

Amend CSSB 1 (house committee printing) as follows:

(1) In SECTION 56.01 of the bill, adding Section 12.106(a-3), Education Code (page 137, line 17), after the period, insert "This subsection expires September 1, 2013."

(2) Strike SECTION 56.02 of the bill, amending Section 12.106(a), Education Code (page 137, line 18, through page 138, line 8).

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

(6) 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,".

(7) In SECTION 56.11 of the bill, in added Section 42.2516(i), Education Code (page 149, line 27, through page 150, line 2), strike "For the 2013-2014 school year and each subsequent school year, the legislature by appropriation shall establish the percentage reduction to be applied." and substitute "This subsection expires September 1, 2013."

(8) Strike SECTIONS 56.12 and 56.13 of the bill, amending Section 42.2516, Education Code (page 150, lines 3-23).

(9) Strike SECTION 56.17 of the bill, amending Section 42.253(h), Education Code (page 153, line 7, through page 154, line 9).

(10) In SECTION 56.18 of the bill, in the recital (page 154, line 10), between the period and "Section 42.258", insert "Effective September 1, 2011,".

(11) In SECTION 56.18 of the bill, in added Section 42.258(a-1), Education Code (page 154, line 23), following the period add "This subsection expires September 1, 2013."

(12) Strike SECTION 56.22 of the bill, amending Section

26.08(i), Tax Code (page 156, lines 9-26).

(13) In SECTION 56.24 of the bill, repealing various Education Code provisions, strike Subdivision (2) (page 157, line 21) and renumber the subsequent subdivisions of SECTION 56.24 accordingly.

(14) Strike SECTION 56.25 of the bill, repealing various Education Code and Tax Code provisions (page 157, line 23, through page 158, line 7).

(15) Strike SECTION 56.27 of the bill, relating to legislative intent (page 158, lines 16-21).

(16) Add the following appropriately numbered SECTIONS to ARTICLE 56 of the bill:

SECTION 56.\_\_\_\_. Effective September 1, 2013, Section 12.106(a), Education Code, is amended to read as follows:

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

(1) the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Sections 42.302(a-1)(2) and (3), as they existed on January 1, 2009, that would have been received for the school during the 2009-2010 school year under Chapter 42 as it existed on January 1, 2009, and an additional amount of \$120 for each student in weighted average daily attendance; or

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

SECTION 56.\_\_\_\_. Effective September 1, 2013, Section 21.402(a), Education Code, is amended to read as follows:

(a) Except as provided by Subsection (d)[~~-(e)-~~] or (f), a school district must pay each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse not less than the minimum monthly salary, based on the employee's level of experience in addition to other

factors, as determined by commissioner rule, determined by the following formula:

$$MS = SF \times FS$$

where:

"MS" is the minimum monthly salary;

"SF" is the applicable salary factor specified by Subsection (c); and

"FS" is the amount, as determined by the commissioner under Subsection (b), of the basic allotment as provided by Section 42.101(a) for a school district with a maintenance and operations tax rate at least equal to the state maximum compressed tax rate, as defined by Section 42.101(a) ~~[state and local funds per weighted student, including funds provided under Section 42.2516, available to a district eligible to receive state assistance under Section 42.302 with a maintenance and operations tax rate per \$100 of taxable value equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50, except that the amount of state and local funds per weighted student does not include the amount attributable to the increase in the guaranteed level made by Chapter 1187, Acts of the 77th Legislature, Regular Session, 2001]~~.

SECTION 56.\_\_\_\_. Effective September 1, 2011, Section 42.008, Education Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to the 2011-2012 or 2012-2013 school year. This subsection expires September 1, 2013.

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:

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

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.

SECTION 56.\_\_\_\_. Effective September 1, 2013, Sections 42.2516(a), (b), (d), and (f-2), Education Code, are amended to read as follows:

(a) In this section, "state compression percentage" means the percentage, as determined by the commissioner, of a school district's adopted maintenance and operations tax rate for the 2005 tax year that serves as the basis for state funding for tax rate reduction under this section. The commissioner shall determine the state compression percentage for each school year based on the percentage by which a district is able to reduce the district's maintenance and operations tax rate for that year, as compared to the district's adopted maintenance and operations tax rate for the 2005 tax year, as a result of state funds appropriated for distribution under this section for that year from the property tax relief fund established under Section 403.109, Government Code, or from another funding source available for school district property tax relief.

(b) Notwithstanding any other provision of this title, a school district that imposes a maintenance and operations tax at a rate at least equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year is entitled to at least the amount of state revenue necessary to provide the district with the sum of:

(1) as calculated under Subsection (e), the amount of state and local revenue per student in weighted average daily attendance for maintenance and operations that the district would have received during the 2009-2010 school year under Chapter 41 and this chapter, as those chapters existed on January 1, 2009, at a maintenance and operations tax rate equal to the product of the state compression percentage for that year multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year;

(2) an amount equal to the product of \$120 multiplied by the number of students in weighted average daily attendance in

the district; and

(3) ~~[an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n), Tax Code, in the current tax year, and~~

~~[(4)]~~ any amount to which the district is entitled under Section 42.106.

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

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

(2) for a school district that paid tuition under Section 25.039 during the 2008-2009 school year, reduce the amount to which the district is entitled by the amount of tuition paid during that school year.

(f-2) The rules adopted by the commissioner under Subsection (f-1) must:

(1) require the commissioner to determine, as if this section did not exist, the effect under Chapter 41 and this chapter of a school district's action described by Subsection (f-1)(1), (2), (3), or (4) on the total state revenue to which the district would be entitled or the cost to the district of purchasing sufficient attendance credits to reduce the district's wealth per student to the equalized wealth level; and

(2) require an increase or reduction in the amount of state revenue to which a school district is entitled under Subsection (b) that is substantially equivalent to any change in total state revenue or the cost of purchasing attendance credits that would apply to the district if this section did not exist.

SECTION 56.\_\_\_\_. Effective September 1, 2013, Subsection (a), Section 42.25161, Education Code, is amended to read as follows:

(a) The commissioner shall provide South Texas Independent School District with the amount of state aid necessary to ensure that the district receives an amount of state and local revenue per student in weighted average daily attendance that is at least \$120

greater than the amount the district would have received per student in weighted average daily attendance during the 2009-2010 school year under this chapter, as it existed on January 1, 2009, at a maintenance and operations tax rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, provided that the district imposes a maintenance and operations tax at that rate.

SECTION 56.\_\_\_\_. Effective September 1, 2013, Sections 42.253(h) and (i), Education Code, are 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 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 reduce the total amount of state funds allocated to each district by an amount determined by 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 a total levy equal to the total reduction. The following fiscal year, a district's entitlement under this section is increased by an amount equal to the reduction made under this subsection.

(i) Not later than March 1 each year, the commissioner shall determine the actual amount of state funds to which each school district is entitled under the allocation formulas in this chapter for the current school year and shall compare that amount with the amount of the warrants issued to each district for that year. If the amount of the warrants differs from the amount to which a

district is entitled because of variations in the district's tax rate, student enrollment, or taxable value of property, the commissioner shall adjust the district's entitlement for the next fiscal year accordingly.

SECTION 56.\_\_\_\_. Effective September 1, 2013, Section 42.258(a), Education Code, is amended to read as follows:

(a) If a school district has received an overallocation of state funds, the agency shall, by withholding from subsequent allocations of state funds or by requesting and obtaining a refund, recover from the district an amount equal to the overallocation.

(17) Renumber subsequent SECTIONS of ARTICLE 56 accordingly.