

Steering Committee:
Gary VanDeaver, Chairman
Alma Allen, Vice Chairman

Angie Chen Button
Liz Campos

Mary González
Donna Howard

Ann Johnson
Ken King
Oscar Longoria

J. M. Lozano
Toni Rose

John Smithee
David Spiller

HOUSE RESEARCH ORGANIZATION

daily floor report

Wednesday, April 16, 2025
89th Legislature, Number 45
The House convenes at 10 a.m.
Part One

One bill is on the Emergency Calendar, two bills are on the Major State Calendar, and 12 bills are on the General State Calendar for second reading consideration today. The table of contents for Part One of the *Daily Floor Report* appears on the following page.

To access the Dynamic Floor Report, visit the following link: <https://hro-dfr.house.texas.gov>



Gary VanDeaver
Chairman
89(R) - 45

HOUSE RESEARCH ORGANIZATION

Daily Floor Report

Wednesday, April 16, 2025

89th Legislature, Number 45

Part 1

SB 2 by Creighton	Establishing an education savings account program	1
HB 2 by Buckley	Establishing and amending provisions on public school finance	21
HB 2000 by Ashby	Expanding the sex offender registry to include child grooming	68

SUBJECT: Establishing an education savings account program

COMMITTEE: Public Education — committee substitute recommended

VOTE: 9 ayes – Buckley, Ashby, Cunningham, Frank, Hunter, Kerwin, Leach, Leo Wilson, Schoolcraft

6 nays – Bernal, Allen, Bryant, Dutton, Hinojosa, Talarico

SENATE VOTE: On final passage (February 5) — 19 - 12

WITNESSES: None (*Considered in a formal meeting on April 3*)

DIGEST: CSSB 2 would establish an education savings account (ESA) program to provide funding for approved education-related expenses of participating children. The program would confer a state benefit to participants in addition to a free public education.

Amount of appropriation. In the comptroller’s legislative appropriations request for each fiscal biennium, the comptroller would be required to state the amount of money necessary for the biennium to provide the required amount for each child participating in the ESA program, each child on the waiting list maintained by the comptroller on the January 1 preceding the biennium, and each child who was a sibling of a participating child who was eligible for the program for the first time during that biennium. The comptroller would be required to specify such an amount for the first fiscal year of the biennium and estimate the amount required for the second fiscal year. The amount appropriated for the program for a fiscal biennium would have to be established by the Legislature by appropriation for the biennium.

For the fiscal year biennium beginning September 1, 2025, the amount spent on the program could not exceed \$1 billion. This requirement would expire September 1, 2027.

For the 2026-27 school year, the total amount spent for participation in the program by eligible children could not exceed 20 percent of the amount

appropriated from the program fund for that school year. The comptroller would be required to prioritize children who were enrolled in a school district or open-enrollment charter school for at least 90 percent of the preceding school year. This requirement would expire September 1, 2027.

Program fund. CSSB 2 would establish an ESA program fund as an account in the general revenue fund to be administered by the comptroller. The fund would be composed of transferred general revenue, appropriated money, interest and other earnings attributable to money invested in the fund, as well as gifts, grants, donations, and any other available money.

Promotion of program. The bill would authorize the comptroller or the comptroller's designee to enter into contracts or agreements and engage in activities to promote, market, and advertise the development and use of the program. Program fund money could be used for such activities.

Selection of certified educational assistance organizations. The bill would authorize an organization to apply to the comptroller for certification as a certified educational assistance organization during an established application period. To be eligible, an organization would have to have the ability to perform one or more of the duties and functions required under the bill, be registered to do business in the state, and be able to assist the comptroller in administering the program, including, among other things, the ability to:

- accept, process, and track program applications;
- assist prospective applicants, applicants, and participants with finding preapproved education service providers and educational product vendors; and
- accept and process payments for approved education-related expenses.

The comptroller would be required to establish cybersecurity requirements for certified educational assistance organizations. The comptroller could certify up to five educational assistance organizations to support program administration. A certified educational assistance organization designated to assist prospective applicants, applicants, and participants with finding preapproved education service providers and educational product vendors

would be required raise awareness about the availability of the program and communicate with interested parents and program participants through synchronous and asynchronous communication regarding, among other things:

- the educational options available in the state;
- how and when to apply to the program and preapproved education service providers; and
- how to manage an account.

The comptroller could designate a certified educational assistance organization to establish and maintain a program website.

Eligible child. CSSB 2 would establish that a child was eligible to participate in the program and could, subject to available funding, enroll in the program for the semester following the semester in which the child's application was submitted if:

- the child's parent established that the child was a U.S. citizen or national or was lawfully admitted into the U.S.; and
- the child was eligible to attend a school district or charter school or enrolled in a district's or charter school's prekindergarten program.

An eligible child could participate in the program until the earliest of the date on which:

- the child graduated high school;
- the child was no longer eligible to attend a school district or charter school or enroll in a district's or charter school's prekindergarten program;
- the child enrolled in a school district or charter school in a manner that counted toward its average daily attendance; or
- the child was declared ineligible for the program by the comptroller.

Application to the program. CSSB 2 would allow the parent of an eligible child to apply to a certified educational assistance organization to

enroll the child in the program for the following semester, term, or school year. The comptroller would be required to establish deadlines by which an applicant would have to complete and submit an application form to participate in the program.

On receipt of more acceptable applications during an application period for admission than available program positions due to insufficient funding, a certified educational assistance organization would be required to fill the available position by lottery of applicants, approving applicants in the following order:

- siblings of participating children;
- children who had not previously ceased program participation due to enrollment in a school district or charter school; and
- children who previously ceased program participation due to enrollment in a school district or charter school.

Within each of these groups, applicants would be approved in the following order:

- children with a disability who were members of a household that was at or below 500 percent of the federal poverty guidelines;
- children who were members of a household with a total annual income that was at or below 200 percent of the federal poverty guidelines;
- children who were members of a household with a total annual income that was above 200 percent and below 500 percent of the federal poverty guidelines; and
- children who were members of a household with a total annual income that was at or above 500 percent of the federal poverty guidelines.

TEA would be required to provide the necessary information to the comptroller to make these determinations.

A certified educational assistance organization that received an application from an eligible child and the child's eligible sibling during

the same application cycle and approved the child would be required to approve the sibling at the same time.

The bill would require the comptroller to create an application form for the program that stated the application deadlines and make the application form readily available through various sources. Each certified educational assistance organization would ensure that the organization was capable of electronically receiving the form. The comptroller would be required to create and maintain a waiting list based on the aforementioned applicant categories if, during an application period, there were more acceptable applications than available positions.

Each certified educational assistance organization would be required to provide for posting on the program website a comptroller-approved applicant and participant handbook with a description of the program. Each organization would be required to annually provide each participating parent served by the organization the information found in the handbook, and could be provided electronically.

The comptroller or a certified educational assistance organization could require the 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 and could not require a participant in good standing to annually resubmit an application for continued participation.

Program participation. To receive ESA program funding, CSSB 2 would require a participating parent to agree to:

- request that program money be spent only on certain expenses allowed under the bill;
- share or authorize the administrator of an assessment instrument to share with the program participant's certified educational assistance organization the results of any required assessment instrument;
- refrain from selling an item purchased with program money; and
- notify the program participant's certified educational assistance organization within 30 business days after the date on which the child enrolled in a school district or charter school, graduated high

school, or was no longer eligible to enroll in a district, charter school, or relevant prekindergarten program.

The administrator of a required assessment instrument would be required to confidentially share with a parent the participating child's results and percentile rank.

Preapproved providers and vendors. CSSB 2 would require the comptroller by rule to establish a process for the preapproval of education service providers and educational product vendors for program participation. The comptroller would be required to approve a provider or vendor for program participation if the program or vendor:

- had previously been approved by TEA to provide special education services and remained in good standing with TEA;
- for a private school, demonstrated certain accreditation and annual administration for students in third through twelfth grades of certain required assessment instruments;
- for a school district or charter school, demonstrated TEA accreditation and the ability to provide services or products to participating children in a manner in which the children were not counted toward average daily attendance;
- for a private tutor, therapist, or teaching service, demonstrated certain conditions, such as passing a criminal background check;
- for a higher education provider, demonstrated nationally recognized postsecondary accreditation; or
- for a private prekindergarten and kindergarten provider, demonstrated that the provider met certain requirements.

The comptroller could approve an educational product vendor that provided approved products or services for program participation. The comptroller could approve only a provider located in the state or a vendor registered to do business in the state. A provider or vendor would be required to provide information requested by the comptroller to verify the provider's or vendor's preapproval eligibility. Each applicant for approval would be required to submit documentation demonstrating that each

employee who would interact with a participating child was not identified as having engaged in certain misconduct.

An education service provider or educational product vendor would be required to agree to:

- abide by the disbursement schedule and all other bill requirements;
- accept program money only for approved education-related expenses;
- notify the comptroller within 30 days after the date that the provider or vendor no longer met the necessary requirements; and
- return any money received in violation of the bill or relevant law to the comptroller for deposit in the program fund.

An approved provider or vendor could participate in the program until the earliest of the date on which the provider or vendor no longer met the requirements or violated the bill or relevant law.

Provider and vendor suspension and removal. CSSB 2 would require the comptroller to immediately suspend a preapproved education service provider or educational product vendor on finding that the provider or vendor was ineligible for program participation or had failed to remain in good standing. A payment from a participant's account could not be made to a suspended provider or vendor.

