

Amend CSSB 1 (house committee report) in ARTICLE 56 of the bill as follows:

(1) In SECTION 56.01 of the bill, in the recital (page 136, line 21), strike "Subsection (a-3)" and substitute "Subsections (a-3) and (a-4)".

(2) In SECTION 56.01 of the bill, in amended Section 12.106, Education Code (page 137, between lines 17 and 18), insert the following:

(a-4) Subsection (a-3) and this subsection expire September 1, 2013.

(3) In SECTION 56.06 of the bill, in the recital (page 144, line 4), strike "The heading" and substitute "Effective September 1, 2011, the heading".

(4) In SECTION 56.07 of the bill, in the recital (page 144, line 8), between the period and "Section 42.101", insert "Effective September 1, 2011,".

(5) In SECTION 56.07 of the bill, in the recital (page 144, lines 9 and 10) strike "(c) and (c-1)" and substitute "(c), (c-1), and (c-2)".

(6) In SECTION 56.07 of the bill, in added Section 42.101(c-1), Education Code (page 145, line 21) between "Subsection (c)" and the comma, insert "and except as provided by Subsection (c-2)".

(7) In SECTION 56.07 of the bill, in added Section 42.101(c-1), Education Code (page 145, lines 23 and 24), strike "This subsection expires September 1, 2013."

(8) In SECTION 56.07 of the bill, after added Section 42.101(c-1), Education Code (page 145, between lines 24 and 25), insert the following:

(c-2) The regular program adjustment factor ("RPAF") for a school district that does not receive funding under Section 42.2516 for the 2011-2012 school year is 0.95195 for the 2011-2012 and 2012-2013 school years. This subsection and Subsections (c) and (c-1) expire September 1, 2013.

(9) In SECTION 56.08 of the bill, in the recital (page 145, line 25), between the period and "Section 42.105", insert "Effective September 1, 2011,".

(10) In SECTION 56.09 of the bill, in the recital (page 146, line 19), between the period and "Subsection (a)", insert "Effective September 1, 2011,".

(11) Strike SECTIONS 56.16 and 56.17 of the bill, amending Section 42.253, Education Code (page 151, line 18, through page 154, line 9), and substitute the following appropriately numbered SECTIONS:

SECTION 56.____. Effective September 1, 2011, Subsection (h), Section 42.253, Education Code, is amended to read as follows:

(h) If the amount appropriated for the Foundation School Program for the second year of a state fiscal biennium is less than the amount to which school districts and open-enrollment charter schools are entitled for that year, the commissioner shall certify the amount of the difference to the Legislative Budget Board not later than January 1 of the second year of the state fiscal biennium. The Legislative Budget Board shall propose to the legislature that the certified amount be transferred to the foundation school fund from the economic stabilization fund and appropriated for the purpose of increases in allocations under this subsection. If the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (j), the commissioner shall adjust ~~[reduce]~~ the total amounts due to each school district and open-enrollment charter school under this chapter and the total amounts necessary for each school district to comply with the requirements of Chapter 41 ~~[amount of state funds allocated to each district]~~ by an amount determined by applying to each district and school, including a district receiving funds under Section 42.2516, the same percentage adjustment to the total amount of state and local revenue due to the district or school under this chapter and Chapter 41 so that the total amount of the adjustment to all districts and schools ~~[a method under which the application of the same number of cents of increase in tax rate in all districts applied to the taxable value of property of each district, as determined under Subchapter M, Chapter 403, Government Code,]~~ results in an amount ~~[a total levy]~~ equal to the total adjustment necessary ~~[reduction]~~. The following fiscal year:

(1)[7] a district's or school's entitlement under this section is increased by an amount equal to the adjustment ~~[reduction]~~ made under this subsection; and

(2) the amount necessary for a district to comply with the requirements of Chapter 41 is reduced by an amount equal to the adjustment made under this subsection.

SECTION 56.____. Effective September 1, 2017, Subsection (h), Section 42.253, Education Code, is amended to read as follows:

(h) If the amount appropriated for the Foundation School Program for the second year of a state fiscal biennium is less than the amount to which school districts and open-enrollment charter schools are entitled for that year, the commissioner shall certify the amount of the difference to the Legislative Budget Board not later than January 1 of the second year of the state fiscal biennium. The Legislative Budget Board shall propose to the legislature that the certified amount be transferred to the foundation school fund from the economic stabilization fund and appropriated for the purpose of increases in allocations under this subsection. If the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (j), the commissioner shall adjust ~~[reduce]~~ the total amounts due to each school district and open-enrollment charter school under this chapter and the total amounts necessary for each school district to comply with the requirements of Chapter 41 ~~[amount of state funds allocated to each district]~~ by an amount determined by applying to each district and school the same percentage adjustment to the total amount of state and local revenue due to the district or school under this chapter and Chapter 41 so that the total amount of the adjustment to all districts and schools ~~[a method under which the application of the same number of cents of increase in tax rate in all districts applied to the taxable value of property of each district, as determined under Subchapter M, Chapter 403, Government Code,]~~ results in an amount ~~[a total levy]~~ equal to the total adjustment necessary ~~[reduction]~~. The following fiscal year:

(1)[7] a district's or school's entitlement under this section is increased by an amount equal to the adjustment

~~[reduction]~~ made under this subsection; and

(2) the amount necessary for a district to comply with the requirements of Chapter 41 is reduced by an amount equal to the adjustment made under this subsection.

(12) Add the following appropriately numbered SECTIONS to ARTICLE 56 of the bill and renumber subsequent SECTIONS of that ARTICLE accordingly:

SECTION 56.____. Effective September 1, 2013, Section 42.101, Education Code, is amended to read as follows:

Sec. 42.101. BASIC ALLOTMENT. (a) For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to the lesser of \$4,765 or the amount that results from the following formula:

$$A = \$4,765 \times (\text{DCR}/\text{MCR})$$

where:

"A" is the allotment to which a district is entitled;

"DCR" is the district's compressed tax rate, which is 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

"MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50.

(b) A greater amount for any school year may be provided by appropriation.

SECTION 56.____. Effective September 1, 2013, Section 42.105, Education Code, is amended to read as follows:

Sec. 42.105. SPARSITY ADJUSTMENT. Notwithstanding Sections 42.101, 42.102, and 42.103, a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted basic allotment on the basis of 130 students in average daily attendance if it offers a kindergarten through grade 12 program and has preceding or current year's average daily

attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose preceding or current year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided an adjusted basic allotment on the basis of 75 students in average daily attendance. An average daily attendance of 60 students shall be the basis of providing the adjusted basic allotment if a district offers a kindergarten through grade 6 program and has preceding or current year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district.

SECTION 56.____. Effective September 1, 2013, Subsection (a), Section 42.251, Education Code, is amended to read as follows:

(a) The sum of the basic allotment under Subchapter B and the special allotments under Subchapter C, computed in accordance with this chapter, constitute the tier one allotments. The sum of the tier one allotments and the guaranteed yield allotments under Subchapter F, computed in accordance with this chapter, constitute the total cost of the Foundation School Program.