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HOUSE RESEARCH ORGANIZATION

daily floor report

Friday, November 17, 2023
88th Legislature, Fourth Called Session, Number 6
The House convenes at 10 a.m.

One bill is on the Constitutional Amendments Calendar and two bills are on the General State Calendar for second reading consideration today. The table of contents appears below.

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Gary VanDeaver
Chairman
88(4) - 6

SUBJECT: Proposing a constitutional amendment for the state school safety fund

COMMITTEE: Educational Opportunity & Enrichment, Select — favorable, without amendment

VOTE: 14 ayes — Buckley, Gervin-Hawkins, Ashby, K. Bell, Dutton, Frank, Cody Harris, Hefner, Hinojosa, K. King, Metcalf, Shaheen, Talarico, VanDeaver

0 nays

1 absent — Longoria

WITNESSES: For — (*Registered, but did not testify*: Chance Ramos, Arc One Protective Services; John Litzler, Baptist General Convention of Texas' Christian Life Commission; Julia Grizzard, Bexar County Education Coalition; Ben Russian, EZY PA Holdings; Max Rombado, Raise Your Hand Texas; Colby Nichols, Texas Association of Community Schools and Texas Association of School Administrators; Ruben Longoria, Texas Association of School Boards; Amanda Brownson, Texas Association of School Business Officials; Jennifer Allmon, Texas Catholic Conference of Bishops; Jennifer Easley, Texas PTA; Dee Carney, Texas School Alliance; Christy Rome, Texas School Coalition; Robert L. Green)

Against — None

On — Tom Currah, Comptroller of Public Accounts (*Registered, but did not testify*: Brad Reynolds, Comptroller; Paige Duggins-Clay, Intercultural Development Research Association; Eric Marin, Von Byer, Mike Meyer, Texas Education Agency)

DIGEST: HJR 1 would create the school safety fund as a special fund in the state treasury outside the general revenue fund to be used only to provide ongoing financial support for projects that ensured the safety of public schools. Separate accounts could be established in the state school safety fund as necessary or convenient to administer the fund or the supported

projects. The Legislature could authorize the use of money from the fund only by an independent school district or charter school.

The fund would consist of:

- money appropriated to the fund;
- money transferred or deposited to the credit of the fund;
- revenue from any source that the Legislature dedicated for deposit to the credit of the fund;
- investment earnings and interest earned on amounts credited to the fund;
- money appropriated by the Legislature to fund public schools that was determined by the education commissioner to exceed the amount required for the support and maintenance of public schools; and
- money transferred to the fund from another fund or account to which money from the fund was transferred.

The Legislature would be required to provide for the manner in which money in the state school safety fund could be used, subject to certain limitations established by the bill. The Legislature also could provide for costs of investment and administration of the state school safety fund to be paid from the fund.

The bill would revise and add the state school safety fund to certain constitutional provisions on the transfer of funds to the economic stabilization fund and the state highway fund. Of the sum of the amounts received from oil and gas production taxes for transfer to the economic stabilization fund and the state highway fund, the comptroller would be required to allocate:

- to the economic stabilization fund the difference, if greater than zero, between one-half of the sum of those amounts and \$1.1 billion;
- to the state school safety fund the lesser of \$1.1 billion or one-half of the sum of those amounts; and
- the remainder to the state highway fund.

The bill would add a temporary provision to the Constitution requiring the comptroller beginning in fiscal 2025 to reduce the amount allocated for transfer to the economic stabilization fund and increase the amount allocated for transfer to the state school safety fund by the lesser of \$1.1 billion or the amount transferred to the economic stabilization fund for that fiscal year. This provision would expire September 1, 2026.

A proposed constitutional amendment to create the state school safety fund would be submitted to the voters at an election to be held May 4, 2024. The ballot proposal would read: "The constitutional amendment creating the state school safety fund to provide ongoing financial support for projects that ensure the safety of public schools in this state and providing for the transfer of certain general revenues to that fund, the economic stabilization fund, and the state highway fund."

**SUPPORTERS
SAY:**

HJR 1 would be an important step in ensuring students' safety across the state by permanently funding future school safety projects in Texas public schools. Based on the comptroller's projections, \$1.1 billion would go to the state school safety fund each year. These funds could help schools meet safety requirements set by the Legislature during previous sessions and address future needs. Eventually, the fund would become self-sufficient as the interest alone would be enough to make the fund sustainable. The bill's provisions would not impact transfers from the general revenue fund to the state highway fund.

**CRITICS
SAY:**

While school safety is critical for Texas students, a more effective way to protect students would be to regulate the use and sale of guns. The Legislature should limit the sale of certain weapons, improve background checks, and require training and licensing.

**OTHER
CRITICS
SAY:**

HJR 1 could be improved by guaranteeing that the state school safety fund received at least \$1.1 billion a year to more fully fund the state's school safety needs.

NOTES:

The enabling legislation for HJR 1 is HB 2, which is also on the calendar for second reading consideration today.

According to the Legislative Budget Board, HJR 1 would have an estimated negative impact on General Revenue Related Funds of about \$582 million through fiscal 2025. The cost to the state for publication of the resolution would be \$204,406.

SUBJECT: Establishing education savings accounts; amending school finance

COMMITTEE: Educational Opportunity & Enrichment, Select — favorable, without amendment

VOTE: 10 ayes — Buckley, Ashby, K. Bell, Frank, Cody Harris, Hefner, K. King, Metcalf, Shaheen, VanDeaver

4 nays — Gervin-Hawkins, Dutton, Hinojosa, Talarico

1 absent — Longoria

WITNESSES: For — Norton Rainey, ACE Scholarships; Nathaniel Cunneen, Scott Jensen, American Federation for Children; Stan Bowlin, Kay Burton, Nicole Tarpley, Genevieve Collins, Americans for Prosperity and the LIBRE Initiative; Mazie McCoy, Archdiocese of Galveston-Houston; Denisha Allen, Black Minds Matter; Janelle Wood, Black Mothers Forum Inc; Valeria Gurr, Federacion americana para los ninos; Joel Enge, Kingdom Life Academy and Americans for Prosperity; Kent Grusendorf, Liberty For The Kids; Tracy Hanson, Oak Creek Academy; Russell Fish, Open Records Project; Penny Hayes, Ovilla Christian School; Traci Tucker, Scofield Christian School; Sean Warfield, St. Mary’s School, Temple TX; Anita Scott, Texas Home School Coalition; Jerry Davis, Texas Pastors Council; Laura Colangelo, Texas Private Schools Association; Michael Barba, Mandy Drogin, Richard Johnson, Texas Public Policy Foundation; Allan Parker, The Justice Foundation.; Isabella Hatch, Makayla Garza, Mya Woods, The LIBRE Initiative; Jennifer Allmon, The Texas Catholic Conference of Bishops; and six individuals (*Registered, but did not testify*): Rudie Diaz, Marie Alderman, Alex Elzie, Alberta Mayberry, AFP Texas; Daniel Gonzalez, Agudath Israel of America; Jeffery Ware, Dave Choquette, Sacha Dietrich, Sadallie Cole, Americans for Prosperity; Debra Johnson, DFW New Beginnings; Arif Panju, Institute for Justice; Frank Corte, International Leadership of Texas; John Arrinton, Glory Mbilo, Samantha Rodriguez, New Beginnings Church; Lorena Robledo, Outschool; Justin Keener, Texans for Free Enterprise, Hispanic Contractors Association, Doug Deason; Jessica Colon, Rosalba Martinez, Brenda Watson, Texans For Parental

Choice in Education; Rosalba Martinez, Texas for Parental Choice; Jeremy Newman, Texas Home School Coalition; Damon Hoyle, Texas Private Schools Association; Kennedie English, Jorge Martinez, Ronda Norsworthy, The LIBRE Initiative; Adam Menezes, Westwood High School Robotics Club; Tiffany Barfield, Yes, Every Kid.; and 12 individuals)

Against —Ray Pieniazek, Agriculture Teachers Association of Texas; Monty Exter, Association of Texas Professional Educators; Jacquie Benestante, Autism Society of Texas; John Litzler, Baptist General Convention of Texas - Christian Life Commission; Brandon Enos, Cushing ISD; Steven Aleman, Disability Rights Texas; Tammy Conrad, Education Round Rock; Josh Sanderson, Equity Center; Jaime Puente, Every Texan; Lynn Davenport, Mary Lowe, Families Engaged For Effective Education; Robert Norris, Grandparents for Public Schools; Chloe Latham Sikes, Intercultural Development Research Association; Pedro Ortiz, Mexican American School Boards Association; Patrick Brophey, North Texas Commission - Grow Texas Talent Initiative; Alejandro Pena, Texas American Federation of Teachers; Benny Soileau, Texas Association of Mid-Size Schools; Dr. Kevin Brown, Texas Association of School Administrators; Daniel “Tony” Hopkins, Texas Association of School Boards; Randy Willis, Texas Association of Rural Schools; Paige Williams, Texas Classroom Teachers Association; Andrea Chevalier, Texas Council of Administrators of Special Education; Mark Terry, Texas Elementary Principals and Supervisors Association; Emily Witt, Texas Freedom Network; Jacqueline Campos, Texas Freedom Network/ Texas Rising; Bee Moorhead, Texas Impact; Amy Litzinger, Linda Litzinger, Texas Parent to Parent; Jennifer Easley, Texas PTA; HD Chambers, Texas School Alliance; Christy Rome, Texas School Coalition; Carrie Griffith, Texas State Teachers Association; Ashley Ford, The Arc of Texas; and 11 individuals (*Registered, but did not testify*: Nick Hudson, American Civil Liberties Union of Texas; David Anderson, Arlington ISD Board of Trustees; Alice Yi, Asian Texans for Justice; Lynn Boswell, Austin ISD and Austin ISD Board of Trustees; Julia Grizzard, Bexar County Education Coalition; Jason Sabo, Children at Risk; Charles Luke, Coalition for Public Schools; Jolene Sanders, Coalition of Texans with Disabilities; Katya Ehresman, Common Cause Texas; Louann Martinez, Dallas ISD; Garry Jones, DFER TX; Lisa Flores, Easterseals Central