On suspension, the comptroller would be required to immediately send a notice with certain information to the suspended provider or vendor and each certified education assistance organization by first-class mail and email. Thirty days after the date the comptroller provided such a notice, the comptroller would be required to:

- remove the provider or vendor from the program;
- conditionally reinstate the provider or vendor and require the provider or vendor to perform a specified action; or
- unconditionally reinstate the provider or vendor.

On removing a provider or vendor, the comptroller would be required to notify the provider or vendor and each education assistance organization of the removal.

Approved education-related expenses. CSSB 2 would authorize a participating parent to request that program money be spent only for the following education-related expenses at a preapproved education service provider or educational product vendor:

- tuition and fees for a private school, higher education provider, online educational program, or TEA-approved training program for an industry-based credential;
- the purchase of required textbooks or other instructional materials or uniforms;
- fees for certain classes or other educational services provided by a school district or charter school;
- costs related to academic assessments;
- fees for private tutor or teaching services;
- fees for certain transportation;
- fees for certain educational therapies or services;
- costs of required computer hardware or software and other technological devices, not to exceed 10 percent of the total amount transferred to the participant's account that year; and
- costs of breakfast or lunch provided by a private school.

The bill would prohibit program money in a participant's account from being used to pay any person who was related to the participant within the third degree by consanguinity or affinity.

A finding that a participant requested program money be spent to pay for an unapproved expense would not affect the validity of any payment requested by the participant for an approved expense.

Program expenditures. CSSB 2 would require the comptroller to disburse from the program fund to each certified educational assistance organization the specified amount for each participating child served by the organization. To initiate payment to a provider or vendor, the

participating parents would be required to submit a request in a prescribed form to the organization that served the child. On receiving such a request, the organization would be required to verify that it was for an approved expense and, within 10 business days after the verification, send payment to the provider or vendor. A disbursement could not exceed the applicable participant's account balance. An organization would be required to provide certain information regarding the account electronically to participating parents.

A payment system established by an organization could not allow a participant to withdraw cash or remove funds from a child's account, or receive payment or reimbursement directly from the program. An organization could not require a participant to pay a fee to the organization or an affiliate related to use of the account.

Amount of transfer to participant account. Regardless of the deadline by which the participating parent applied for program enrollment, CSSB 2 would require a certified educational assistance organization to transfer each school year that a child participated in the program money distributed to the organization under the program fund to the child's account to be held in trust for the benefit of the child in an amount equal to:

- 85 percent of the estimated statewide average amount of funding per student in average daily attendance for the most recent school year for which that information was available; or
- for a child with a disability, the sum of the 85 percent of estimated funding and the amount the school district in which the child would otherwise be enrolled would be entitled to receive for the child based on the child's individualized education program for the school year preceding the school year the child initially enrolled in the program.

On dates consistent with satisfying the application deadlines, TEA would be required to calculate and report to the comptroller the amount specified for each participating child.

The amount transferred to the account of a child with a disability for a school year could not exceed \$30,000. A participating child who was a home-schooled student could not receive transfers to the child's account in excess of \$2,000 for a school year.

In determining the estimated statewide average amount of state and local funding per student in average daily attendance for a school year, the education commissioner would be required to make the determination by January 15 preceding the school year and include projected state and local funding and the amount the state was required to contribute to the Teacher Retirement System for the school year.

If a child enrolled in the program after the beginning of a school year, the comptroller would be required to prorate the amount transferred to the child's account based on the enrollment date. Any money remaining in a participant's account at the end of a fiscal year would be carried forward to the next fiscal year unless the account was required to be closed under the bill. A participating parent could make payments for the expenses of educational programs, services, and products not covered by account money. A transfer could not be funded using federal money or money from the available school fund or the state instructional materials and technology fund.

Transfers to a participating child's account would not, unless otherwise provided, constitute taxable income to a participating parent.

Enrollment in public school. If a child ceased program participation during a school year due to enrolling in a school district or charter school:

- the district or charter school would be entitled to receive an allotment in an amount equal to the basic allotment multiplied by 0.1 for the child's average daily attendance for that school year; and
- the child could not be considered in evaluating the performance of a district or charter school under the public school accountability system for the first school year after the child ceased program participation.

Individualized education programs. CSSB 2 would authorize the parent of a child who was not enrolled in a school district or charter school to request that a district conduct a full individual and initial evaluation of the child to determine the child's eligibility for special education services and participation in the program as a child with a disability. A district that received such a request would be required to follow certain procedures to conduct the evaluation. If a district determined, based on the evaluation, that a child was eligible for special education services, the district would be required to develop an individualized education program for the child to establish the child's eligibility to participate in the program as a child with a disability.

Administration of accounts. On receipt of money distributed by the comptroller for making transfers to the accounts of participating children, a certified educational assistance organization would be required to hold that money in trust for the children's benefit. The organization would have to make quarterly transfers to each child's account on or before the first day of July, October, January, and April.

The bill would require a certified educational assistance organization to, on or before the first day of October and February:

- verify with TEA that each participating child was not enrolled in a school district or charter school in a manner in which the child was counted toward average daily attendance for the purpose of allocation of state funding; and
- notify the comptroller if a participating child was enrolled in such a manner or not enrolled in a preapproved private school.

The comptroller would be required to, by rule, establish a process by which a participating parent could authorize the comptroller or an educational assistance organization to pay an education service provider or vendor directly from the participant's account. When a child was no longer eligible to participate in the program and payments for education-related expenses had been completed, the participating child's account would have to be closed and remaining money returned to the comptroller for deposit in the program fund.

Auditing and violations. The bill 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 program requirements. The private entity would be required to report to the comptroller any violation of the bill or other law and any transactions the entity determined to be unusual or suspicious. The comptroller would then have to report the violation or transaction to the applicable certified educational assistance organization, the education service provider or vendor, and each parent affected by the violation or transaction.

The comptroller would be required to suspend the account of a child that failed to remain in good standing by complying with applicable law or program requirements and notify the applicable parent of the suspension. The notification would have to specify the grounds for the suspension and state that the parent had 30 days to respond and take any required corrective action. After the 30-day period, the comptroller would have to either order the closure of the account, temporary reinstatement of the account under certain conditions, or full reinstatement of the account. The comptroller could recover money distributed under the program used for unauthorized expenses, used for a child who was ineligible to participate, or from an educational service provider or vendor of education products that was not approved.

If the comptroller obtained evidence of fraudulent use of an account or money distributed under the program or any other violation of law by a certified educational assistance organization, education service provider, educational product vendor, or program participant, the comptroller would be required to notify the appropriate local county or district attorney.

Special education notice. A certified education assistance organization would be required to post on the program's website and provide to each parent applying for the program a notice that:

- stated that a private school was not subject to federal and state laws on the provision of educational services to a child with a disability in the same manner as a school district or charter school; and

- provided information on rights to which a child with a disability was entitled under federal and state law if the child attended a school district or charter school.

A private school in which a child with a disability enrolled would be required to provide this notice to the child's parent.

Program participant, provider, and vendor autonomy. An education service provider or educational product vendor that received money under the program would not be a recipient of federal financial assistance and could not be considered to be a state actor on the basis of receiving that money. A state agency or official would be prohibited from adopting a rule or taking governmental action related to the ESA program. A certified educational assistance organization would not be allowed to take action that limited or imposed requirements contrary to the religious or institutional values or practices of an education service provider, educational product vendor, or program participant or limited one of these entities from freely:

- determining the methods or curriculum to educate students;
- determining admissions and enrollment practices, policies, and standards;
- modifying or refusing to modify the entity's religious or institutional values or practices, operations, conduct, policies, standards, assessments, or employment practices based on the entity's religious or institutional values or practices; or
- exercising the entity's religious or institutional values or practices as it determined.

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

participating or seeking to participate in the program. The organization could not retain the provided information beyond the period necessary to determine the child's eligibility.

A certified educational assistance organization, an education service provider, or a vendor of educational products that obtained information about a participating child would be required to comply with state and federal law regarding the confidentiality of student educational information and would be prohibited from selling this information or distributing it in a manner not permitted under the bill without the participant's consent. A student record held by the comptroller or a certified educational assistance organization would be confidential and not subject to disclosure under the Public Information Act.

Reporting. The bill would require the comptroller, in collaboration with TEA and the certified educational assistance organizations, to compile program data and produce an annual longitudinal report regarding:

- the number of applications received, accepted, and waitlisted, disaggregated by age;
- program participant satisfaction;
- the results of assessment instruments required to be shared by participating parents;
- the effect of the program on public and private school capacity and availability;
- the amount of cost savings accruing to the state as a result of the program;
- in an even-numbered year, an estimate of the total funding required for the program for the next biennium;
- the amount of gifts, grants, and donations received by the program; and
- the number and percentage of children participating in the program who were college ready, career ready, or military ready within one year of graduating from high school.

In producing the report, the comptroller would be required to use appropriate analytical and behavioral science methodologies to ensure

public confidence in the report and comply with federal law regarding the confidentiality of student educational information. The report would have to cover a period of no less than five years and include the data analyzed and methodology used. The comptroller would be required to provide the report for posting on the program's website.

The comptroller, in collaboration with TEA and the certified educational assistance organizations, would have to collect and report to the Legislature by August 1 of each year certain demographic information regarding each participating child, including age, sex, race or ethnicity, school district in which the child resided, program category, and disability status.

