 SECTION 12. Subsection (a), Section 42.2512, Education
11 Code, is amended to read as follows:

12 (a) A school district, including a school district that is
13 otherwise ineligible for state aid under this chapter, is entitled
14 to state aid in an amount, as determined by the commissioner, equal
15 to the difference, if any, between:

16 (1) an amount equal to the product of \$_____ [~~\$3,000~~]
17 multiplied by the number of classroom teachers, full-time
18 librarians, full-time counselors certified under Subchapter B,
19 Chapter 21, and full-time school nurses and full- full-time
20 librarians, full-time counselors certified under Subchapter B,
21 Chapter 21, and full-time school nurses and full-time speech
22 pathologists as designated by the commission under Section
23 41.402(g), employed by the district [~~and entitled to a minimum~~
24 ~~salary under Section 21.402; and~~

25 (2) an amount equal to _____ [~~80~~] percent of the amount
26 of additional funds to which the district is entitled due to the
27 increases made by H.B. [S.B.] No. _____ [4], Acts of the 81st [76th]

1 Legislature, Regular Session, 2009 [~~1999~~], to:

2 (A) the equalized wealth level under Section
3 41.002;

4 (B) the basic allotment under Section 42.101; and

5 (C) the guaranteed level of state and local funds
6 per weighted student per cent of tax effort under Section 42.302.

7 SECTION 13. Section 42.2516, Education Code, is amended to
8 read as follows:

9 (a) The state compression rate is 66.67 percent. [~~In this~~
10 ~~section, "state compression percentage" means the percentage, as~~
11 ~~determined by the commissioner, of a school district's adopted~~
12 ~~maintenance and operations tax rate for the 2005 tax year that~~
13 ~~serves as the basis for state funding for tax rate reduction under~~
14 ~~this section. The commissioner shall determine the state~~
15 ~~compression percentage for each school year based on the percentage~~
16 ~~by which a district is able to reduce the district's maintenance and~~
17 ~~operations tax rate for that year, as compared to the district's~~
18 ~~adopted maintenance and operations tax rate for the 2005 tax year,~~
19 ~~as a result of state funds appropriated for distribution under this~~
20 ~~section for that year from the property tax relief fund established~~
21 ~~under Section 403.109, Government Code, or from another funding~~
22 ~~source available for school district property tax relief.~~

23 [~~(a-1) Subsection (a) applies beginning with the state~~
24 ~~fiscal year ending August 31, 2009. For the state fiscal year~~
25 ~~ending August 31, 2007, the state compression percentage is 88.67~~
26 ~~percent. For the state fiscal year ending August 31, 2008, the~~
27 ~~state compression percentage is 66.67 percent. This subsection~~

1 ~~expires September 1, 2009.]~~

2 (b) Subject to Subsections (b-1), (b-2), (f-1), and (g),
3 ~~[and (h),]~~ but notwithstanding any other provision of this title, a
4 school district is entitled to state revenue necessary to provide
5 the district with ~~[the sum of:]~~

6 ~~[(1)]~~ the amount of state revenue necessary to
7 maintain state and local revenue per student in weighted average
8 daily attendance in the amount equal to ~~[the greater of:]~~

9 ~~[(A) the amount of]~~ state and local revenue per
10 student in weighted average daily attendance for the maintenance
11 and operations of the district available to the district for the
12 2008-2009 ~~[2005-2006]~~ school year. ~~[+~~

13 ~~[(B) the amount of state and local revenue per~~
14 ~~student in weighted average daily attendance for the maintenance~~
15 ~~and operations of the district to which the district would have been~~
16 ~~entitled for the 2006-2007 school year under this chapter, as it~~
17 ~~existed on January 1, 2006, or, if the district would have been~~
18 ~~subject to Chapter 41, as that chapter existed on January 1, 2006,~~
19 ~~the amount to which the district would have been entitled under that~~
20 ~~chapter, based on the funding elements in effect for the 2005-2006~~
21 ~~school year, if the district imposed a maintenance and operations~~
22 ~~tax at the rate adopted by the district for the 2005 tax year, or~~

23 ~~[(C) the amount of state and local revenue per~~
24 ~~student in weighted average daily attendance for the maintenance~~
25 ~~and operations of the district to which the district would have been~~
26 ~~entitled for the 2006-2007 school year under this chapter, as it~~
27 ~~existed on January 1, 2006, or, if the district would have been~~