Texas; Paul Colbert, El Paso ISD; Ricardo Martinez, Equality Texas; Kate Kuhlmann, Fast Growth School Coalition; Stephen Reeves, Fellowship Southwest; Louann Martinez, Ft Worth ISD; JoAnn McKenzie, Grandparents for Public Schools; Julia Grizzard, Guadalupe County Education Coalition; Laura Yeager, Just Fund It TX; Gloria Leal, League Of United Latin American Citizens; Trish Bode, Leander ISD; Gabriel Trujillo, Nacogdoches ISD; Natalie Webb, Pastors for Texas Children; Vernagene Mott, Pflugerville ISD; Grover Campbell, TASB; Ana Gonzalez, Texas AFL-CIO; Colby Nichols, Texas Association of Community Schools and Leander ISD; Amanda Brownson, Texas Association of School Business Officials; Thomas Kennedy, Texas Building Trades; Nicholas Basha, Osmara Santana, Texas Freedom Network; Joshua Houston, Texas Impact; Rebekah Skelton, Texas Legislative Education Equity Coalition; Michelle Venegas-Matula, Erin Walter, Texas Unitarian Universalist Justice Ministry; Sarah Howery, TX AFT United in DFW; Sarah Syed, Steven Wu, Woori Juntos; Fabiola Barreto, Gabriela Torres, Youth Rise Texas; and 48 individuals)

On —Ryan Franklin, Educate Texas; Kimberly Smith, Frisco ISD; Trista Bishop-Watt, Good Reason Houston; Aaron Henricksen, Maggie Jebsen, Avery Saxe, Legislative Budget Board; Maddox Hilgers, Texans Care for Children; Mary Lynn Pruneda, Texas 2036; Sabrina Gonzalez Saucedo, Texas Council for Developmental Disabilities; Von Byer, Al McKenzie, Mike Meyer, Kelvey Oeser, Marian Schutte, Texas Education Agency; Bryce Adams, Texas Public Charter Schools Association; Randi Turner, Texas Society of Interpreters for the Deaf; Jonathan Covey, Texas Values; Miguel Solis, The Commit Partnership; Natalie Opiela, Nirvik Pande, Westwood High School Robotics Club; Jomeka Gray; Karen Sparks (*Registered, but did not testify*: Linda Fernandez, Shannon Murphy, Comptroller of Public Accounts; Andrew Hodge, Matthew Holzgrafe, Eric Marin, Kristin McGuire, Jessica McLoughlin, Texas Education Agency; Katrina Daniel, Brian Guthrie, Teacher Retirement System of Texas)

BACKGROUND: Education Code sec. 29.001 requires the Texas Education Agency to establish a statewide special education program that includes the provision of services primarily through school districts and shared services arrangements, supplemented by regional education service centers.

Sec. 48.051 establishes the basic allotment to which a school district is entitled for each student in average daily attendance. The section defines the allotment's formula as $A = \$6,160 \times TR/MCR$. "TR" is a school district's tier one maintenance and operations tax rate. "MCR" is a district's maximum compressed tax rate.

Sec. 48.101 establishes the small and mid-sized allotment as an annual allotment for certain school districts. The section defines the allotment's formula for school districts of varying sizes. "AA" is the district's annual allotment per student in average daily attendance. "ADA" is the number of students in average daily attendance for the district. "BA" is the basic allotment. The formulas are as follows:

- for a district with fewer than 1,600 students in average daily attendance, $AA = ((1,600 - ADA) \times .0004) \times BA$;
- for a district with fewer than 5,000 students in average daily attendance, the greater of the above formula, if eligible, or $AA = ((5,000 - ADA) \times .000025) \times BA$; and
- a district with fewer than 300 students in average daily attendance and that is the only district in a county, $AA = ((1,600 - ADA) \times .00047) \times BA$.

Chapter 39 requires the Texas Education Agency to adopt or develop appropriate criterion-referenced assessment instruments to assess essential knowledge and skills in reading, mathematics, social studies, and science for all students in the state. The assessment instruments adopted by the agency under the chapter are called the State of Texas Assessments of Academic Readiness, or STAAR tests.

DIGEST:

HB 1 would establish and amend provisions of the Education Code. The bill would establish an education savings account program to provide money to parents and children to pay for private school tuition and certain other approved expenditures. The bill also would establish and amend various school finance provisions, including increasing the basic allotment.

Article 1: Changes related to public school educators effective for 2024-25 school year

Article 1 would establish and revise provisions on public school educators for the 2024-25 school year.

Teacher salaries and retirement contributions. HB 1 would amend the minimum salary schedule for employees employed as a classroom teacher or full-time librarian, counselor, or nurse by replacing the current formula with a schedule for the highest annual minimum salary, rather than the highest minimum monthly salary, based on years of experience and applicable certification.

Districts that increased an employee's salary by at least \$8,000 more than the employee's compensation in the 2023-24 school year would meet the minimum salary requirements for the 2024-25 school year.

The bill would specify that a school district that increased employee compensation in accordance with the bill would be providing compensation independent of existing employment contracts and would not violate constitutional provisions related to payment of extra compensation. A school district that did not meet the employee compensation provisions during the 2024-25 school year could satisfy the bill's requirements by providing an employee a one-time bonus payment during the 2025-26 school year in an amount equal to the difference between the compensation earned during the 2024-25 school year and the compensation the employee should have received. A district would not be required to pay the required minimum salary to an employee for the school year following a school year during which the employee's performance was found unsatisfactory during the district's review.

A school district would be entitled to receive an annual salary transition allotment relative to the number of employees on the minimum salary schedule for applicable school years. The Texas Education Agency (TEA) would be required to administer and calculate each school district's allotment according to the calculation established in the bill.

By September 1, 2026, the commissioner of education, with assistance from executive director of the Teacher Retirement System and the comptroller, would be required to provide recommendations to the Legislature to coordinate and improve pension contributions for public school employees.

Teacher recruitment and retention. TEA would be required to collect certain data on vacant teaching positions from school districts and charter schools for the recruitment and retention of classroom teachers.

The State Board for Educator Certification (SBEC) would be required to waive its certification examination and application fees for applicants taking the teacher certification examination for the first time. SBEC also would be required to pay the vendor fees associated with the first administration of a teacher certification exam to a person applying for a certification to teach. The board would be required to propose rules for micro-credentials related to digital teaching and to engage relevant stakeholders.

From funds appropriated or otherwise available for the purpose, TEA would be required to establish and administer a grant program to support and expand use of the local optional teacher designation system and increase the number of classroom teachers eligible for such designation. A grant awarded under the section would have to meet the needs of individual school districts and enable regional leadership capacity.

To further support teacher retention and recruitment, TEA also would be required to develop training for and provide technical assistance to school districts and charter schools regarding:

- strategic compensation, staffing and scheduling efforts that improve professional growth, teacher leadership opportunities and staff retention;
- programs that encourage high school students or members of the community to become teachers in their school district; and
- programs or strategies school leaders may use to establish clear and attainable behavior expectations while proactively supporting students.

TEA would be required to provide grants for school districts and charter schools to implement such initiatives. TEA would also be required to develop and maintain a technical assistance program for school districts and charter schools to study the factors affecting the amount of time classroom teachers work each week and refine the necessary schedules to ensure that teachers have sufficient time during work hours to fulfill all job duties, including addressing student needs.

Under HB 1, the commissioner of education would be required to establish the Texas Teacher Residency Partnership Program to enable qualified educator preparation programs to form partnerships with school districts or charter schools to provide residency positions to eligible student-teachers. The program would have to be designed to allow student-teacher participants to receive field-based experience working with cooperating teachers and to gradually increase the amount of time the student-teacher participant engaged in instructional responsibilities. The bill would require SBEC to propose rules specifying the requirements to issue a residency educator certificate to a candidate who had successfully completed a qualified educator preparation program. Such rules could not require the resident to pass a pedagogy exam unless the examination tested for certain grade appropriate content.

SBEC would have to develop requirements for approval of qualified educator preparation programs as well as for school district and charter school participation. Until SBEC adopted rules for the approval of an educator preparation program, the commissioner could approve a program that the commissioner determined met the bill's requirements.

Participating school districts would be entitled to an allotment for each partnership resident employed in the district. The bill would establish the formula for calculating a district's allotment, including a separate calculation for the Texas School for the Deaf and the Texas School for the Blind and Visually Impaired.