Appeals. A program participant could appeal to the comptroller an administrative decision made by the comptroller or a certified educational organization under the bill, including a decision regarding eligibility, allowable expenses, or a participant's removal from the program. A decision of the comptroller on an appeal made under the bill would be final and not subject to appeal.

Actions regarding constitutionality of the program. A program participant, eligible child, education service provider, or educational product vendor could intervene in any civil action challenging the constitutionality of the program. A court in which such a civil action was filed could require that all such individuals and entities willing to intervene file a joint brief. Such an individual or entity could not be required to join a brief filed on behalf of the state or a state agency.

The constitutionality and other validity under the state or federal constitution of all or any part of the ESA program under the bill could be determined in an action for declaratory judgment in a district court in the county in which the violation was alleged to have occurred or where the plaintiff resided or had a principal place of business. An order, however characterized, of a trial court granting or denying a temporary or otherwise interlocutory injunction or permanent injunction on the grounds of the constitutionality or unconstitutionality of all or any part of the ESA program under the bill could be reviewed only by direct appeal to the Texas Supreme Court filed no more than 15 business days after the order

was entered. The Texas Supreme Court would be required to give precedence to appeals regarding the ESA program over other matters, and the direct appeal would be an accelerated appeal.

The filing of a direct appeal under the bill would automatically stay any temporary or otherwise interlocutory injunction or permanent injunction granted in accordance with these provisions pending final determination by the Texas Supreme Court, unless the court made specific findings that the applicant seeking injunctive relieve had pleaded and proved that:

- the applicant had a probable right to the relief it sought on final hearing;
- the applicant would suffer a probable injury that was imminent and irreparable, and that the applicant had no other legal remedy; and
- maintaining an injunction was in the public interest.

An appeal under this section would be governed by the Texas Rules of Appellate Procedure. The bill would not authorize an award of attorneys' fees against the state, and provisions under Texas Civil Practice and Remedies Code regarding a jury trial would not apply to an action filed under the bill.

Other provisions. An education service provider or vendor of educational products would be prohibited from charging a child an amount greater than the standard amount charged for that service or product by the provider or vendor. A service provider or vendor could not rebate, refund, credit to, or share with a participant or any person on behalf of a participant any program money paid or owed by the participant to the provider or vendor.

The bill would add the comptroller, for the purpose of preapproving education service providers and educational product vendors for the ESA program, to the list of entities that TEA was required to provide equivalent access to a registry of persons not eligible for employment in public schools.

For the purpose of the comptroller's access to criminal history record information, the bill would establish that the comptroller was entitled to

obtain such information about a person who was an employee of an education service provider or educational product vendor that intended to provide services to a child participating in the ESA program and was seeking approval to receive money distributed under the program.

Effective dates and severability. The ESA program would apply beginning with the 2026-27 school year, except for provisions regarding the amount of appropriation to the comptroller for the program and limitations on expenditures, which would apply beginning with the state fiscal biennium beginning September 1, 2027.

By May 15, 2026, the comptroller would be required to adopt the rules necessary to administer the program. The comptroller could, but would not be required to, identify rules that would have to be adopted on an emergency basis for purposes of the 2026-27 school year.

CSSB 2 would establish that it was the intent of the Legislature that every provision, section, subsection, sentence, clause, phrase, or word in the bill, and every application of the provisions in the bill to each person or entity, was severable from each other.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

**SUPPORTERS
SAY:**

By establishing a universal education savings account (ESA) program for all Texas students, CSSB 2 would empower Texas parents to choose the best educational options for their children regardless of income or where they live. Education is not one-size-fits-all, and while some children thrive in public school environments, others respond better to alternative educational settings. ESAs would help students across the state receive the quality education they deserve. Additionally, families should have the opportunity to enroll their children in schools that teach in alignment with their religious beliefs. The bill would enable families to make the best choice for their children in alignment with their beliefs and values without giving preferential treatment to any particular religion.

The bill would prioritize students from low-income families for participation in the ESA program, helping economically disadvantaged students access high-quality private education and other educational resources and opportunities that they might otherwise not have access to. Many families face financial barriers that prevent them from affording private school tuition, which often results in these children remaining in public schooling even if their schools are not meeting academic standards or providing a safe learning environment. An ESA program would give low-income families a greater degree of choice and would enable them to participate in the highest-quality education for their children.

By prioritizing students with disabilities for program participation, CSSB 2 also would help families find the most appropriate educational environment for their children with disabilities. Additionally, many private schools specialize in serving students with special needs. Raising a child with disabilities can be very expensive, and families of children with disabilities often cannot afford a non-public school education. When a public school cannot offer the required level of special education services, a private school can be a good alternative for many special needs students. The bill would ensure that children with disabilities have the opportunity to attend specialized programs or private schools where they can receive the education and services they need.

CSSB 2 would encourage greater competition between public and private schools, which would improve the entire education system in Texas. Without the need to secure student enrollment, public schools lack adequate incentives to improve. By giving parents more autonomy to choose which school best suits their children, the bill would incentivize public schools to take steps to better deliver high-quality educational opportunities and outcomes. A competitive schooling market would attract more high-quality teachers to the state, which also could help combat the state's teacher shortage and retention problems.

**CRITICS
SAY:**

CSSB 2 would harm Texas public schools by reallocating critically needed funding to private schools through an ESA program. Private schools are already well-funded, and taxpayer dollars would be better used to improve the instruction and services offered by public schools. Financially struggling and rural school districts would be

disproportionately affected by a reduction in funding since losing even small numbers in student enrollment could critically harm the ability of such school districts to maintain the funding needed to continue adequately serving students. Rural districts often lack access to private school options, so these districts would not significantly benefit from the bill. Reduced funding for public schools also could worsen the problems many schools are already experiencing with chronic underfunding and teacher recruitment and retention.

Additionally, ESAs would be more likely to benefit families that are already sending their children to private schools while only marginally benefiting students from economically disadvantaged backgrounds, leaving low-income students behind. Rather than funding an ESA program, the state should invest more taxpayer money into public schools to improve educational opportunities and outcomes for all Texas students.

By allowing ESAs to be used for private religious schools, the bill would violate the principle of separation of church and state by using public funds to pay for religious education. It would be inappropriate for taxpayer money to fund religious institutions under the bill.

CSSB 2 also should not use taxpayer money to fund private schools that are not subject to the same accountability measures as public schools. Private schools are not held to the same standards, such as testing and special education services, as public schools and do not have to follow the same educational requirements. This could result in a lack of transparency for how private schools used taxpayer money.

An ESA program would not provide meaningful help for students with disabilities because most private schools are not equipped to care for the needs of such students. Unlike private schools, public schools are required by law to provide special education services and other accessibility measures for students with special needs, such as courses for emergent bilingual students. Private schools, however, are not required to accommodate students with special needs. Students with disabilities or other special needs could, in effect, be excluded from the benefits of the ESA program if private schools could not provide adequate services to meet their needs. Private schools are not required to accept students with

disabilities, and there is no guarantee that students with disabilities would be educated alongside their nondisabled peers as provided for in a public school setting.

OTHER
CRITICS
SAY:

CSSB 2 would inappropriately expand government authority over private schools and homeschoolers and harm their independence. Parents who educate their children via private schools or homeschooling often choose these types of schooling because they are not beholden to government standards or curriculum that they might not agree with.

The bill also should include licensed childcare centers and other private early education providers as approved education-related expenses under the ESA program to allow families to access the best early learning opportunities for their children.

NOTES:

The Legislative Budget Board estimates the bill would have a negative impact of \$1 billion in general revenue related funds for the biennium.

SUBJECT: Establishing and amending provisions on public school finance

COMMITTEE: Public Education — committee substitute recommended

VOTE: 13 ayes – Buckley, Bernal, Ashby, Cunningham, Dutton, Frank, Hinojosa, Hunter, Kerwin, Leach, Leo Wilson, Schoolcraft, Talarico

2 nays – Allen, Bryant

WITNESSES: For - Darla Nolen, Academy ISD; Leslie Sparacello, Cedars International Academy; Christina Ellis, Consilium Education Services; Sara Furlich, Decoding Dyslexia and Texas Dyslexia Coalition; Robbi Cooper, Decoding Dyslexia Texas; Steven Aleman, Disability Rights Texas; Jonathan Feinstein, EdTrust in Texas; Josh Sanderson, Equity Center; Chandra Villanueva, Every Texan; Justin Terry, Fast Growth Schools Coalition; Mohammed Choudhury, Fort Worth Independent School District; Trista Bishop-Watt, Good Reason Houston; Arun Gir, IEducate; Staci Weaver, Legacy Prep; Christopher Lee, North Texas Commission; Sharon McKinney, Port Aransas ISD; Heath Morrison, Teachers of Tomorrow; Lauren McKenzie, Texans Care for Children; Mary Lynn Pruneda, Texas 2036; Greg Gilbert, Texas Association of Rural Schools; Joe Kucera, Texas Association of Midsize Schools; Kelly Rasti, Texas Association of School Boards; Justin Yancy, Texas Business Leadership Council; Grace Bonilla, Texas Impact; Ben Mackey, Texas Impact Network; Joe Munoz, Texas Music Educators Association and Texas Arts Education Campaign; Jennifer Easley, Texas PTA; Marty Crawford, Texas School Alliance; Missy Bender, Texas School Coalition; Yulissa Chavez, The Coalition of Texans with Disabilities; Bryce Adams, TX Public Charter Schools Association; Yasmin Bhatia, Uplift Education; and 6 individuals (*Registered, but did not testify*): Scott Jensen, American Federation for Children; John Litzler, Baptist General Convention of Texas Christian Life Commission; Cole Glosser, Coalition of Texans with Disabilities; Tracy Johnson, DFER TX; Joanna Warren, Educate Texas; Jarod Love, ExcelinEd in Action and The E3 Alliance; Julie Linn Minnehan, Great Hearts Texas; Taylor Landin, Greater Houston Partnership; Kaitlyn Murphy, Greater Houston Partnership; Frank Corte, International Leadership of Texas; Ryan Franklin, Philanthropy