1 ~~subject to Chapter 41, as that chapter existed on January 1, 2006,~~
2 ~~the amount to which the district would have been entitled under that~~
3 ~~chapter, based on the funding elements in effect for the 2005-2006~~
4 ~~school year, if the district imposed a maintenance and operations~~
5 ~~tax at the rate equal to the rate described by Section 26.08(i) or~~
6 ~~(k)(1), Tax Code, as applicable, for the 2006 tax year;~~

7 ~~[(2) an amount equal to the product of \$2,500~~
8 ~~multiplied by the number of classroom teachers, full-time~~
9 ~~librarians, full-time counselors certified under Subchapter B,~~
10 ~~Chapter 21, and full-time school nurses employed by the district~~
11 ~~and entitled to a minimum salary under Section 21.402; and~~

12 ~~[(3) an amount equal to the product of \$275 multiplied~~
13 ~~by the number of students in average daily attendance in grades nine~~
14 ~~through 12 in the district.]~~

15 (b-1) The amount determined for a school district under
16 Subsection (b) is increased or reduced as follows:

17 (1) if for any school year the district is entitled to
18 a greater allotment under Section 42.158 than the allotment to
19 which the district was entitled under that section for the
20 2008-2009 school year [~~on which the district's entitlement under~~
21 ~~Subsection (b) is based~~], the district's entitlement under
22 Subsection (b) is increased by an amount equal to the difference
23 between the amount to which the district is entitled under Section
24 42.158 for that school year and the amount to which the district was
25 entitled under that section for the 2008-2009 school year [+

26 ~~[(A) the 2005-2006 school year, if the amount~~
27 ~~determined for the district under Subsection (b) is determined~~

1 ~~under Subsection (b)(1)(A), or~~
2 ~~[(B) the 2006-2007 school year, if the amount~~
3 ~~determined for the district under Subsection (b) is determined~~
4 ~~under Subsection (b)(1)(B) or (C)]; and~~

5 (2) if for any school year the district is not entitled
6 to an allotment under Section 42.158 or is entitled to a lesser
7 allotment under that section than the allotment to which the
8 district was entitled under that section for the 2008-2009 school
9 year [~~on which the district's entitlement under Subsection (b) is~~
10 ~~based~~], the district's entitlement under Subsection (b) is reduced
11 by an amount equal to the difference between the amount to which the
12 district was entitled under Section 42.158 for the 2008-2009
13 [~~2005-2006 or 2006-2007~~] school year [~~, as appropriate based on~~
14 ~~whether the district's entitlement under Subsection (b) is~~
15 ~~determined under Subsection (b)(1)(A), (B), or (C),~~] and the amount
16 to which the district is entitled under Section 42.158 for the
17 current school year.

18 (b-2) The amount determined for a school district under
19 Subsection (b) is increased or reduced as follows:

20 (1) if for any school year the district is entitled to
21 a greater allotment under Section 42.155 or greater additional
22 state aid under Section 42.2515 than the allotment or additional
23 state aid to which the district was entitled under Section 42.155 or
24 42.2515, as applicable, for the 2008-2009 school year [~~on which the~~
25 ~~district's entitlement under Subsection (b) is based~~], the
26 district's entitlement under Subsection (b) is increased by an
27 amount equal to the difference between the amount to which the

1 district is entitled under Section 42.155 or 42.2515, as
2 applicable, for that school year and the amount to which the
3 district was entitled under the applicable section for the
4 2008-2009 school year [~~as applicable for:~~

5 [~~(A) the 2005-2006 school year, if the amount~~
6 ~~determined for the district under Subsection (b) is determined~~
7 ~~under Subsection (b)(1)(A); or~~

8 [~~(B) the 2006-2007 school year, if the amount~~
9 ~~determined for the district under Subsection (b) is determined~~
10 ~~under Subsection (b)(1)(B) or (C)]; and~~

11 (2) if for any school year the district is not entitled
12 to an allotment under Section 42.155 or additional state aid under
13 Section 42.2515 or is entitled to a lesser allotment or less
14 additional state aid under the applicable section than the
15 allotment or additional state aid to which the district was
16 entitled under the applicable section for the 2008-2009 school year
17 [~~on which the district's entitlement under Subsection (b) is~~
18 ~~based], the district's entitlement under Subsection (b) is reduced~~
19 by an amount equal to the difference between the amount to which the
20 district was entitled under Section 42.155 or 42.2515, as
21 applicable, for the 2008-2009 [~~2005-2006 or 2006-2007~~] school year,
22 [~~as appropriate based on whether the district's entitlement under~~
23 ~~Subsection (b) is determined under Subsection (b)(1)(A), (B), or~~
24 ~~(C)], and the amount to which the district is entitled under the~~
25 applicable section for the current school year.