The commissioner would be required to establish a grant program to reimburse school districts and charter schools that hired a retired teacher with funding for the increased contributions to the Teacher Retirement

System of Texas associated with hiring the retired teacher. In appropriating money for the grants, the Legislature could apply certain limitations to the funding, including limiting which teachers were eligible.

Other teacher support. The bill would require that school districts' boards of trustees adopt policies allowing a teacher's paid personal leave to be taken concurrently with the unpaid leave a teacher is entitled to under federal law for an absence due to pregnancy or the birth or adoption of a child. The Education Code also would be amended to specify that children of classroom teachers at a public primary or secondary school would be eligible for tuition free enrollment in a district prekindergarten class offered in the school district in which the teacher was employed.

SBEC would be prohibited from imposing a sanction against a teacher who relinquished a position under a probationary contract and left employment after the 45th day before the first day of instruction without consent of the board of trustees if the teacher's unapproved resignation was due to certain criteria, including a serious illness or health condition or the relocation of a teacher's spouse.

The bill also would establish circumstances under which a hearing examiner could dismiss a hearing requested by a teacher that had been subject to adverse action by a school district.

This article would take effect September 1, 2024.

Article 2: Changes related to public school finance effective for 2023-24 school year

Article 2 would amend certain provisions on public school finance for the 2023-24 school year.

Property value study hardship grants. HB 1 would allow the education commissioner to administer a grant program for the 2023-24 and 2024-25 school years for eligible school districts. The purpose of the program would be to offset a reduction in the district's funding under the Foundation School Program resulting from the use of the state value for the district's taxable property value for the 2022 and 2023 tax years. The

grant amount would be the difference, if that difference was greater than zero, between:

- the funding the district would have received under the bill and Chapters 46 and 49 of the Education Code for the applicable school year if the local value for the district's taxable property value had been used for the applicable tax year; and
- the funding the district was entitled to under certain statute related to school funding for the applicable school year.

A charter school would not be eligible to receive such a grant and the total amount of grants awarded for a school year could not exceed \$60 million. Provisions on the grant program would expire September 1, 2025.

Additional state aid for retention stipends. For the 2023-24 school year, school districts and charter schools would be entitled to state aid to provide a one-time stipend to each eligible district employee. Such aid would be equal to the sum of:

- the product of \$4,000 multiplied by the number of full-time employees subject to the minimum salary schedule; and
- the product of \$2,000 multiplied by the number of part-time teachers, librarians, counselors, and nurses employed by the district.

The education commissioner would be required to include these stipends in the calculation of maintenance and operations revenue.

A district or charter school would not be entitled to such state aid beginning with the 2024-25 school year.

Fine arts allotment. The bill would entitle a school district to an annual allotment for each student in grades 6-12 in average daily attendance enrolled in a TEA-approved fine arts education course, the amount of which would be based on certain criteria established by the bill depending on whether or not the students were economically disadvantaged. TEA would be required to annually publish a list of approved courses.

Maintenance and debt service tax reduction. HB 1 would require the education commissioner to reduce the amount of yearly district-imposed maintenance and debt service taxes by the amount by which the district was required to reduce its local revenue level for that year.

Annual outcomes bonus. The bill would increase the annual outcomes bonus that a district was entitled to from \$2,000 to \$4,000 for each annual graduate in a special education program who demonstrated college, career, or military readiness.

This article would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Article 3: Changes related to public school finance effective for 2024-25 school year

Article 3 would amend school finance provisions for the 2024-25 school year.

Basic allotment. HB 1 would revise the basic allotment formula from $A = \$6,160 \times TR/MCR$ to $A = B \times TR/MCR$, with “B” indicating the base amount. The base amount would be the greater of:

- \$6,700;
- the district’s base amount for the preceding school year; or
- a greater amount for any school year provided by appropriation.

The bill would revise language to specify that students in special education programs in general education settings, rather than in special education programs in an instructional arrangement other than mainstream, would be included for the purposes of the allotment formula.

Small and mid-sized district allotment. The bill would amend the definition of “ADA” for the small and mid-sized district allotment formula to exclude from the definition students in average daily attendance who did not reside in the district and were enrolled in a full-time virtual program. The bill would increase the weights in the formulas

based on the number of students in a school district. With these increased weights, the formulas would be:

- for a district with fewer than 1,600 students in average daily attendance, $AA = ((1,600 - ADA) \times .00044) \times BA$;
- for a district with fewer than 5,000 students in average daily attendance, the greater of the above formula, if eligible, or $AA = ((5,000 - ADA) \times .00034) \times BA$; and
- a district with fewer than 300 students in average daily attendance and that is the only district in a county, $AA = ((1,600 - ADA) \times .00054) \times BA$.

Compensatory education allotment. For the purposes of the compensatory education allotment, HB 1 would increase the weight for a school district's annual allotment entitlement from 0.275 to 0.28 for each educationally disadvantaged student who did not have a disability and resided in a residential placement facility in a different district from the student's parent or legal guardian. The bill also would increase the weights assigned to the five tiers of the index for economically disadvantaged census block groups. From least to most severe economic disadvantage, the increased weights would be:

- from 0.225 to 0.23;
- from 0.2375 to 0.2425;
- from 0.25 to 0.255;
- from 0.2625 to 0.2675; and
- from 0.275 to 0.28.

The bill also would increase from 0.225 to 0.23 the weight used to calculate a district's allotment entitlement if insufficient data was available for any school year to evaluate the level of economic disadvantage in a census block group.

Bilingual education allotment. TEA would be required to review districts offering TEA-approved alternative language methods and to approve districts to receive an allotment not exceeding \$10 million in each biennium. For each eligible student in average daily attendance in an

alternative language method, the district would be entitled to an annual allotment equal to the basic allotment multiplied by 0.15 for an emergent bilingual student in a method using dual language immersion/one-way or two-way program model and 0.05 for any other eligible student.

For the purposes of implementing the bilingual education allotment, the bill would allow TEA to require a school district that was granted an exception to certain bilingual education and special language requirements to:

- include certain information in the district's Public Education Information Management System (PEIMS) report; and
- and classify the alternative language education methods used by the district under the PEIMS report.

Early education allotment. The bill would entitle a district to an annual allotment equal to the basic allotment multiplied by 0.2 for each student in average daily attendance enrolled in certain prekindergarten classes. The total number of students in average daily attendance statewide for whom such an allotment could be provided for a school year could not exceed 10,000 students. Notwithstanding the 10,000 student maximum, the maximum number of students in average daily attendance statewide for whom an early education allotment could be provided for a school year would be 2,000 students for the 2024-25 school year, 4,500 students for the 2025-26 school year, and 7,000 students for the 2026-27 school year.

Local revenue level in excess of entitlement. If, after reducing the tier one revenue level of certain school districts, the maintenance and operations revenue per student in average daily attendance was less than such revenue available for the 2023-24 school year, TEA would be required to adjust the amount of the reduction up to the amount of local funds necessary to provide the district with the amount of such revenue available to the district for the 2023-24 school year. This provision would apply to a school districts that were required to reduce their tier one revenue levels under certain circumstances that also received a formula transition grant for the 2023-24 school year and that adopted a maintenance and operations tax rate for the current school year equal to or greater than the sum of the district's maximum compressed tax rate and four cents.

Regional disaster insurance variation allotment. A school district would be entitled to an annual regional disaster insurance variation allotment for each student in average daily attendance that was equal to the basic allotment, or the sum of the basic allotment and the small and mid-sized district allotment, multiplied by the product of the district's variation factor and 0.012. The education commissioner would be required to determine a district's variation factor based on certain criteria established in the bill.

Military transition aid. HB 1 would entitle a school district to an annual allotment equal to the basic allotment multiplied by 0.08 for each military-connected student in average daily attendance who was in the first year of enrollment in the district.

Allotment for students with dyslexia or related disorders. The bill would remove the limit on the percentage of the allotment provided for a student who had been identified as having dyslexia or a related disorder that a school district could use to contract with a private provider to provide certain supplemental academic services to the student.

Special education full individual and initial evaluation. The bill would entitle a district to an allotment of \$500 or a greater appropriated amount for each student for whom a district conducted a special education full individual and initial evaluation.

HB 1 would repeal certain limitations to fast growth allotment totals for previous school years.

The article would take effect September 1, 2024.

Article 4: Changes related to public school finance effective for 2025-26 school year

Article 4 would amend provisions on public school finance for the 2025-26 school year.

Basic allotment. For the second year of each fiscal biennium, HB 1 would require the education commissioner to adjust the value of “B” in the basic allotment formula for the prior state fiscal year by a factor equal to the average annual percentage increase in the Texas Consumer Price Index for the preceding 10 years. This provision would take effect September 1, 2026.

Local optional teacher designation system. HB 1 would add the designations of “acknowledged” and “nationally board certified” for certain teachers to the local optional teacher designation system. TEA would be required to develop and provide assistance for districts and schools that requested assistance in implementing the system, including by providing examples or models of such systems and by applying the performance and validity standards established by the education commissioner.

Teacher incentive allotment. The bill would increase the base and increased amount allotments for teachers with designations under the local optional teacher designation system. Changes to the base allotment amounts and maximum amounts increased by the high needs and rural factor for each designation would be:

- an increased amount not to exceed \$36,000, rather than \$32,000, for each master teacher;
- a base allotment of \$9,000, rather than \$6,000, or an increased amount not to exceed \$25,000, rather than \$18,000, for each exemplary teacher; and
- a base allotment of \$5,000, rather than \$3,000, or an increased amount not to exceed \$15,000, rather than \$9,000, for each recognized teacher.