Advocates; Jennifer Luftop, Texas Academic Language Therapy Association; Megan Mauro, Texas Association of Business; Colby Nichols, Texas Association of Community Schools; Amy Beneski, Texas Association of School Administrators; Randy Willis, Texas Association of Rural Schools; Nzingha Williams-Eugene, Texas Cultural Trust; Jolene Sanders, The Coalition of Texans with Disabilities; Kate Greer, The Commit Partnership; Jennifer Allmon, The Texas Catholic Conference of Bishops; and 17 individuals)

Against - Darren Cole-Ochoa, San Marcos CISD; and 6 individuals (*Registered, but did not testify*: Miriam Laeky, Equality Texas; and 33 individuals)

On - Monty Exter, ATPE; Lynn Boswell, Austin ISD; Louis Malfaro, Austin Voices for Education and Youth; Richard Sena, Boerne ISD; Kevin Hunter, Burkburnett Independent School District; Roland Toscano, East Central Independent School District; Terry Kosobud, Grandparents for Public Schools; Robert Norris, Grandparents for Public Schools; Chloe Latham Sikes, IDRA (Intercultural Development Research Association); Avery Saxe, Legislative Budget Board; Kami Finger, Lubbock ISD and TCASE; John Craft, Northside Independent School District; Carrie Griffith, On Behalf of the Texas State Teachers Association; Maggie Stern, Our Schools Our Democracy; Amity Halstead, PreK Today/Child Care Associates; Alicia Noyola, South Texas Association of Schools; Rebecca Doyle, Stephenville ISD; Gwen Coffey, TCASE and Katy ISD; Brian Guthrie, Teacher Retirement System of Texas; Paige Williams, Texas Classroom Teachers Association; Maia Volk, Texas Coalition for Healthy Minds; Andrea Chevalier, Texas Council of Administrators of Special Education; Missy Piper, Texas Council of Administrators of Special Education, Brazos River Regional School Program SSA, Parker County Co-op; Brock Gregg, Texas Retired Teachers Association; Jacob Kirksey, Texas Tech University; Matias Segura, Texas Urban Council; Sabrina Gonzalez Saucedo, The Arc of Texas; Patty Quinzi, TX American Federation of Teachers; and 19 individuals (*Registered, but did not testify*: Shannon Murphy, Comptroller of Public Accounts; Maggie Jebson, Emily Navarrette, LBB; Fuat Aki, Jennifer Alexander, Von Byer, Amy Copeland, Andrew Hodge, Matt Holzgrafe, Eric Marin, Monica Martinez, Al Mckenzie, Kristin McGuire, Jessica Mcloughlin, Mark Olofson,

Marian Schutte, Texas Education Agency; Kelsey Kling, Texas Coalition for Educator Preparation; and 12 individuals)

BACKGROUND: Education Code sec. 48.051 establishes the formula for the basic allotment. For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, a school district is entitled to an allotment equal to the lesser of \$6,160 or the amount that results from the following formula:

- $A = \$6,160 \times TR/MCR$

where:

- “A” is the allotment to which a district is entitled;
- “TR” is the district’s tier one maintenance and operations tax rate; and
- “MCR” is the district’s maximum compressed tax rate.

Sec. 48.101 establishes the small and mid-sized district allotment. The section defines:

- “AA” as the district’s annual allotment per student in average daily attendance;
- “ADA” as the number of students in average daily attendance for which the district is entitled to an allotment under the basic allotment; and
- “BA” as the basic allotment.

A school district that has fewer than 1,600 students in average daily attendance is entitled to an annual allotment for each student in average daily attendance based on the following formula:

- $AA = ((1,600 - ADA) \times .0004) \times BA.$

A school district that offers a kindergarten through twelfth grade program and has less than 5,000 students in average daily attendance is entitled to

an annual allotment for each student in average daily attendance based on the formula, of the following formulas, that results in the greatest annual allotment:

- $AA = ((1,600 - ADA) \times .0004) \times BA$, if the district is eligible; or
- $AA = ((5,000 - ADA) \times .000025) \times BA$.

A district that has fewer than 300 students in average daily attendance and is the only school district located in and operating in a county is entitled to an annual allotment for each student in average daily attendance based on the following formula:

- $AA = ((1,600 - ADA) \times .00047) \times BA$.

Sec. 48.112 (a) defines a “rural campus” as a school campus that is located in an area not designated as an urbanized area or an urban cluster by the US Census Bureau and a school district with fewer than 5,000 enrolled students; or designated as a rural campus under rules adopted by the commissioner.

Sec. 48.112 establishes the Teacher Incentive Allotment point values. The point values are:

- zero, for a student for whom the district does not receive a compensatory education allotment; or
- for a student for whom the district receives a compensatory education allotment, 0.5, 1.0, 2.0, 3.0, or 4.0, respectively, from least to most severe economic disadvantage according to the census block group in which the student resides.

If a campus at which a student is enrolled is classified as a rural campus, a student is assigned the point value two tiers higher than the student's point value determined by the previous section.

Under Education Code sec. 28.025(b-15), a student may earn a distinguished level of achievement under the foundation high school program by successfully completing four mathematics credits, four

science credits, curriculum requirements for at least one endorsement, and other curriculum requirements.

Sec. 29.005 (a) mandates the development of an Individualized Education Program for children enrolled in special education programs of a school district.

Sec 29.104 defines basic allotments for school districts that provide education and related services only to students who are confined in or receive educational services in a hospital.

Sec. 48.102 assigns weights based on a student's special education instructional arrangement.

Sec. 48.110 outlines the College, Career, or Military Readiness Outcomes Bonus to further the goal set under the state's master plan for higher education developed for at least 60 percent of all adults aged 25 to 34 in this state to achieve a postsecondary degree or workforce credential by 2030.

Health and Safety Code sec. 531.002 defines a state supported living center as a state-supported and structured residential facility operated by the Department of Aging and Disability Services to provide to clients with an intellectual disability a variety of services, including medical treatment, specialized therapy, and training in the acquisition of personal, social, and vocational skills.

Education Code sec. 30.003 defines the share of costs for students enrolled in the Texas School for the Blind and Visually Impaired (TSBVI) or the Texas School for the Deaf (TSD). Subsection (b) states that if the student is admitted to the school for a full-time program for the equivalent of two long semesters, the district's share of the cost is an amount equal to the dollar amount of maintenance and debt service taxes imposed by the district for that year divided by the district's average daily attendance for the preceding year.

DIGEST: CSHB 2 would establish and amend various provisions of the Education Code pertaining to financing for Texas public schools, teacher preparation, and special education.

Article 1. Changes Related to Public Education and Public School Finance

Average daily attendance. CSHB 2 would require average daily attendance to be calculated for students enrolled in a free half-day or full-day kindergarten program provided by an eligible private provider and assigned to a campus operated under a certain contract or an eligible private provider, or of certain charter schools.

A school district that experiences a decline of more than 5 percent, rather than 2 or more percent, in average daily attendance would be required to be funded on the basis of an average daily attendance of 95 percent, rather than no more than 98 percent, of the actual average daily attendance of the preceding school year. The bill would remove the requirement that such funding be based on the actual average daily attendance of the preceding school year if the decline was the result of the closing or reduction in personnel of a military base.

For each school year, the commissioner of education would be required to adjust the average daily attendance of school districts entitled to funding on the basis of an adjusted average daily attendance in order to fund all districts on the basis of the same percentage of the preceding year's average daily attendance and to limit the total cost to the state to \$50 million or a greater amount provided by appropriation.

Distribution of Foundation School Fund. Periodically throughout the school year, the commissioner would be required to adjust the determination regarding the amount of money to which each school was entitled to reflect school year estimates of a district's enrollment and average daily attendance, based on attendance reporting for each six-week interval. The bill would make conforming changes to reflect this requirement.

Allotments. CSHB 2 would increase the dollar amounts and weights in various allotments, including those in Education Code secs. 48.051, 48.101, and 48.112.

Basic allotment. The bill would amend the basic allotment and increase the dollar amount in the formula. For each student in daily average attendance, not including time spent in career and technology education (CTE) programs or special education settings, a school district would be entitled to an allotment equal to the lesser of the amounts that result from the following formulas:

- $A = \$6,500 + \text{GYIA}$; or
- $A = (\$6,500 + \text{GYIA}) \times \text{TR/MCR}$.

“GYIA” would be defined as the guaranteed yield increment adjustment. No later than October 1 of each even-numbered year, for the subsequent fiscal biennium, TEA would be required to determine the amount of the guaranteed yield increment adjustment for each state fiscal year of the biennium. The amount of guaranteed yield increment adjustment for each state fiscal year of the biennium between September 1, 2025, and September 1, 2027, would be \$55.