26 (c) In determining the amount to which a district is
27 entitled under Subsection (b)(1), the commissioner shall include:

1 (1) any amounts received by the districts during the
2 2008-2009 school year [~~described by~~] Rider 86 [~~69~~], page III-24
3 [~~III-19~~], Chapter 1428 [~~1369~~], Acts of the 80th [~~79th~~] Legislature,
4 Regular Session, 2007 [~~2005~~] (the General Appropriations Act);

5 (2) for a school district that received additional
6 revenue for the 2008-2009 [~~2005-2006~~] school year as a result of an
7 agreement under Subchapter E, Chapter 41:

8 (A) if the amount of state revenue to which the
9 district is entitled under Subsection (b) is computed based on the
10 amount described by Subsection (b)(1)(A), the amount of that
11 additional revenue retained by the district for the 2008-2009
12 [~~2005-2006~~] school year, which is the amount by which the total
13 maintenance and operations revenue available to the district for
14 that school year exceeded the total maintenance and operations
15 revenue that would have been available to the district for that
16 school year if the district had not entered into the agreement, less
17 any amount the district paid to another entity under the agreement;
18 [~~or~~

19 ~~[(B) if the amount of state revenue to which the~~
20 ~~district is entitled under Subsection (b) is computed based on the~~
21 ~~amount described by Subsection (b)(1)(B) or (C), the amount of the~~
22 ~~additional revenue that would have been retained by the district~~
23 ~~for the 2006-2007 school year if the district had entered into the~~
24 ~~agreement on the same terms as under the agreement for the 2005-2006~~
25 ~~school year, which is the amount by which the total maintenance and~~
26 ~~operations revenue that would have been available to the district~~
27 ~~for the 2006-2007 school year if the district had entered into the~~

1 ~~agreement exceeds the total maintenance and operations revenue that~~
2 ~~would have been available to the district for that school year if~~
3 ~~the district had not entered into the agreement and had imposed a~~
4 ~~maintenance and operations tax at the rate of \$1.50 on the \$100~~
5 ~~valuation of taxable property, less any amount the district would~~
6 ~~have paid to another entity under the agreement,]~~

7 (3) any amount necessary to reflect an adjustment made
8 by the commissioner under Section 42.005;

9 (4) any amount necessary to reflect an adjustment made
10 by the commissioner under Section 42.2521; and

11 (5) any amount necessary to reflect an adjustment made
12 by the commissioner under Section 42.2531.

13 (d) If, for the 2008-2009 [~~2006-2007~~] or a subsequent school
14 year, a school district enters into an agreement under Subchapter
15 E, Chapter 41, the commissioner shall reduce the amount of state
16 revenue to which the district is entitled under Subsection (b) for
17 that school year by an amount equal to any additional revenue for
18 that school year that the district receives and retains as a result
19 of that agreement, which is the amount by which the total
20 maintenance and operations revenue available to the district
21 exceeds the total maintenance and operations revenue that would
22 have been available to the district if the district had not entered
23 into the agreement and had imposed a maintenance and operations tax
24 at the maximum rate permitted under Section 45.003(d), less any
25 amount the district pays to another entity under the agreement.

26 (e) The amount of revenue to which a school district is
27 entitled because of the technology allotment under Section 32.005

1 is not included in making a determination under Subsection (b)(1).

2 (f) For purposes of determining the amount of revenue to
3 which a school district is entitled under this section, the
4 commissioner shall use the average tax collection rate for the
5 district for the 2006, 2007, and 2008 [~~2003, 2004, and 2005~~] tax
6 years.

7 (f-1) The commissioner shall, in accordance with rules
8 adopted by the commissioner, adjust the amount of a school
9 district's local revenue derived from maintenance and operations
10 tax collections, as calculated for purposes of determining the
11 amount of state revenue to which the district is entitled under this
12 section, if the district, for the 2010 [~~2007~~] tax year or a
13 subsequent tax year:

14 (1) adopts an exemption under Section 11.13(n), Tax
15 Code, that was not in effect for the 2009 [~~2005 or 2006~~] tax year, or
16 eliminates an exemption under Section 11.13(n), Tax Code, that was
17 in effect for the 2009 [~~2005 or 2006~~] tax year;

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

21 (3) grants an exemption under an agreement authorized
22 by Chapter 312, Tax Code, that was not in effect for the 2009 [~~2005~~
23 ~~or 2006~~] tax year, or ceases to grant an exemption authorized by
24 that chapter that was in effect for the 2009 [~~2005 or 2006~~] tax
25 year; or

26 (4) agrees to deposit taxes into a tax increment fund
27 created under Chapter 311, Tax Code, under a reinvestment zone

1 financing plan that was not in effect for the 2009 [~~2005 or 2006~~]
2 tax year, or ceases depositing taxes into a tax increment fund
3 created under that chapter under a reinvestment zone financing plan
4 that was in effect for the 2009 [~~2005 or 2006~~] tax year.