The bill would add a base amount of \$3,000, or an increased amount not to exceed \$9,000 for each acknowledged teacher or teacher designated as nationally board certified.

The bill also would increase the weights used to determine the high needs and rural factor for each designated teacher as follows:

- from \$5,000 to \$6,000 for each master teacher;
- from \$3,000 to \$4,000 for each exemplary teacher; and
- from \$1,500 to \$2,500 for each recognized teacher;

The bill would add a factor of \$1,500 for each acknowledged teacher or teacher designated as nationally board certified.

Immediately following the effective date of the article, a district or charter school would be required to redesignate a teacher who held a designation prior to the effective date to reflect the teacher's designation under the bill. Funding provided to a district for a teacher who held a designation prior to the effective date of the article would have to be increased to reflect the teacher's redesignation.

Special education allotments. The bill would revise the formula for special education allotments to multiply the sum of the basic allotment and the small and mid-sized district allotment by a weight in an amount set by the Legislature for the highest tier of intensity of service for which the student qualified. For the 2025-26 and 2026-27 school years, the amount of such an allotment would be determined in accordance with provisions regarding special education transition funding. The education commissioner by rule would be required to define seven tiers of intensity of service for use in determining funding, one of which would have to address special education students. The bill would revise language to require TEA to ensure, rather than encourage, the placement of students in special education programs in the least restrictive environment appropriate for their needs. By December 1 of each even-numbered year, the education commissioner would be required to submit to the Legislative Budget Board (LBB) proposed weights for the tiers of intensity of service for the next fiscal biennium.

The bill would remove certain provisions on instructional arrangements for special education students.

Special education service group allotment. For each six-week period in which an eligible special education student under the statewide special education program received eligible services, a school district would be entitled to an allotment in an amount set by the Legislature. For the 2025-

26 and 2026-27 school years, the amount of such an allotment would be determined in accordance with provisions regarding special education transition funding. The education commissioner by rule would be required to establish four service groups for use in determining such funding. A district would be entitled to receive an allotment for each service group for which a student was eligible. At least 55 percent of the funds allocated would have to be used for an eligible special education program. By December 1 of each even-numbered year, the education commissioner would be required to submit proposed funding amounts for the service groups for the next fiscal biennium to the LBB.

Special education transition funding. For the 2025-26 and 2026-27 school years, the education commissioner could adjust certain weights or amounts to ensure compliance with federal requirements for the maintenance of state and local financial support. For these school years, the commissioner would be required to determine the formulas through which districts received special education funding. The sum of such funding could not exceed the sum of special education funding that would have been provided on September 1, 2024, and the amount set by the Legislature in the General Appropriations Act.

For the 2027-28 school year, the commissioner could adjust the weights or amounts set by the Legislature in the General Appropriations Act for the purposes of special education funding. Before making such an adjustment, the commissioner would be required to notify and receive approval from the LBB.

State funding for charter schools. The bill would revise the state funding formula for charter schools by increasing the total amount to which a charter school could be entitled from \$60 million to \$300 million or a greater amount provided by appropriation.

The total amount that could be used to provide such allotments could not exceed \$108 million for the 2025-26 school year, \$156 million for 2026-27, \$204 million for 2027-28, and \$252 million for 2028-29.

Early education allotment. The bill would expand the early education allotment to include prekindergarten students.

Average daily attendance. The bill would amend provisions regarding the calculation of funding for average daily attendance. A district that experienced a decline of more than 5 percent, rather than 2 percent or more, in average daily attendance would be funded on the basis of an average daily attendance of 95 percent, rather than a maximum of 98 percent, of the actual average daily attendance of the preceding school year. The education commissioner would be required to adjust the average daily attendance of districts entitled to such funding so that the total cost to the state did not exceed \$50 million.

Incentive for additional instructional days. The bill would reduce the number of instructional days that must be provided for a district or school to qualify for a certain incentive from 180 to 175.

Parent-directed services for students receiving special education grant. A student to whom TEA awarded a grant under the supplemental special education services program would be entitled to receive \$1,500 or a greater amount provided by appropriation. A student could receive one such grant unless the Legislature appropriated money for an additional grant. The bill would revise provisions on the supplemental special education services program to specify that TEA was required by rule to establish and administer a parent-directed program, rather than a supplemental special education services and instructional materials program, for certain students receiving special education services. The bill would revise the amount of the grant provided to each eligible student to purchase supplemental services and supplemental instructional materials from a maximum of \$1,500 to an amount provided by the Legislature. A student could receive one such grant unless the Legislature appropriated money for an additional grant.

Allotment for advanced mathematics pathways and certain programs of study. A district would be eligible to receive an allotment if the district offered a certain advanced mathematics pathway, a program of study in computer programming or cybersecurity, and a program of study in certain specialized skilled trades. Districts that did not offer such programs would be eligible for the allotment if its students could participate in such programs at other schools under certain circumstances.

An eligible district would be entitled to an annual allotment of \$10 for each student in average daily attendance at a high school in the district that offered such a program if each student took a progressively more advanced mathematics course each year, and at least one student completed a course in each pathway or program of study. A district, but not a charter school, that received this allotment and the small and mid-sized district allotment would be entitled to an additional allotment equal to the product of 0.1 and the small and mid-sized district allotment.

Communities In Schools expansion allotment. A district would be eligible to receive an annual allotment of \$50,000 for each district campus that participated in the Communities In Schools program. The amount for allotments could not exceed \$50 million in a school year.

Career and technology education allotment. The bill would increase an addition to the career and technology education allotment for a district from \$50 to \$150 for each student for each eligible program in which the student was enrolled.

Day placement program funding. For each qualifying day placement program provided by a regional education service center, the center would be entitled to an allotment of \$250,000 for the first year of operation and \$150,000 for each subsequent year of operation. The bill also would establish criteria by which a day placement program would qualify for such an entitlement.

Mentor program allotment. HB 1 would add criteria qualifying a school for a mentor program allotment, including implementation of an eligible program and the completion by mentor teachers of a training program required or developed by TEA. A district would be entitled to an allotment of \$2,000 for each teacher with less than two years of experience who participated in such a program. HB 1 would repeal a provision requiring the education commissioner to adopt a formula for the mentor program allotment.

Rural pathway excellence partnership (R-PEP) allotment and outcomes bonus. The bill would add an exception to the \$5 million annual limit on

state funding for R-PEP allotments and outcomes bonuses if money was specifically appropriated for the purpose and designated as money in excess of the \$5 million.

Transportation allotment. The bill would amend the transportation allotment for school districts or counties that provided special transportation for special education students to specify that the district or county would be entitled to an allocation at a rate of \$1.75 per mile or a greater appropriated amount, instead of an allocation paid on a previous year's cost-per-mile basis set by appropriation.

Except as otherwise provided, the article would take effect September 1, 2025.

Article 5: Changes related to special education effective for 2024-25 school year

Article 5 would amend certain provisions on special education programs.

Evaluation of special education programs. HB 1 would require each school district's board of trustees or charter school's governing body to discuss the performance of students receiving special education services on their campuses in a public meeting at least once a year. TEA would be required to adopt a set of certain performance indicators to measure and evaluate the quality of learning and achievement for such students which must be considered in this discussion.

HB 1 would make conforming changes to the Education Code on special education programs to reflect federal definitions regarding children with disabilities. The bill would require the monitoring system developed by TEA to include a comprehensive cyclical process and a targeted risk-based process to monitor school district compliance with state and federal special education laws. TEA would be required to develop and implement a system of interventions and sanctions for school districts the agency identified as being in noncompliance with federal regulations, in addition to a graduated process of sanctions for districts that remained in noncompliance for more than a year.

Residential placement. The Health and Human Services Commission, in collaboration with TEA and relevant stakeholders, would be required to develop and provide to TEA materials regarding educational residential placement options for children who could qualify for placement in a state supported living center. The bill would require that TEA make these materials available to school districts, who would be required to provide the materials to a child's parents in certain meetings at which residential placement is discussed.

Under HB 1, the education commissioner would be required to establish a list of approved public or private facilities, institutions, or agencies with which a school district, shared services arrangement unit, or regional education service center could contract for the residential placement of students with disabilities. The commissioner could approve either the whole or a part of a facility or program.

Certain provisions on funding for residential placement would expire September 1, 2027.

Grant programs for services provided for students with autism and training in dyslexia for teachers and staff. HB 1 would require that grant programs be established by the education commissioner to award grants to school districts and charter schools to provide innovative services to students with autism and to increase local capacity to appropriately serve students with dyslexia, respectively. The bill would establish eligibility requirements for the grants in addition to the length of the grant, authorized sources of funding, and acceptable methodology for implementation.

From funds appropriated or otherwise available for the purpose, TEA would be required to provide grants to school districts and charter schools to increase the number of qualified and appropriately credentialed special education staff.