During any school year for which the maximum amount of the basic allotment was greater than the maximum amount provided for the preceding school year, a district would be required to use at least 40 percent, rather than 30 percent, of the amount that equaled the product of the average daily attendance of the district multiplied by the amount of the difference between the district’s funding per student in average daily attendance for the current school year and the preceding school year to provide compensation increases to full-time district employees other than administrators. Of that amount, districts would be required to use 75 percent to increase classroom teacher salary, prioritizing teachers with 10 or more years’ experience.

Unless an exception applied, a district employee who received a salary increase would be entitled to salary that was at least equal to the salary the employee received for the preceding school year. The bill would create an

exception for an employee whose performance rating was lower than the employee's performance rating during the relevant school year.

The bill would require a school district to ensure that the salary increases provided for a difference of at least 40 percent between the average salary increase for a classroom teacher with 10 or more years experience and a classroom teacher with five or more years of experience or were based on performance in accordance with the district's compensation plan.

Small and mid-sized allotment. CSHB 2 would increase the weights used in the formulas used to calculate the small and mid-sized allotment as follows:

- $AA = ((1,600 - ADA) \times .00057) \times BA$;
- $AA = ((5,000 - ADA) \times .00003) \times BA$; and
- $AA = ((1,600 - ADA) \times .0006) \times BA$.

In the above formulas, .00057 is increased from .0004; .00003 is increased from .000025; and .0006 is increased from .00047.

The bill also would amend the definition of "ADA" to be the number of students in average daily attendance for which the district was entitled to an allotment under the basic allotment, other than students in average daily attendance who did not reside in the district and were enrolled in a full-time virtual program.

Teacher Incentive Allotment. CSHB 2 would increase the allotment amounts that a school district would be entitled to for each classroom teacher with a teacher designation under the local optional teacher designation system. A district would be entitled to:

- \$12,000, or an increased amount not to exceed \$36,000, rather than \$32,000, as determined by the high needs and rural factor, for each master teacher;
- \$9,000, rather than \$6,000, or an increased amount not to exceed \$25,000, rather than \$18,000, as determined by the high needs and rural factor, for each exemplary teacher;

- \$5,000, rather than \$3,000, or an increased amount not to exceed \$15,000, rather than \$9,000, as determined by the high needs and rural factor, for each recognized teacher; and
- \$3,000, or an increased amount not to exceed \$9,000, as determined by the high needs and rural factor, for each acknowledged teacher or nationally board certified teacher.

The high needs and rural factor would be determined by multiplying the amount of each teacher with designation by the average of a certain point value assigned to each student at a district campus based on the economic census block group. In this formula, the bill also raises the amount to be multiplied per each teacher with a designation.

For a district designated as an enhanced teacher incentive allotment public school under the local optional teacher designation system, the commissioner would be required to increase the amount to which the district was entitled by multiplying that amount by 1.1. The bill would require a district to annually certify that, for a district whose allotment was increased, the amount by which the allotment was increased was used to meet the criteria to maintain a designation as an enhanced teacher incentive allotment public school.

Compensatory education allotment. CSHB 2 would entitle a school district, for certain students without disabilities residing in residential placement facilities, to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student was educationally disadvantaged, 0.28, rather than 0.275. The bill would also increase weights assigned to the tiers of the index for economically disadvantaged census block groups.

Bilingual education allotment. For each student in average daily attendance in a bilingual education or special language program, a school district would be entitled to an annual allotment equal to the basic allotment multiplied by 0.12, rather than 0.1, or 0.17, rather than 0.15, for an emergent bilingual student, and 0.07, rather than, 0.05, for other students.

Early education allotment. HB 2 would amend the early education allotment for economically disadvantaged and emergent bilingual children

to apply to each student in average daily attendance in Pre-K through third grade, rather than kindergarten through third grade.

Fine arts allotment. The bill would amend the Foundation School Program to establish the fine arts allotment. TEA would be required to approve and annually publish a list of fine arts education courses authorized by the State Board of Education that qualified for the allotment. For each student enrolled in an approved fine arts education course in grades 6 through 12, a school district would be entitled to:

- the sum of the basic allotment and the applicable small and mid-sized district allotment multiplied by 0.008, if the student was not educationally disadvantaged; or
- the above amount multiplied by two, for an economically disadvantaged student.

The total amount of fine arts allotments provided for a school year could not exceed \$15 million. The agency would be authorized to proportionally reduce each school district's fine arts allotment if the amount appropriated was insufficient to pay for all allotments to which districts were entitled.

Two-tier allotment. CSHB 2 would amend the two-tier allotment formula. The dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort for a school district would be:

- the greater of \$129.52 or an amount set by appropriation for the first eight cents by which district's maintenance and operations tax rate exceeded the district's tier one tax rate; and
- the amount that resulted from multiplying the maximum amount of the basic allotment for the applicable school year by 0.8, for the district's maintenance and operations tax effort in excess of the amount of tax effort described above.

Local optional teacher designation system. CSHB 2 would include the designation of "acknowledged teacher" to the list of possible designations for teachers. The bill would allow for a teacher who held a National Board Certification to be designated as nationally board certified, rather than recognized.

Each school year, the commissioner would be required to designate as “enhanced teacher incentive allotment public schools” school districts and charter schools that implemented comprehensive school evaluation and support systems. The criteria developed by the commissioner would be required to include certain considerations, including a compensation plan based on performance and a locally designed plan to place highly effective teachers at high needs campuses. The commissioner could remove a district’s or charter school’s designation if the commissioner determined the district or school no longer met the criteria.

By September 1 of each year, the commissioner would be required to post on the TEA website a list of districts and schools designated as enhanced teacher incentive allotment public schools. The bill would require TEA to use contracted services to develop and provide technical assistance for districts and schools in earning such a designation or implementing a local optional teacher designation system.

Immediately following the effective date of the bill, a district or charter school would be required to redesignate a teacher who already held a designation under the local optional teacher designation system to reflect the teacher’s designation under the provisions of the bill, with the funding provided to a district for teachers with such designations being increased accordingly.

By September 1, 2026, the commissioner would be required to post on the TEA website the initial list of enhanced teacher incentive allotment public schools.

Grant program. The bill would require TEA to establish and administer a grant program to provide money and technical assistance to: expand and support ongoing implementation of local optional teacher designation systems; increase the number of classroom teachers eligible for a designation; and increase classroom teachers salaries at districts and schools schools that had established or were seeking to establish a designation system. The commissioner would be authorized to adopt rules as necessary to implement the grant program.

Open-enrollment charter school funding. CSHB 2 would entitle a charter holder to receive Foundation School Program funding for the charter school equal to the amount of funding per student in weighted average daily attendance to which the charter holder would be entitled if the school were a school district without a tier one local share, excluding certain funding.

A charter holder would be entitled to receive for the charter school an allotment per student in average daily attendance in an amount equal to the difference between \$700, rather than \$125, and the product of:

- the quotient of total relevant small and mid-sized allotment funding and the total number of students in average daily attendance in districts that receive that allotment; and
- the sum of one and the quotient of the total number of students in average daily attendance in districts that receive that allotment and the total number of students in average daily attendance in school districts statewide.

In addition, the bill would entitle a charter holder to receive for the charter school an annual allotment per student in average daily attendance equal to the lesser of:

- the state average interest and sinking fund tax rate imposed by school districts for the current year multiplied by the guaranteed level of funds per student per cent of tax effort by the instructional facilities allotment; or
- the maximum amount of the basic allotment for the applicable school year multiplied by 0.07, rather than a certain rate.

A charter holder would be entitled to receive such funding only if the charter school's overall performance ratings for the two preceding years reflected at least acceptable performance or the charter holder operated a school program located at certain facilities, including residential treatment facilities and medical hospitals.

A charter holder would be entitled to receive such funding for a charter school only if the school's governing body certified in writing to TEA that

no official or employee of the school or its charter holder derived any personal financial benefit from a real estate transaction with the school. Such funds received by a charter holder could not be used to pay a salary, bonus, stipend, or any other form of compensation to a school superintendent or administrator serving as educational leader and chief executive officer of the school and could be used to pay debt service on bonds issued for a purpose for which a school district was authorized to issue bonds or to pay for a purchase for which a school district was authorized to issue bonds.

Free pre-kindergarten for certain children. HB 2 would amend provisions related to eligibility for tuition-free prekindergarten by establishing that any child who was at least three years old would be eligible for enrollment if:

- the class was provided through a partnership between a school district or charter school and a community-based child-care provider that meets the requirements established by law; and
- the child received subsidized child-care services provided through the child-care program administered by the Texas Workforce Commission.

The prekindergarten facility would be required to comply with any municipal ordinance applicable to the operation of a private prekindergarten program and could not be required to comply with the municipal ordinances applicable to a program operated by a public school.

Additional days school year planning grant program. CSHB 2 would require TEA to establish and administer a grant program to provide funding and technical assistance to school district and charter schools to plan the school year and adjust operations as necessary to qualify for the incentive for additional instructional days. In awarding grants, TEA would be required to prioritize districts and charter schools that seek to maximize such incentive funding.

Incentive for additional instructional days. CSHB 2 would require the commissioner to adjust the average daily attendance of a district or charter school if the district or charter school:

- provided the minimum required number of minutes of operational and instructional time over at least 175, rather than 180, days of instruction; and
- offered an additional 30 days of half-day instruction for students enrolled in prekindergarten through eighth, rather than fifth, grade.