5 SECTION 14. Subchapter F, Chapter 42, Education Code, is
6 amended by adding Section 42.3021 to read as follows:

7 Sec. 42.3021 INCREASED YIELD ON LAST ADOPTED SIX CENTS IN
8 TAX RATE. (a) In addition to sum of the school district's
9 allotments under Subchapters B and C, and the guaranteed yield
10 amount under Section 42.302, a district is guaranteed an additional
11 amount calculated by increasing the yield on the district's last
12 adopted six cents of effective tax rate for maintenance and
13 operations to the amount of district tax revenue per weighted
14 student per cent of tax effort available to the Austin Independent
15 School District, as determined by the commissioner in cooperation
16 with the Legislative Budget Board, or the amount of district tax
17 revenue per weighted student per cent of tax effort used for
18 purposes of this section in the preceding school year. This section
19 applies whether the cents of tax rate are within the basic allotment
20 under Subchapters B and C, or within the guaranteed yield allotment
21 under Section 42.302.

22 (a-1) Subsection (a) applies beginning with the 2010-2011
23 school year. This subsection and subsection (a-2) expire September
24 1, 2010.

25 (a-2) In addition to sum of the school district's allotments
26 under Subchapters B and C, and the guaranteed yield amount under
27 Section 42.302, a district is guaranteed an additional amount

1 calculated by increasing the yield on the district's last adopted
2 six cents of effective tax rate for maintenance and operations to
3 the amount of district tax revenue per weighted student per cent of
4 tax effort available to the Austin Independent School District, as
5 determined by the commissioner in cooperation with the Legislative
6 Budget Board. guaranteed yield allotment under Section 42.302.

7 SECTION 15. Subsection (a), Section 42.252, Education Code,
8 is amended to read as follows:

9 (a) Each school district's share of the Foundation School
10 Program is determined by the following formula:

11
$$\text{LFA} = \text{TR} \times \text{DPV}$$

12 where:

13 "LFA" is the school district's local share;

14 "TR" is a tax rate which for each hundred dollars of valuation
15 is an effective tax rate of \$0.86; and

16 "DPV" is the taxable value of property in the school district
17 for the current [~~preceding~~] tax year determined under Subchapter M,
18 Chapter 403, Government Code.

19 SECTION 16. Subsection (a), Section 42.302, Education Code,
20 is amended to read as follows:

21 (a) Each school district is guaranteed a specified amount
22 per weighted student in state and local funds for each cent of tax
23 effort over \$1.00 [~~that required for the district's local fund~~
24 ~~assignment~~] up to the maximum level specified in this subchapter.
25 The amount of state support, subject only to the maximum amount
26 under Section 42.303, is determined by the formula:

27
$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

1 where:

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

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

8 "WADA" is the number of students in weighted average daily
9 attendance, which is calculated by dividing the sum of the school
10 district's allotments under Subchapters B and C, less any allotment
11 to the district for transportation, and any allotment under
12 Sections [Section] 42.158 or 42.159, [~~and 50 percent of the~~
13 ~~adjustment under Section 42.102,~~] by the basic allotment for the
14 applicable year;

15 "DTR" is the district enrichment tax rate of the school
16 district, which is determined by subtracting the amounts specified
17 by Subsection (b) from the total amount of maintenance and
18 operations taxes collected by the school district for the
19 applicable school year and dividing the difference by the quotient
20 of the district's taxable value of property as determined under
21 Subchapter M, Chapter 403, Government Code, or, if applicable,
22 under Section 42.2521, divided by 100; and

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

27 SECTION 17. Effective September 1, 2009, Section

1 42.302(a-1), Education Code, as amended by Chapters 19 (H.B. 5) and
2 1191 (H.B. 828), Acts of the 80th Legislature, Regular Session,
3 2007, is reenacted and amended to read as follows:

4 (a-1) In this section, "wealth per student" has the meaning
5 assigned by Section 41.001. For purposes of Subsection (a), the
6 dollar amount guaranteed level of state and local funds per
7 weighted student per cent of tax effort ("GL") for a school district
8 is \$31.95 [+