HB 1 would amend the supplemental special education services program to be parent-directed services for students receiving special education services. The bill would make conforming changes and specify that an eligible student could receive one grant under the program unless the

Legislature appropriated money for an additional grant in the General Appropriations Act. A provider of supplemental services or vendor of supplemental instructional materials that received money under this program would not be a recipient of federal financial assistance on the basis of receiving that money. A rule adopted or action taken related to the program by an individual, governmental entity, court of law, or program administrator could not:

- consider the actions of a provider, vendor, or program participant to be the actions of an agent of state government;
- limit a provider's or participant's ability to determine the methods used or educational content, respectively, or to exercise their religious or institutional values;
- obligate a provider or participant to act contrary to their religious or institutional values;
- impose any regulation on a provider, vendor, or participant beyond those regulations necessary to enforce the requirements of the program; or
- require as a condition of receiving money under the program a provider or participant to modify their creed, practices, admissions policies, curriculum, performance standards, employment policies, or assessments, as applicable.

Provisions on the special education grant would expire September 1, 2026.

Other provisions. HB 1 would repeal certain provisions related to special education that define "special services."

This article would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Article 6: Education Savings Account Program

Article 6 would require the comptroller to establish an education savings account (ESA) program to provide funding for approved education-related expenses for participating children.

Amount of appropriation. The amount of money appropriated for a fiscal biennium could not exceed the greater of the amount appropriated for the program for the preceding biennium or the amount necessary for the biennium to provide the specified amount for each participating child and each child on the waiting list on January 1 of the preceding biennium.

Program fund. The program fund would be an account in the general revenue fund administered by the comptroller. The fund would be composed of money appropriated to the fund, gifts, grants, donations, and any other money available for purposes of the program.

Selection of certified educational assistance organizations. HB 1 would allow an organization to apply to the comptroller for certification as a certified educational assistance organization. To be eligible for certification, an organization would be required to:

- be able to perform one or more of the duties and functions required of a certified educational assistance organization;
- be in good standing with the state; and
- be able to assist the comptroller in administering the program in whole or in part.

The comptroller could certify one or more educational assistance organizations to support the administration of the program.

Child eligibility. A child would be eligible to participate in the program and could, subject to available funding, initially enroll in the program if the child was eligible to attend a public school and:

- either was enrolled in a Texas public school for at least 90 percent of the preceding school year, was enrolling in kindergarten or first

grade for the first time, or attended a full-time private school or was home-schooled for the preceding school year; or

- was a sibling of a child who was eligible to participate in the program and was participating in the program or applied to enroll in the program for the same school year in which the sibling applied.

Subject to available funding, an eligible child could participate in the program until the earliest of certain dates established in the bill, including the date on which the child:

- graduated high school;
- was no longer eligible to attend a public school;
- enrolled in a public school and would be counted toward the school's average daily attendance for the purposes of the allocation of funding under the Foundation School Program;
- failed to perform satisfactorily for the second consecutive year on certain assessment instruments required by the ESA program established in the bill; or
- was declared ineligible by the comptroller.

A child of a state representative or state senator would not be eligible to participate in the program while the child's parent was in office.

Application to program. The bill would allow a parent of an eligible child to apply to a certified educational assistance organization to enroll the child in the program for the following school year. The comptroller would be required to establish necessary application deadlines. If a certified educational assistance organization received more acceptable applications during an application period than available program positions, the organization would be required to prioritize the applicants in the following order:

- children who had not previously ceased participation in the program due to enrollment in a public school; and
- children who previously ceased participation in the program due to enrollment in a public school.

Within the above mentioned groups the applicants would be prioritized in the follow order:

- children with a disability who were members of a household with a total annual income that was at or below 400 percent of the federal poverty guidelines;
- children who were members of a household with a total annual income that was at or below 185 percent of the federal poverty guidelines;
- children who were members of a household with a total annual income that was above 185 percent of the federal poverty guidelines and below 400 percent of the federal poverty guidelines; and
- children who were members of a household with a total annual income that was at or above 400 percent of the federal poverty guidelines.

The comptroller would be required to create an application form for the program and ensure that the application was made readily available through various sources, including a certified educational assistance organization's website. Additionally, each certified educational assistance organization would be required to post on its website information for prospective applicants on the program and application process and ensure that applications could be submitted electronically. Educational assistance organizations and the comptroller would be authorized to require a participating parent to submit annual notice regarding the parent's intent for the child to continue participating in the program for the next school year. However, neither an educational assistance organization nor the comptroller could require a participant in good standing to annually resubmit an application for continued program participation.

Participation. To receive program funding, a participating parent would be required to agree to:

- spend such money only for certain allowed expenses;

- ensure the administration of assessment instruments to the participating child in accordance with statute and share the results with the child's educational assistance organization;
- refrain from selling an item purchased with program money while the child was participating in the program; and
- notify the applicable organization no later than 30 days after the child enrolled in a public school, graduated high school, or was no longer eligible to enroll in a public school.

Preapproved providers and vendors. HB 1 would require the comptroller by rule to establish a process for the preapproval of education service providers and vendors of educational products for participation in the program. The comptroller would have to approve a provider or vendor for participation in the program based on certain criteria, including having been previously approved by TEA to provide supplemental special education services. A provider or vendor would be required to agree to abide by the disbursement schedule and other statutory requirements, accept money from the program only for education-related expenses, notify the comptroller within 30 days if the provider or vendor no longer met the necessary requirements, and return to the comptroller any money received in violation of the bill or other relevant law.

An approved provider or vendor could participate in the program until the provider or vendor no longer met the requirements or violated these provisions or other relevant law. A learning pod or home school would not qualify as a provider or vendor.

Approved education-related expenses. Money received under the program could be used only for certain education-related expenses incurred by a participating child at a preapproved provider or vendor.

These expenses would include certain school tuition and fees, purchase of textbooks, private tutor fees, transportation fees, purchase of computer hardware and software and other technological devices, fees for certain educational therapies or services, costs of breakfast or lunch provided during the school day by a private school, and before- and after-school academic child care from certain providers.

Money received under the program could not be used to pay any person who was related to the program participant within the third degree of

consanguinity. A finding that a program participant used program money to pay for an unallowed expense would not affect the validity of any payment made by the participant for an approved, education-related expense.

Program expenditures. The comptroller would be required to disburse from the program fund to each certified educational assistance organization a specified amount for each participating child for which the organization was responsible. To initiate a payment to a provider or vendor, the participating parent would be required to submit a request to the applicable organization in the form prescribed. The bill would require that the organization receiving such a request verify that the request was an approved expense and send payment to the provider or vendor.

Amount of payment. Regardless of the deadline by which the participating parent applied for program enrollment, a parent would receive payments from the state each school year the parent's child participated in the program. The payments would be held in trust for the benefit of the child to the child's account equal to 75 percent of the estimated statewide average amount of funding per student in average daily attendance for the given school year. Such a payment could not be financed using federal money or money from the available school fund or instructional materials fund. Any money remaining in the child's account at the end of a fiscal year that was not obligated for expenses incurred that year would be returned to the comptroller for deposit to the program fund.

Administration of accounts. On receipt of comptroller distributed money, a certified educational assistance organization would be required to hold the money in trust for the benefit of participating children and make quarterly payments to the account of each child for which the organization was responsible in equal number amounts by the first day of July, October, January, and April. Each quarter, each such organization would be required to submit to the comptroller a breakdown of the organization's actual costs of administering the program, and the comptroller would be required to disburse the amount necessary to cover such costs. The total amount disbursed to all organizations for the administration of the program for a fiscal year could not exceed 5 percent of the amount appropriated for the program that fiscal year.

Auditing. HB 1 would require the comptroller to contract with a private entity to audit accounts and program participant eligibility data at least once per year to ensure compliance with applicable law and requirements. The audit would be required to include a review of each certified educational assistance organization's internal controls over program transactions and compliance by such organizations, program participants, and providers and vendors. In conducting an audit, the private entity could require certain information and documentation from such entities. The private entity would report to the comptroller any law violations and any suspicious transactions. The comptroller would report such violations or transactions to the applicable entity that was audited or affected by the violation or transaction.

Suspension of account. The comptroller would be required to suspend the account of a program participant who failed to remain in good standing by complying with an applicable law or requirement. On suspension of an account, the comptroller would notify the participating parent in writing that the child's account had been suspended and that no additional payments could be made from the account.

Tuition and fees. An education service provider or vendor of educational products could not charge a participating child an amount greater than the standard amount charged for that service or product by the provider or vendor. A provider or vendor receiving program money could not rebate, refund, or credit to or share any program money paid or owed by the participant to the provider or vendor.

Special education notice. Each certified educational assistance organization would be required to post on its website and provide to each applicable parent a notice that stated that a private school was not subject to federal and state laws regarding the provision of certain special education services. The notice also would have to provide information regarding rights to which a child with a disability was entitled under federal and state law if the child attended a public school.

Program participant, provider, and vendor autonomy. An education service provider or vendor of educational products that received program money could not be a recipient of federal financial assistance and could not be considered to be an agent of the state government. A rule adopted

or other action taken related to the program could not limit the ability of a provider, vendor, or program participant to:

- determine instruction methods or curriculum, admissions, or employment practices; or
- exercise religious or institutional practices.

Student records and information. On request by the parent of a child participating or seeking to participate in the program, the district or charter school that the child would otherwise attend would be required to provide a copy of the child's school records to the child's parent or the private school the child attended. To verify a child's program eligibility, TEA, a school district, or a charter school would be required to provide to the applicable certified educational assistance organization any available information requested by the organization regarding the child.