The bill would require the commissioner to increase the average daily attendance of the district or school by the amount resulting from the quotient of the sum of attendance by students in prekindergarten through eighth grade for each of the 30 additional instructional days of half-day instruction that were provided divided by 175. For a district or school providing at least 200 full days of instruction to prekindergarten through eighth grade students, the commissioner would increase the amount computed for the district or charter school by 50 percent.

These provisions would not prohibit a district from providing the minimum required number of minutes of operational and instructional time over fewer than 175 days of instruction.

Federal grant administration. For a federal grant program under which TEA administers services to nonpublic schools, TEA would be required to follow federal procedures to dispose of any equipment or supplies allocated to the schools that were unused or no longer needed.

Grant program to promote parental engagement. The commissioner would be required to establish a grant program to assist school districts and charter schools with costs associated with operating programs to encourage parental engagement in the educational success of students, which could include programs on teaching a child how to read, identifying and addressing academic struggles for a child identified as academically behind, and preparing a child receiving special education for academic success. The program could also assist with programs or policies to engage parents in efforts to discipline and improve a child's behaviors. The commissioner would be authorized to adopt rules as necessary to implement this section.

Resource campus. Effective September 1, 2028, CSHB 2 would amend eligibility requirements for a school district campus to be designated as a resource campus that provides quality education and enrichment. CSHB 2 would require a campus to have received an overall performance rating of D or F, or an overall performance rating of “Not Rated,” for three, rather than four, years over a 10-year period of time. This provision would expire September 1, 2033.

The campus would be required to satisfy certain staff criteria for a subject in the foundation curriculum by employing only teachers who had at least two, rather than three, years of teaching experience and by ensuring that at least 50 percent of teachers held a current designation under the local optional teacher designation system. The commissioner could grant a one-year waiver from the requirement for at least 50 percent of teachers to hold a current designation if the campus provided substantial evidence that it was working toward meeting that requirement.

Entitlement adjustments for certain schools. The bill would establish an adjustment to the school district entitlement, applicable only to school districts for which the state value for the district’s taxable value of property was used and in which the district’s board of trustees had adopted a resolution during the school year recognizing the need for this adjustment.

For each applicable school district, TEA would be required to determine whether the district’s entitlement for a school year was greater if the district’s taxable value was the local value or the state value, as determined by the comptroller. If TEA determined that the district’s entitlement was greater using the local value, the commissioner would be required to increase the state aid or adjust the limit on local revenue related to its entitlement. This adjustment would have to be equal to:

- the difference between the local and state value for the first school year in which the adjustment applied;
- 70 percent of the difference between the local and state value for the second consecutive year in which the adjustment applied; and
- 40 percent of the difference for the third consecutive school year in which the adjustment applied.

A school district could not receive this adjustment for more than three consecutive school years unless the Legislature specifically appropriated money for the purpose of making adjustments for the fourth or subsequent consecutive year. For the purposes of determining the number of consecutive years applicable to a school district, the commissioner could not consider a year before the 2025-2026 school year. A school year in which the comptroller determined the local value to be valid that occurred after the district received an adjustment would not be included in calculating consecutive school years and would not be considered a break in consecutive school years, unless certain exceptions established by the bill applied.

A school district could not receive this adjustment for a school year in which the district was determined to be an eligible school district, as defined in Government Code. A school year in which the district was not eligible for an adjustment would be included in calculating consecutive school years. A school district that received an adjustment for three consecutive school years would not be eligible to receive an adjustment in the subsequent school year but could be eligible again after two consecutive school years for which the local value was used for the districts taxable value of property.

The total amount of these adjustments for a school year could not be more than \$60 million. If the total amount exceeded this limit, the commissioner would be required to prioritize school districts experiencing the greatest percentage reduction in funding, based on the difference between local and state values. A determination made by the commissioner regarding these adjustments would be final and could not be appealed.

Additional state aid to ensure minimum level funding: For the 2025-26 school year, a school district would be entitled to additional state aid in an amount necessary to ensure that the district received state and local revenue under statutory provisions governing state assistance with instructional facilities and payment of existing debt, the Foundation School Program, and options to reduce local revenue in excess of

entitlement. This additional state aid would have to be an amount equal to the sum of:

- state and local revenue that would have been available to the district for the 2025-26 school year under those statutory provisions, as they existed on September 1, 2024; and
- \$200 multiplied by the number of students in weighted average daily attendance in the district for the 2025-26 school year, determined by the Foundation School Program as it existed on September 1, 2024.

Beginning with the 2026-27 school year, and subject to exceptions established by the bill, a school district would be entitled to this additional state aid in an amount at least equal to the greater of:

- the amount of additional state aid calculated for the 2025-26 school year; or
- the above sum calculated for the 2026-27 school year.

Beginning with the 2027-28 school year, the amount of additional state aid to which a school district was entitled would have to be determined by multiplying the amount calculated for the 2026-27 school year by:

- 0.8 for the 2027-28 school year;
- 0.6 for the 2028-29 school year;
- 0.4 for the 2029-30 school year; and
- 0.2 for the 2030-31 school year.

Beginning with the 2027-28 school year, a school district could not receive additional funding in an amount that exceeded the amount received for the 2026-27 school year.

For the purposes of these calculations, local revenue under provisions related to assistance with instructional facilities and payment of existing debt would include only the eligible local funds for the instructional facilities allotment and the existing debt allotment. A district's additional state aid could be calculated only after calculation of all other funding.

TEA would be required to notify the Legislative Budget Board (LBB) as soon as practicable after determining that no school districts qualified for this additional state aid.

This section would expire September 1, 2031.

Additional state aid for regional insurance differentials. CSHB 2 would establish additional state aid for school districts or charter schools in which either the central administrative office or a majority of campuses are located in a first tier coastal county or an area designated in 2024 as a catastrophe area. Applicable school districts or charter schools would be entitled to additional state aid for each student in adjusted average daily attendance in an amount equal to the difference between, for the 2023-24 school year or a different school year specified by appropriation:

- the total amount paid for property and casualty insurance by districts and schools in the relevant county or catastrophe area divided by the total number of students in average daily attendance for all districts and schools in the county or catastrophe area; and
- the total amount paid for property and casualty insurance by districts and schools in the state divided by the total number of students in average daily attendance in the state.

Additional state aid for certain districts. CSHB 2 would redesignate additional state aid for the homestead exemption as additional state aid for certain districts. The bill would remove language pertaining to the homestead exemption.

Beginning with the 2025-2026 school year, and in addition to entitlement for additional state aid based on an increase in homestead exemption, a school district would be entitled to additional state aid to the extent that state and local revenue was less than the state and local revenue that would have been available to the district if either of the following had not occurred:

- a reduction of the amount of a certain limitation on tax increases;
- or

- a reduction in the district's maximum compressed tax rate.

For purposes of calculating state and local revenue for the applicable school year, TEA would be required to use the same values for formula funding adjustments that TEA used during that school year and would exclude amounts provided by law that expired in a school year subsequent to the applicable school year.

Additional state aid for certain districts impacted by compression. For the 2023-24 and 2024-25 school years, a school district that received an adjustment for the 2022-23 school year would be entitled to additional state aid in an amount equal to the difference, if the difference was greater than zero, between:

- the amount of state and local revenue that would have been available to the district for the 2023-24 or 2024-25 school year, as applicable, if the district's maximum compressed tax rate had not been reduced; and
- the amount of state and local revenue available to the district for the 2023-24 or 2024-25 school year, as applicable.

These provisions would expires January 1, 2026.

Additional state aid for debt services. If the amount required to pay debt services on certain eligible bonds is less than the sum of state assistance provided for instructional facilities and the payment of existing debt, including the amount of additional state aid provided for this purpose by the bill and the revenue from the district's I&S tax revenue for a school year, the commissioner would be required to reduce the amount of state aid provided by the difference between:

- the sum of state assistance provided for instructional facilities and the payment of existing debt, including the amount of additional state aid provided by the bill and the revenue from the district's I&S tax revenue for a school year; and
- the amount required to pay debt services on eligible bonds for the school year.

The amount of additional state aid provided could not be reduced to an amount below zero.

Recourse for invalid property values. The bill would establish provisions for school districts located in an appraisal district in which the comptroller had certified the preliminary findings of the school district property value study and determined that a school district located in the appraisal district had an invalid local value.

For each of these school districts, as soon as practicable after the comptroller had certified the preliminary findings of the school district property value study, the commissioner would be required to provide a notice to the district's board of trustees, including certain information regarding the impact or possible impact of final certification of an invalid local value on the district's finances. This information would include an estimate of the effect on the district's finances and any right of recourse available to the district. The commissioner also would have to coordinate with the comptroller to provide copies of the notice to the board of directors of each applicable appraisal district.

Repeals. Article 1 would repeal Education Code sec. 12.1058(e), requiring certain written certification in order for a charter school to be considered a school district by a political subdivision in certain transactions. In addition, Article 1 would repeal Education Code sec. 12.106(a-4), and sec. 48.2542, which pertain to charter school state funding and additional state aid for certain school districts, respectively.

The bill would make conforming changes throughout.