9 ~~[(1) the amount of district tax revenue per weighted~~
10 ~~student per cent of tax effort available to a district at the 88th~~
11 ~~percentile in wealth per student, as determined by the commissioner~~
12 ~~in cooperation with the Legislative Budget Board, for the~~
13 ~~district's maintenance and operations tax effort equal to or less~~
14 ~~than the rate equal to the product of the state compression~~
15 ~~percentage, as determined under Section 42.2516, multiplied by the~~
16 ~~maintenance and operations tax rate adopted by the district for the~~
17 ~~2005 tax year,~~

18 ~~[(2) the amount of district tax revenue per weighted~~
19 ~~student per cent of tax effort that would be available to the Austin~~
20 ~~Independent School District, as determined by the commissioner in~~
21 ~~cooperation with the Legislative Budget Board, if the reduction of~~
22 ~~the limitation on tax increases as provided by Section 11.26(a-1),~~
23 ~~(a-2), or (a-3), Tax Code, did not apply, for the first six cents by~~
24 ~~which the district's maintenance and operations tax rate exceeds~~
25 ~~the rate equal to the product of the state compression percentage,~~
26 ~~as determined under Section 42.2516 and notwithstanding the~~
27 ~~limitation on district enrichment tax rate ("DTR") under Section~~

1 ~~42.303, multiplied by the maintenance and operations tax rate~~
2 ~~adopted by the district for the 2005 tax year; and~~
3 ~~[(3) \$31.95, for the district's maintenance and~~
4 ~~operations tax effort that exceeds the amount of tax effort~~
5 ~~described by Subdivision (2)].~~

6 SECTION 18. Effective September 1, 2010, Section
7 42.302(a-1), Education Code, as amended by Chapters 19 (H.B. 5) and
8 1191 (H.B. 828), Acts of the 80th Legislature, Regular Session,
9 2007, is reenacted and amended to read as follows:

10 (a-1) In this section, "wealth per student" has the meaning
11 assigned by Section 41.001. For purposes of Subsection (a), the
12 dollar amount guaranteed level of state and local funds per
13 weighted student per cent of tax effort ("GL") for a school district
14 is \$31.95[+

15 ~~[(1) the amount of district tax revenue per weighted~~
16 ~~student per cent of tax effort available to a district at the 88th~~
17 ~~percentile in wealth per student, as determined by the commissioner~~
18 ~~in cooperation with the Legislative Budget Board, for the~~
19 ~~district's maintenance and operations tax effort equal to or less~~
20 ~~than the rate equal to the product of the state compression~~
21 ~~percentage, as determined under Section 42.2516, multiplied by the~~
22 ~~maintenance and operations tax rate adopted by the district for the~~
23 ~~2005 tax year,~~

24 ~~[(2) the greater of the amount of district tax revenue~~
25 ~~per weighted student per cent of tax effort available to the Austin~~
26 ~~Independent School District, as determined by the commissioner in~~
27 ~~cooperation with the Legislative Budget Board, or the amount of~~

1 ~~district tax revenue per weighted student per cent of tax effort~~
2 ~~used for purposes of this subdivision in the preceding school year,~~
3 ~~for the first six cents by which the district's maintenance and~~
4 ~~operations tax rate exceeds the rate equal to the product of the~~
5 ~~state compression percentage, as determined under Section 42.2516,~~
6 ~~multiplied by the maintenance and operations tax rate adopted by~~
7 ~~the district for the 2005 tax year; and~~

8 ~~[(3) \$31.95, for the district's maintenance and~~
9 ~~operations tax effort that exceeds the amount of tax effort~~
10 ~~described by Subdivision (2).~~

11 SECTION 19. Section 42.303, Education Code, is amended to
12 read as follows:

13 Sec. 42.303. LIMITATION ON ENRICHMENT TAX RATE. The
14 district enrichment tax rate ("DTR") under Section 42.302 may not
15 exceed the amount per \$100 of valuation by which the maximum rate
16 permitted under Section 45.003 exceeds the rate \$1.00 [~~of \$0.86, or~~
17 ~~a greater amount for any year provided by appropriation~~].

18 SECTION 20. REPEALERS. (a) Section 41.002, Education
19 Code, Subsections (e), (f), and (g), are repealed.

20 (b) Section 41.102, Education Code, Subsection (e) is
21 repealed.

22 (c) Section 41.152, Education Code, Subsections (e), (f),
23 (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), and (u) are
24 repealed.

25 (d) Section 42.2511, Section 42.2513, Section 42.2514,
26 Education Code, are repealed.

27 (e) Section 42.2516, Subsections (a-1) and (h), Education

1 Code, are repealed.

2 SECTION 21. This Act applies beginning with the 2009-2010
3 school year.

4 SECTION 22. This Act takes effect immediately if it
5 receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this Act takes effect September 1, 2009.