Administration of assessment instruments. TEA would be required to ensure that each participating child was annually administered each assessment instrument required to be administered to an equivalent public school student or a nationally norm-referenced assessment instrument that assessed student performance in an equivalent manner. For the annual report required by the bill, TEA would be required to provide to the comptroller the results of such assessment instruments in aggregate and disaggregated by race, ethnicity, socioeconomic status, and disability status.

Annual report. The comptroller would require that the certified educational assistance organizations collaborate to compile program data and produce an annual longitudinal report with certain data on the results of the program. In producing the report, the organizations would be required to use appropriate analytical and behavioral science methodologies and comply with federal confidentiality requirements. The report would be required to cover a period of at least five years and include the data analyzed and methodology used. The comptroller and applicable organizations would have to post the report on their respective websites.

Sunset review of program. The Sunset Advisory Commission's review of TEA would be required to include a review of the ESA program.

Other provisions. TEA would be required to provide equivalent access to the persons not eligible for employment in public schools registry to the comptroller to preapprove education service providers and education product vendors for participation in the education savings account program.

The comptroller would be entitled to obtain criminal history record information about a person who was a private tutor, therapist, or employee of a teaching service or school who intended to provide educational services to a program participant child.

The article's provisions would be severable from each other.

The education savings account program would apply beginning with the 2024-25 school year.

The bill would establish certain provisions on the adjudication in court of all or parts of the article as it related to the education savings account program.

This article would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Article 7: Changes related to public schools generally

Article 7 would establish and revise provisions on protections for military dependents, reading intervention programs, and certain grant programs.

Military dependents. HB 1 would apply certain provisions of the Interstate Compact on Educational Opportunity for Military Children to:

- a child of a uniformed services veteran who was discharged or released through retirement, for a period of four years after the date

of the veteran's retirement, if the veteran returned to the veteran's home of record on military orders; and

- a child of a uniformed services member who died on active duty or as a result of injuries sustained on active duty, for a period of four years after the member's death.

The bill would require each school district and charter school that maintained a website to post an easily accessible link to information regarding the compact and the protections established in the bill.

Reading intervention. In addition to school districts, the bill would require charter schools to select from the education commissioner's adopted list of reading instruments. Such reading instruments would be required to include certain procedures related to the quality of the reading instrument's results, identification of students at risk of dyslexia other reading difficulties, and educator training. Reading instruments would also have to include certain foundational literary components and diagnostic and screening measures specified by the bill.

The education commissioner would be required to prominently display on TEA's website information regarding the list of reading instruments from which a school district or charter school was required to select and the process for applying for inclusion on the list. A school district or charter school would be required to provide reading intervention to each student in kindergarten through grade 3 who was determined to need reading intervention using an assessment administered in accordance with education commissioner requirements. Reading intervention programs would be required to include certain targeted instruction and progress monitoring outlined in the bill. Reading intervention programs would be required to be continued until the student achieved satisfactory performance on a reading instrument.

The commissioner of education would be required to update the list of reading instruments at least once every 4 years.

A school district or charter school would be required to notify the parent or guardian of each student who was determined to need reading intervention. The notification would be required to include a description

of the current reading services and reading interventions provided to the student and high-quality resources to use at home to help the student succeed at reading. The education commissioner could provide assistance from funds appropriated for teacher literacy achievement academies to school districts and charter schools in complying with the requirements.

A parent or guardian of a student determined to have a reading deficiency could select a tutor from an approved list of high-quality tutors to provide required supplemental instruction. The district or school would be required to contract directly with the selected tutor, who would be entitled to supplemental pay.

Prekindergarten community-based child-care partnership grant program. The education commissioner would be required to establish and administer a grant program to support school districts and charter schools in increasing partnerships with community-based child-care providers to provide prekindergarten classes. To be eligible for enrollment in a prekindergarten class using grant money, the child would be required to be at least three years of age and to receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission. The education commissioner could provide grants for the enrollment in each school year of not more than 3,500 children.

Career and military technical grant pilot program. TEA would be required to establish a pilot program to award grants to school districts to implement or maintain a program under which the district provided certain training and career counseling relating to the armed services. The amount of a grant awarded under the pilot program would be \$50,000 and the total amount of grants awarded under the program for a school year could not exceed \$2 million. TEA would be required to submit to the Legislature a report on the results of the program, which would include the agency's recommendation on the future of the program. Provisions regarding the pilot program would expire September 1, 2027.

Other provisions. HB 1 would require a school district to report in writing to each student's parent the results of a benchmark assessment administered to the student within 30 days of results being available.

The bill also would specify that college credit could be earned through courses provided through OnRamps. Each school district would be required to report through PEIMS the number of students who, during that school year, were enrolled in an OnRamps course and to provide the name of the OnRamps courses in which the students were enrolled.

The governing body of a school district or charter school could by resolution enter into an interlocal contract and cooperate with one or more other school districts or charter schools to establish a cooperative for the purposes of procuring group health insurance coverage. The board of directors of a cooperative could determine a participating local education agency's payment of all or part of the premiums for employees or dependents for a plan. A participating school district's or charter school's payment would be subject to certain requirements and include contributions by the state according to the Insurance Code.

The bill would repeal a provision allowing the education commissioner to approve an alternative reading instrument for use in diagnosing the reading development and comprehension of kindergarten students that complies with certain requirements.

The article would take effect on the 91st day after the last day of the legislative session and would apply beginning with the 2024-25 school year.

Article 8: Virtual education

Article 8 would establish provisions on virtual education.

Virtual and hybrid campuses, programs, and courses. HB 1 would allow school districts and charter schools to create virtual and hybrid school campuses, programs, and courses.

A school district or charter school could deliver instruction through hybrid courses, virtual courses, full-time hybrid programs, and full-time virtual programs. Hybrid or virtual courses could be provided by a consortium of school districts or charter schools, higher education institutions, or

regional education centers in the same manner as a school district or charter school.

A school district or charter school would be required to certify to the education commissioner that a virtual or hybrid course:

- included appropriate essential knowledge and skills required under current law;
- provided instruction at the level of rigor appropriate for the grade level at which it was offered;
- prepared the student for the next grade level or subsequent course; and
- met relevant standards for virtual or hybrid courses adopted by the commissioner or the National Standards for Quality Online Courses as applicable.

The district or charter school would be required to establish the participation requirements necessary for a student to earn credit or a grade for a virtual or hybrid course, as applicable.

School districts and charter schools would be required to notify parents of the option to enroll students in a virtual or hybrid course offered, but could not require a student to enroll in a virtual or hybrid course.

A school district or charter school could not deny the request of a parent to enroll a student in a virtual or hybrid course offered or discourage a student from enrolling in a virtual or hybrid course.

The authority for a school district or charter school to deny a request to enroll a student in a virtual or hybrid course would be expanded to deny enrollment if it was determined that the cost of the course was too high. If a request for enrollment in a virtual or hybrid course was denied, a school district or charter school would be required to provide a written explanation of the denial to the student and the students' parent that included notice of the student's ability to appeal the decision and the appeal process.

The school district, charter school, virtual course provider or state would not be required to provide a student with home computer equipment or internet access.

A hybrid or virtual course offered to a student that received special education services would be required to meet the needs of the student in accordance with state and federal law.

Students enrolled in a virtual or hybrid course, program, or campus would be allowed to participate in an extracurricular activity sponsored or sanctioned by the district or school in which the student had been enrolled or by the University Interscholastic League.

A classroom teacher could not provide instruction for a virtual or hybrid course until the district or school that employed the teacher determined the teacher had received appropriate professional development in virtual or hybrid instruction or had sufficient prior experience.

School district and charter school classroom teachers would not be required to provide both virtual and in-person instruction during the same class period. The commissioner could waive this restriction for certain courses. The restriction also would not apply to a requirement for a classroom teacher to simulcast live instruction provided that the teacher would not be required to interact with students that were watching the simulcast.

School districts and charter schools would be prohibited from coercing a classroom teacher hired to provide in-person instruction to provide instruction for a virtual or hybrid course.

Assessments administered to students enrolled in a virtual or hybrid course would be required to be administered in the same manner as the assessment was administered to a student enrolled in an in-person course.

A student enrolled in a hybrid course, virtual course, full-time hybrid program, or full-time virtual program would be counted toward the district's or school's average daily attendance in the same manner as other

students enrolled in either the district or school for the purposes of foundation school funding.

A school district or charter school could charge tuition and fees for a virtual or hybrid course to a student ineligible to enroll in a public school or to a student that had not been enrolled in the district or school that offered the course.

Full-time virtual or full-time hybrid campuses. A school district or charter school would be allowed to operate a full-time virtual or hybrid campus if authorized by the commissioner. The commissioner would be required to develop rules specifying the requirements for and process by which a campus was authorized. Each authorized campus would be required to comply with grade level requirements as specified in the bill.

The commissioner would be allowed to authorize a campus only if it determined that the campus likely would result in improved student learning opportunities. Authorization as a full-time virtual or hybrid campus would continue indefinitely unless revoked by the commissioner.

The commissioner would be required to revoke an authorization if the campus had been assigned a needs improvement or unacceptable performance rating based on required school performance indicators or a commissioner approved performance evaluation, or a combination of the two ratings for the preceding three years.