Article 2. Teacher Preparation and Changes Related to Employees

Teacher certification. Beginning in 2026-27, the bill would prohibit school districts from employing teachers who are not properly certified by the State Board of Educator Certification (SBEC) for a foundation curriculum course. The bill would establish a temporary provision authorizing school districts to employ a percentage of uncertified teachers to teach these courses that could not exceed:

- 20 percent for the 2026-2027 school year;
- 15 percent for the 2027-2028 school year;
- 10 percent for the 2028-2029 school year; and
- 5 percent for the 2029-2030 school year.

This provision would expire September 1, 2031.

The bill would not preclude school districts from receiving a waiver from the commissioner of education or from issuing school district teaching permits.

The bill would prohibit a local innovation plan from exempting a district of innovation from the bill's provisions on the employment of uncertified teachers for foundation curriculum courses or from the existing requirement to notify parents when an uncertified teacher is assigned to a classroom for 30 days. These changes would apply to local innovation plans adopted before, on, or after the effective date of the bill. Local innovation plans would have to be in compliance by September 1, 2025.

The bill would establish a temporary teacher certification incentive, expiring September 1, 2027, that would require TEA to provide a one-time payment of \$1,000 to school districts for each teacher who:

- was hired for the 2022-2023 or 2023-2024 school year as a first-year teacher and had been continuously employed by the district since that school year;
- was uncertified on January 1, 2025; and
- had earned a standard SBEC certificate by the end of the 2025-2026 school year.

SBEC would be required to waive certification applications fees and first-time examination fees for individuals applying for certain certifications, including special education and bilingual education. SBEC also would have to pay to the vendor a first-time examination fee assessed by the vendor for administration of the exam to the individual.

Employed retiree educator reimbursement grant program. The commissioner of education would be required to establish and administer a grant program to reimburse school districts and charter schools, and certain other state-funded schools for increased contributions to the Teacher Retirement System of Texas (TRS) resulting from hiring teachers or special education educators who retired before September 1, 2024.

The bill would authorize the Legislature to provide, modify, or limit amounts appropriated for the grant program, including by:

- providing a retirement date other than September 1, 2024, before which teachers or educators must have retired for schools to qualify for the program; or
- limiting eligibility to districts or schools that hired retired teachers or educators who hold certain certifications, teach certain subjects or grades, are in certain geographical areas, or provide instruction to certain students, including students with disabilities.

The commissioner would be required to proportionally reduce the amount of grant funding awarded if the number of applications by eligible schools exceeded the number of grants the commissioner could awarded with the appropriated funds.

Grow Your Own Partnership Program. The bill would require the commissioner to establish the Grow Your Own Partnership Program to enable qualified institutions of higher education and educator preparation programs, determined by the commissioner, to form partnerships with school districts or charter schools for the purpose of establishing innovative staffing pipelines to ensure the availability of high-quality classroom teachers to benefit future district or school students.

The program would have to be designed to form partnerships that support:

- high school students in completing career and technical education (CTE) courses to prepare the student to become a teacher; or
- uncertified district or school employees in completing an associates degree or the first 60 hours of a bachelor's degree to enable the

individual to become a teacher while employed by the district or school.

A school district or charter school could participate in the program upon the approval of an application submitted to the commissioner. The bill would require districts or schools participating in the program to offer on-the-job training aligned with certification standards, opportunities to practice teaching under the supervision of a cooperating teacher, schedule release times to support the required schooling, and provide certain other services to support students and employees in the program

A participating district or school would be required to enter into a written agreement with an institution of higher education and provide any information required by TEA regarding implementation of the program. The bill also would require participating employees, as a condition for participation, to earn a bachelor's degree and enroll in a teacher preparation program within three years of completion of an associate degree or the first 60 hours of a bachelor's degree.

A district or school could use the funds received to implement the program and pay participant tuition and fees, including certification fees for students or employees participating in the program.

A student or employee participating in the program could not serve as a teacher of record or have the primary or sole responsibility of providing instruction or supervision to students. The participant could have this responsibility for the limited purpose of gaining experience, but the student or employee's time serving in this position could not spend more time in that role than the teacher of record. The bill would define a "teacher of record" in as a person employed by a school district who teaches the majority of the instructional day in an academic instructional setting and is responsible for evaluating student achievement and assigning grades.

For each employee participating in the partnership, a school district would be entitled to an annual allotment of \$8,000 in addition to the high needs and rural factor, multiplied by \$1,000. The high needs and rural factor would be the lesser of the average of the point value assigned to each

student at a district campus under Education code sections 48.112 (e) and (f), establishing student values under the Teacher Incentive Allotment, or 4.0. The bill would cap the number of employees for which a district could receive allotment at 40, unless a greater number of individuals was provided for by appropriation for that school year.

The Texas School for the Deaf and the Texas School for the Blind and Visually Impaired also would be entitled to this allotment. If the commissioner determined that assigning point values to students at these schools was impractical, the commissioner could use the average point value assigned for those students' home districts to calculate the high needs and rural factor.

The bill would require TEA to provide 50 percent of this allotment for an employee only upon the employee's successful completion of a bachelor's degree by a deadline established by TEA.

Article 3. Special Education

Special education allotment. CSHB 2 would replace and restructure formula funding structures for special education. A school district would be entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the small and mid-sized district allotment to which the district was entitled, multiplied by, rather than 1.15, a weight in an amount set by the Legislature in the General Appropriations Act for the highest tier of intensity of service for which the student qualified. For each day the program was provided divided by the number of days in the minimum school year, a district that provided an extended year program required by federal law for special education students who could regress would be entitled to the amount designated for the highest tier of intensity of service for which the student qualified multiplied by, rather than 75 percent, the whole basic allotment, or, if applicable, the sum of the basic allotment and the mid-sized district allotment for each student in average daily attendance.

The commissioner by rule would be required to redefine eight tiers of intensity of service for use in determining funding under this provision.

The commissioner would have to include one tier specifically addressing students receiving special education services in residential placement and one tier for students receiving only speech therapy. In defining the tiers of intensity of service, the commissioner would be required to consider:

- the type, frequency, and nature of services provided to the student;
- the required certifications, licensures, or other qualifications for personnel serving the student;
- any identified or curriculum-required provider-to-student ratios for the student to receive the appropriate services; and
- any equipment or technology required for the services.

The bill would remove provisions regarding a cap for credited contact hours, qualifications an instructional arrangement must meet for funding, the definition of a “full-time equivalent student,” and the commissioner’s rule-making authority governing contracts for residential placement.

The bill would require TEA to ensure, rather than encourage, the placement of students in special education programs in the least restrictive environment appropriate for their educational needs.

By December 1 of each even-numbered year, the commissioner would be required to submit to the Legislative Budget Board, for purposes of the special education allotment, proposed weights for the tiers of intensity of service for the next state fiscal biennium.

The bill would amend the basic allotment for school districts that provided education and related services only to students who were confined in or received educational services in a hospital. Eligible school districts would receive basic allotment adjusted by the tier of intensity of service, rather than by the weight for a homebound student.

Special education service group allotment. HB 2 would establish the Special Education Service Group Allotment. For each student in a special education program, a school district would be entitled to an allotment in an amount set by the Legislature in the General Appropriations Act for the service group for which the student received services.

The commissioner by rule would be required to establish at least four service groups for use in determining Special Education Service Group Allotment funding. In establishing the groups, the commissioner would be required to consider:

- the type, frequency, and nature of services provided to a student;
- the required certifications, licensures, or other qualifications for personnel serving the student;
- any identified or curriculum-required provider-to-student ratios for the student to receive the appropriate services; and
- any equipment or technology required for the services.

At least 55 percent of the funds allocated for this allotment would have to be used for a special education program.

By December 1 of each even-numbered year, the commissioner would be required to submit to the LBB, for purposes of the allotment, proposed amounts of funding for the service groups for the next state fiscal biennium.

The commissioner would be required to distribute the remaining amount, if any, of the federal funding for special education state financial support to increase funding for the special education service group allotment.

Full individual and initial evaluation. The bill would entitle a district to an allotment of \$1,000 or greater provided by appropriations for each child for whom a school district conducts a full individual and initial evaluation.

Day placement program or cooperative funding. For each qualifying day placement program or cooperative that a regional education service center, school district, or open-enrollment charter school established, the program or cooperative would be entitled to an allotment of \$250,000 for the first year of operation and the sum of:

- \$100,000 for each year of operation after the first year; and
- \$150,000 if at least three students were enrolled in the program or cooperative for a year.

A day placement program or cooperative would qualify for an allotment if:

- it complied with certain commissioner rules;
- it offered services to students who were enrolled at any school district or open-enrollment charter school in the county in which the program or cooperative was offered, unless the commissioner by rule waived or modified the requirement for the program or cooperative to serve all students in a county; and
- the Texas Education Agency (TEA) had designated the program or cooperative for service in the county in which the program or cooperative was offered and determined that, at the time of designation, the program or cooperative increased the availability of day placement services in the county.

TEA could not designate more than one day placement program or cooperative for service per county each year nor could it provide an allotment to more than 20 day placement programs or cooperatives for a year. The agency could designate a regional education service center to implement and administer these provisions.

Parent-directed services for students receiving special education services grant. A student whom TEA awarded a special education-related grant would be entitled to receive at least \$1,500 provided by appropriation. The Legislature would be required to include in the appropriations for the Foundation School Program state aid sufficient for TEA to award grants in the prescribed amount. A student could receive one grant unless the legislature appropriated money for an additional grant in the General Appropriations Act. A regional education service center designated to administer the special education program for a school year would be entitled to an amount equal to four percent of each grant awarded for that school year.