The commissioner would also be allowed to either revoke an authorization or require an intervention at an authorized campus after completing a special investigation.

A school district or charter school would be allowed to appeal the revocation of an authorization for a full-time virtual or hybrid campus if the revocation resulted in closure of the campus.

A student eligible to enroll in a Texas public school would be eligible to enroll at a full-time hybrid campus. A student would be eligible to enroll in a full-time virtual campus if the student:

- had attended a Texas public school for at least six weeks in either the current or preceding school year;
- had been enrolled in the first grade or a lower grade at the time the student sought enrollment at the virtual campus;
- had not been a resident of the state in the preceding year;
- was the dependent of a deployed member of the military; or
- had been placed in Texas substitute care or was homeless.

A school district could not compel a student to enroll in a full-time virtual or hybrid campus. A charter school could require a student to attend a full-time virtual or hybrid campus.

School districts and charter schools also would be required to evaluate whether placing a student in a full-time virtual or hybrid campus would provide a better option than expelling the student.

Funding for a full-time virtual or hybrid campus would be based on a calculation of average daily attendance for students attending the campus as outlined in the bill. Proportionate funding would be provided to the applicable school district or charter school for a student that alternated attendance between a traditional campus and the full-time virtual or hybrid campus.

A school district or charter school would be required to notify the education commissioner if it used a third-party or changed affiliation of a private or third-party that acted as a whole program virtual instruction provider for a full-time virtual or hybrid campus. The commissioner also would be required to evaluate the performance of a private or third-party that acted as a whole program virtual instruction provider. The commissioner would be required to develop standards to determine if a private or third-party was ineligible to act as a whole-program virtual instruction provider.

State support. TEA would be required to provide grants and technical assistance to school districts and charter schools to establish high-quality full-time virtual or hybrid campuses and would be required to develop

professional development courses and materials for educators related to high-quality virtual education.

This article would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Article 9: Changes related to accountability

HB 1 would establish a sunset date for Chapter 39 of the Education Code and would amend certain provisions on school accountability.

Texas Commission on Assessment and Accountability. HB 1 would establish The Texas Commission on Assessment and Accountability to improve public school assessment and accountability systems and adopt a new assessment and accountability system as provided by the Every Student Succeeds Act of 2015. The commission would consist of 15 members appointed by the governor, lieutenant governor, speaker of the House of Representatives, and the State Board of Education. The bill would establish certain criteria for commission members and require that in appointing members, the membership of the commission reflected, to the extent possible, the ethnic and geographic diversity of the state. The governor also would appoint the presiding officer of the commission.

Commission members would not receive compensation but would be reimbursed for necessary expenses. TEA would be required to provide administrative support to the commission with one full-time employee. The funding for the employee and operational expenses could not exceed \$100,000 for each category.

The commission would be required to develop recommendations to address issues related to the public school assessment and accountability system, including:

- the purpose of the assessment and accountability system and the relationship between the state and local accountability;
- policy changes necessary to meet the needs of the state;

- grading systems, including the use of artificial intelligence in grading systems;
- the development of additional research-based indicators for the system; and
- the adoption of a system that meets the needs of the 21st-century student.

By December 31, 2024, the commission would be required to deliver a report to the governor and Legislature, recommending statutory changes and funding adjustments necessary to account for student demographics. The commission would be abolished on January 7, 2025.

Assignment of performance ratings and scoring of assessment instruments. The bill would require the education commissioner to use the 2022 Accountability Manual to evaluate school districts and campus performance and assign each school district a performance rating for the 2023-24, 2024-25, and 2025-26 school years. The commissioner also would be required to score assessment instruments established under Chapter 39. TEA would receive funding from the Legislature until August 31, 2026, for scoring the assessment instruments. These provisions would expire August 31, 2026.

Readiness indicators. HB 1 would add a military readiness indicator to the indicators of school achievement for high school campuses and school districts. TEA would be required to study the correlation of college, career, and military readiness indicators with post-secondary success, industry certifications, and job availability. TEA also would be required to maintain a list of eligible industry certifications that met certain criteria and remove any certifications that became ineligible within four years.

Local accountability systems grants. TEA would be required to establish a grant program to assist at least one school district per education service center region in developing local accountability systems.

Expiration of Chapter 39. HB 1 would establish August 31, 2026, as an expiration date for Chapter 39 of the Education Code.

2022-23 school year provisions. The commissioner of education could not assign A through F ratings, domain-scaled scores, or overall scaled scores to a school district or campus under Education Code Chapter 39 for the 2022-23 school year. The commissioner could, using abbreviated notice and without a public hearing but with input from the Legislature, adopt rules for determining the accountability of public schools for the 2022-23 school year.

This article would take effect on the 91st day after the last day of the legislative session.

SUPPORTERS
SAY:

HB 1 would significantly improve education for all Texas students by supporting public schools with increased funding and a historic investment of over \$7.5 billion this biennium. The bill also would provide teachers a much-needed salary increase and empower parents to choose the best public or private education options for their children through Education Savings Accounts (ESAs).

The bill would increase funding for the Basic Allotment, which would give more money to schools and provide for increases in teacher pay. The Basic Allotment increase would benefit all public school districts, including rural districts where additional funding could make a major difference. Additionally, the bill would include \$50 million annually to ensure that if a school district experienced more than a 5 percent decline in average daily attendance, the district would be funded based on 95 percent of the previous year's average daily attendance. Teachers in Texas should receive better compensation for the crucial services they provide, and increased pay for teachers would help schools retain more high-quality educators amidst teacher shortages. To this end, the bill also provides a \$4,000 across the board pay bonus for all full-time teachers. The bill also would increase the teacher incentive allotment, which would grant higher-performing teachers additional compensation.

Under the bill, the small and mid-sized district allotment would increase funding for smaller and economically disadvantaged schools. Additionally, the expansion of the early education allotment and the establishment of the Prekindergarten Community-based Child-care

Partnership Grant Program would help fund and provide more early childhood education services. While some have suggested that the school funding model should be based on average enrollment rather than average daily attendance, fully shifting the funding model to average enrollment could surpass the constitutional spending cap.

The Education Savings Account (ESA) program would empower parents and students to pursue the education that was best for them. Education is not one-size-fits-all, and not every public school can adequately serve the needs of each student. Some parents may prefer an educational environment with a curriculum that better aligns with their family's values or provides smaller class sizes with more student-teacher interaction, which a public school may not be able to provide. Students should have the opportunity to change schools and education settings when their school is not serving their needs. The ESA program would grant more Texas students access to high-quality education by allowing parents to pay for private school tuition as well as tutoring, textbooks and computers, child care, or educational therapy, using money from the program. The per participant amount proposed by the bill for each ESA would be aligned with the average private school tuition cost in the state.

Some private schools specialize in serving students with special needs, and ESAs could help students with disabilities access these options if their public school was not meeting their needs. ESAs would especially help low-income families who cannot afford to homeschool or send their children to a private school, or who may be working multiple jobs to pay for educational services for their child. The bill includes a prioritization system for applicants who are low-income students and students with disabilities to ensure ESAs serve students and families with the highest need. ESAs would help to provide low-income students and students of color with greater educational opportunities than they might otherwise have. Accredited private schools also must follow federal non-discrimination laws.

In addition, an ESA program could foster a more competitive environment for public schools, which could promote innovation. This could benefit all Texas public and private school students and increase accountability for the state's public schools.

Private schools that participated in the program would be held accountable because HB 1 would require those schools to be accredited and to administer certain assessments. Additionally, schools would be held accountable by the parents, who could choose another option if a private school was not serving their child. The bill also would guarantee that educational product vendors were held accountable by requiring them to be vetted by the comptroller and only approved materials would be eligible for the use of ESA funds. ESA recipients also could only use program money for certain approved educational expenditures.

The virtual education provisions of the bill would allow students to access educational opportunities they might not otherwise be able to by formally adopting the recommendations of the Virtual Education Commission from 2022.

The inclusion of an expiration date for Chapter 39 would encourage an expedited resolution for the Texas Commission on Assessment and Accountability, which would address the many concerns people have regarding the current public school accountability system.

CRITICS
SAY:

The increases to school funding under HB 1 would not be sufficient to support Texas public schools and the ESA program established by the bill would ultimately hurt public schools and students in Texas. Texas public schools are in critical need of additional funding due to inflation and the fact that many districts are already operating with deficit budgets just to maintain basic functions. The changes made by HB 1 to the Basic Allotment would not increase school funding enough to account for recent inflation. While teacher raises and bonuses provided by the bill are important, HB 1 would not sufficiently address chronic teacher underpay and shortages. More money for teachers is needed and teacher salary increases should be sustainable in the long term.

Furthermore, in revising funding formulas, the bill should base school funding on a school's average enrollment rather than on its average daily attendance, which would more accurately reflect the number of children being served by a given school.

The Education Savings Account program would negatively impact public education and Texas students by allowing taxpayer dollars to be used for private education and diverting resources from public schools. It is critical to prioritize using taxpayer dollars to fill existing needs in public schools. Private schools are not accountable to taxpayers in the same way as public schools and are not required to provide the same services or administer the same assessments. Private schools also could choose to reject certain students based on their special needs or religious backgrounds, opening students and families up to potential discrimination.

Diverting state money to private schools would weaken public school funding and the Basic Allotment for a given public school would decrease if ESAs caused public school students to transfer to private schools. Particularly in sparsely-populated rural districts, the loss of any students could significantly impact funding. ESAs would not benefit rural areas that did not have easy access to private schools. It would be better to instead fund these rural schools more fully.

Additionally, the ESA amount would not be enough to cover the tuition of many private schools, particularly those of the highest quality. Since there would be no funding cap on the program after the first biennium, the program could become overly expensive for the state if it was expanded in the future.

An ESA program is unnecessary, as publicly-funded schools already offer choice to Texas parents and students through charter schools, magnet schools, and other specialized programs. Students with disabilities also have access to funds for additional special education services and resources through the Supplemental Special Education Services (SSES) program.

The bill would not provide meaningful help for students with special needs, as private schools are not required to serve students with disabilities or provide special education services, whereas public schools must under state and federal law. Parents and students with disabilities give up federal and state legal protections when switching from a public school to a private school. As it stands, there are not enough private schools that serve special needs students to meet the growing population

of special education students in Texas. More funding for public schools would be a better way to help special education students receive the services they need. Public schools also would still be required to provide special education services to certain private school students under federal law without receiving additional funding for these students.

The bill should not include the requirement to provide parents with information about state-supported learning centers for students with disabilities, as this could increase the number of institutionalized children with disabilities. It would be better to refer parents to local intellectual and developmental disability authorities to receive appropriate resources.

An ESA program could potentially lead to more separation in schools based on race, ethnicity, native language, or special needs. Voucher-style programs such as ESAs originated in the push against the desegregation of schools during the Civil Rights Movement. Additionally, while some suggest that ESAs would help low-income students access private education, the program would require significant investment from parents. Low-income parents may be working multiple jobs and may not have enough time to facilitate their child's participation in such a program. While the bill prioritized applicants who are low-income students and students with disabilities if more applications are received than available ESAs, it does not require that a certain percentage of the students receiving ESAs are low-income. As such, the bill would not guarantee that disadvantaged students received these benefits. The bill should ensure that ESAs supported students and families with the greatest needs, and the program would be more likely to help existing private school students.

The bill would not provide sufficient oversight for homeschool curriculum vendors. Taxpayer money could be used to pay vendors that created factually inaccurate educational materials, which would be a disservice to children using these materials.

Students receiving an ESA should not be penalized for failing to perform satisfactorily on the required assessment test two years in a row by being prevented from participating in the program. Instead, the bill should place accountability for an underperforming student on the school.

OTHER
CRITICS
SAY:

HB 1 would be too large in scope and should be split into multiple bills. A school finance bill should be voted on separately, and an education savings account bill should have to stand on its own merits.

Education Savings Accounts would not necessarily benefit private schools. ESAs could subject private schools to additional regulation, requiring them to administer certain standardized tests and dictating how money received from the program must be used. High-performing private schools might not see the benefit of participating in the ESA program and could refuse to do so, which would limit the options available to eligible students.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of \$7,557,451,268 through the biennium. Costs associated with changes to special education funding and certain other Foundation School Program allotments could not be determined, as the tiers, service groups, and weights were unknown.

SUBJECT: Establishing the school safety grant program

COMMITTEE: Educational Opportunity & Enrichment, Select — favorable, without amendment

VOTE: 14 ayes — Buckley, Gervin-Hawkins, Ashby, K. Bell, Dutton, Frank, Cody Harris, Hefner, Hinojosa, K. King, Metcalf, Shaheen, Talarico, VanDeaver

0 nays

1 absent — Longoria

WITNESSES: For —Chance Ramos, Arc One Protective Services; Josh Sanderson, Equity Center; Ben Russian, EZY PA Holdings; Robert L. Green; Kristin Lewis (*Registered, but did not testify*: Monty Exter, Association of Texas Professional Educators; John Litzler, Baptist General Convention of Texas' Christian Life Commission; Julia Grizzard, Bexar County Education Coalition; Max Rombado, Raise Your Hand Texas; Colby Nichols, Texas Association of Community Schools; Texas Association of School Administrators; Ruben Longoria, Texas Association of School Boards; Amanda Brownson, Texas Association of School Business Officials; Jennifer Allmon, Texas Catholic Conference of Bishops; Jennifer Easley, Texas PTA; Dee Carney, Texas School Alliance; Christy Rome, Texas School Coalition)

Against — None

On — Steven Aleman, Disability Rights Texas; Paige Duggins-Clay, IDRA (*Registered, but did not testify*: Tom Currah, Brad Reynolds, Comptroller of Public Accounts; Von Byer, Eric Marin, Mike Meyer, Texas Education Agency)

BACKGROUND: Education Code sec. 48.115 establishes the school safety allotment that provides a school district with an entitlement of \$15,000 per campus in addition to an amount based on students in average daily attendance. The

money provided by the allotment must be used to improve school safety and security.

DIGEST: HB 2 would establish and amend provisions of the Education Code and Government Code regarding funding for school safety.

School safety grant program. HB 2 would require the education commissioner to establish a school safety grant program using proceeds of the school safety fund to annually provide grants to school districts and charter schools. Each school year, the awarded grants could not exceed a total of \$1.1 billion. The commissioner would be required to award a district or charter school such a grant in an amount equal to the sum of the total basic allotment amount to which the district or school was entitled, if it was allotted for each student enrolled instead of for each student in average daily attendance, multiplied by 0.01, and the sum of:

- \$50,000 for each district or school campus with 500 or fewer students;
- \$100,000 for each district or campus with 501 to 1,000 students;
- \$150,000 for each district or campus with 1,001 to 1,500 students;
- \$175,000 for each district or campus with 1,501 to 2,000 students;
- and
- \$200,000 for each district or campus with more than 2,000 students.

If the amount of grants calculated exceeded \$1.1 billion in a school year, the commissioner would be required to proportionately reduce the amount of each grant to limit the amount of grants to \$1.1 billion.

A district or charter school that provided only virtual instruction or used only facilities not subject to the district's or school's control would not be included in the determination of the grant amount.

The bill would revise provisions on permissible uses of a school safety grant to include charter schools.

School safety plan implementation grant program. The bill would require the education commissioner to establish a grant program using school safety fund proceeds to provide grants to districts and charter schools for the reimbursement of expenditures required for the implementation of a Texas Education Agency approved school safety plan. The commissioner could award grants each school year in an amount not to exceed a total amount of \$250 million and \$10 million per district or charter school. If excess funds were available for a given year, the commissioner could provide additional grants to districts and charter schools that incurred eligible expenses of more than \$10 million in that school year. If the amount of grant requests exceeded \$250 million in a school year, the commissioner would be required to proportionately reduce the amount of each grant to limit the total amount of grants provided to \$250 million.

Allocations to economic stabilization fund, state school safety fund, and state highway fund. The bill would establish provisions regarding the allocation and transfer of funds to the state school safety fund depending on the sums of the economic stabilization fund and the state highway fund. The allocations to the school safety fund and the state highway fund would be reduced under certain circumstances, while the allocations to the economic stabilization fund would be increased to comply with certain fund balance requirements.

Other provisions. The bill would repeal certain provisions related to the school safety allotment. The bill also would repeal the expiration date for the requirement for the comptroller to determine the threshold for constitutional transfer of funds to the state school safety fund and the state highway fund.

Changes to the Education Code would apply beginning with the 2024-25 school year and changes to the Government Code would apply beginning with fiscal 2025.

The bill would take effect May 4, 2024, only if the constitutional amendment proposed by the 88th Legislature, 4th Called Session, 2023, was approved by the voters. If the amendment was not approved by the voters, the bill would have no effect.

SUPPORTERS SAY:	With increasing occurrences of school shootings in recent years, HB 2 would be an important step in ensuring students' safety in Texas by funding future school safety projects through a school safety grant program. These grants could help schools meet mandates set by previous legislatures, with which schools are currently struggling to comply due largely to lack of funds. Additionally, schools could use these funds for projects that met the unique needs of their campuses. Funds also could be used to fund mental health supports for students, a preventative approach that is an important aspect of school safety.
CRITICS SAY:	<p>HB 2 should more clearly establish flexibility for schools to use school safety grants as they deem necessary. Schools should be supported in determining which approaches to school safety are best for them. During the 88th Regular Session, the Legislature passed HB 3, which included strict school safety requirements without appropriating adequate funds to support schools with implementation. Funds from new school safety grants would likely go towards previous mandates and could limit schools' abilities to establish projects unique to their campuses.</p> <p>Schools should not have to expend resources applying for grants to access this funding. Instead, schools should automatically receive money to help protect their students. Additionally, every school should receive at least \$100,000 each year to sufficiently fund school resource officers and meet other safety needs. The bill would only entitle campuses with 500 or fewer students to \$50,000 annually, which is not enough to support the cost of a school resource officer.</p>
OTHER CRITICS SAY:	While school safety is critical for Texas students, a more effective way to protect students would be to regulate the use and sale of guns. The Legislature should limit the sale of certain weapons, improve background checks, and require training and licensing.
NOTES:	According to the Legislative Budget Board, the bill would have a positive impact of \$205,172,469 in general revenue related funds through fiscal 2025.

HB 2 is the enabling legislation for HJR 1 by K. King, which is also on the calendar for second reading consideration today.