Funding for regional day school programs for the deaf. The program administrator or fiscal agent of a regional day school program for the deaf would be entitled to receive for each school year an allotment of at least \$6,925 for each student receiving services from the program. TEA would

be required to adjust the amount of an allotment for a school year to ensure the total amount of allotments would be at least \$35 million for that school year.

Dyslexia-related allotment. CSHB 2 would add students receiving instruction or accommodations for dyslexia or a related disorder to the list of students that would qualify their school district for a dyslexia-related allotment. The bill would remove from the list of students entitling their district to a dyslexia-related allotment a student who was receiving instruction that met applicable dyslexia program criteria established by the State Board of Education (SBOE) and was provided by a person with specific training in providing that instruction. Additionally, the bill would eliminate the 20 percent cap of the allotment a school district could use for a qualifying student to contract with a private provider to provide supplemental academic services to the student.

Special education funding.

Special education transition funding. For the 2025-26 and 2026-27 school years, the commissioner could adjust weights or amounts regarding special education funding as necessary to ensure compliance with requirements regarding maintenance of state financial support under United States Code and maintenance of local financial support under applicable federal law. For the 2025-26 and 2026-27 school years, the commissioner would be required to determine the formulas through which school districts received funding for special education. In determining the formulas, the commissioner would be required to ensure the estimated statewide increase from the annual special education allotment for the 2024-25 school year to the sum of the allotments for the 2025-26 school year would be approximately \$800 million.

Each school district and open-enrollment charter school would be required to report to TEA information necessary to implement these provisions. TEA would be required to provide technical assistance to school districts and open-enrollment charter schools to ensure a successful transition in funding formulas for special education.

This section would expire September 1, 2028.

Supports for recruiting and retaining special education staff. The bill would require TEA to provide grants each school year to school districts and charter schools to increase the number of qualified and appropriately credentialed special education staff, including special education teachers, special education paraprofessionals, evaluation personnel, ancillary instruction personnel, certified interpreters, board-certified behavior analysts, registered behavior technicians, and related service personnel.

The bill would require a school district or charter school that received a grant to require each person the district or school uses the grant money to assist in becoming licensed, certified, or otherwise credentialed to work at the district or school for a period established by commissioner rule. A regional education service center could administer grants awarded.

Noneducational community-based support services grants for certain students with disabilities. The bill would require the commissioner to adopt rules establishing procedures and criteria for the allocation of grants to eligible students and the students' families for noneducational community-based support services. The support services could include in-home family support, behavioral and other disability-related supports for the student's family, respite care, and case management for the student's family but could not be related to the provision of a free appropriate public education to the student.

A grant could be awarded to a student with a disability who is placed by the student's admission, review, and dismissal (ARD) committee in:

- an approved residential program; or
- a day placement program and is at risk of being placed in a residential program.

The bill would require a school district to notify the parent of an eligible student of the availability of grants and designate a campus or district staff member to assist families of students in accessing grants. On request by the parent of an eligible student, the commissioner would create an account for the student to access a grant through which the parent may request payment for approved support services.

The bill would require the commissioner to adopt rules and guidelines detailing the process to access grant money and the amount of each grant, including a process for a parent to apply for an increase in the grant amount. The commissioner could designate a regional education service center to administer grants.

The bill would remove a prohibition on using services provided for a student with disabilities who is currently placed or who needs to be placed in a residential facility primarily for noneducational reasons.

Transportation funding. A school district or county that provided special transportation services for eligible special education students would be entitled to a state allocation, rather than paid on a previous year's basis, at a rate per mile equal to the sum of the rate per mile set by the General Appropriations Act and 13 cents, or a greater amount provided by appropriation.

College, career, and military readiness. If an annual graduate was enrolled in a special education program and demonstrated college, career, or military readiness, a school district would be entitled to an annual outcomes bonus of \$4,000, rather than \$2,000, if the district had exceeded the minimum number of students determined for the district cohort.

Special Education Grant. The education commissioner would be required to award a special education grant for the 2025-26 school year to each eligible applicant who applied but was not accepted for the 2024-25 school year.

Commissioner authority to resolve unintended financial consequences. The bill would allow the commissioner to implement changes made by the legislature to public school finance and school district maintenance and operations tax rates during the preceding four state fiscal years to:

- adjust a school district's entitlement if the funding formulas used to determine the district's entitlement result in an unanticipated loss, gain, or other result for a school district; and
- modify dates relating to the adoption of a school district's maintenance and operations tax rate and, if applicable, an election required for the district to adopt that tax rate.

The commissioner would be required to notify and receive approval from the LBB and the office of the governor before making an adjustment. The commissioner would provide an explanation regarding the changes necessary to resolve the unintended consequences to the legislature if an adjustment was made.

Provisions relating to students with visual impairments, who are deaf or hard of hearing, or who are deaf-blind.

State plan for children with visual impairments, who are deaf or hard of hearing, or who are deaf-blind. The bill would amend a statewide education plan to include students younger than 22 who have visual impairments, are deaf or hard of hearing, or are deaf-blind. The bill would make conforming changes to TEA education plan requirements.

TEA would no longer be required to develop and administer special education services for students with both serious visual and auditory impairments or evaluate special education services provided for children with visual impairments by school districts and approve or disapprove state funding of those services. Additionally, TEA would no longer have to maintain a liaison with special education programs and the Department of State Health Services Mental Health and Substance Abuse Division.

The bill would require a statewide plan to:

- adequately provide for comprehensive diagnosis and evaluation of a school-age child who has a visual impairment, is deaf or hard of hearing, or is deaf-blind and adequately outline the expectations of a school district for such a child under three years of age;
- describe recommended and required professional development activities based on the special education and related services provided by school district staff to children who have visual impairments, are deaf or hard of hearing, or are deaf-blind; and
- assist in the coordination of education programs with other public and private agencies.

The bill would repeal certain provisions regarding the education of children with visual impairments that establish specific instruction

requirements and would recodify them as standalone dismissal requirements. The bill would also repeal requirements for a plan to have to include a statewide dismissal process.

The bill would allow school districts to utilize the TSD and regional day school programs for the deaf. The plan would include information regarding the establishment of regional day school programs for the deaf and the parameters of those programs. Additionally, the plan would require school districts to add procedures to ensure that staff have access to resources through TSD and its statewide outreach center.

The bill would require the statewide plan for educational services for students who were deaf or hard of hearing to be included as part of the comprehensive Education for Children with Visual Impairments plan. Additionally, the bill would remove the list of objectives for designing the plan and make conforming changes across the Education Code to include students who were deaf, hard of hearing, or deaf-blind.

Requirements for children with visual impairments. The bill would require each child with a visual impairment to receive instruction in an expanded core curriculum required for children with visual impairments to succeed in classroom settings and to derive lasting, practical benefits from education in a school district, including instruction in compensatory skills, such as braille and concept development, and other skills necessary to access the rest of the curriculum.

The bill would require a full individual and initial evaluation of the child and any reevaluation to determine eligibility for a school district's special education program to:

- include an orientation and mobility evaluation conducted by a person who is appropriately certified as an orientation and mobility specialist, as determined by commissioner rule, and in a variety of lighting conditions and settings; and
- provide for a person who is appropriately certified as an orientation and mobility specialist, as determined by commissioner rule, to participate, as part of a multidisciplinary team, in evaluating the data on which the determination of the child's eligibility is based.

The bill would require individualized education programs (IEP) for children with visual impairments to have proficiency in reading and writing as a significant indicator of the child's satisfactory educational progress. An IEP would include instruction in braille and the use of braille unless the child's ARD committee documents a determination, based on an evaluation of the child's appropriate literacy media and literacy skills and the child's current and future instructional needs, that braille is not an appropriate literacy medium for the child. Braille instruction could be used in combination with other special education services appropriate to the educational needs of a child with a visual impairment and must be provided by a teacher certified to teach children with visual impairments. School districts would be required to provide information describing the benefits of braille to each person assisting in the development of an IEP for a child with a visual impairment.

The bill would require the commissioner to develop a system to distribute a special supplemental allowance for each student with a visual impairment from the foundation school fund to school districts or regional education service centers. The supplemental allowance could be spent only for special education services uniquely required by the nature of the child's disabilities and could not be used in lieu of educational funds otherwise available.

The bill would remove the authority of the SBOE to adopt certain rules regarding the TSBVI or TSD and grant the commissioner the ability.

Requirements for children who are deaf or hard of hearing. The bill would amend procedures and materials for assessment and placement for students who are deaf or hard of hearing. Procedures used with any student who is deaf or hard of hearing and who is an emergent bilingual student would be in the student's preferred mode of communication. Each student who is deaf or hard of hearing would be thoroughly assessed to ascertain the student's potential for communicating through a variety of means, recognizing the need for development of language and communication abilities in students who are deaf or hard of hearing but also calling for the use of methods of communication that will meet the needs of each individual student.

The bill would raise the maximum age of Texas students from 21 to 22 years for whom the Legislature would continue a process of providing a suitable education to deaf or hard of hearing and assure that those students had the opportunity to become independent citizens.

The bill would remove the requirement that the memorandum developed by TEA and TSD establish the process for TEA to assign an accreditation status to the school, reevaluate the state on an annual basis, and conduct monitoring reviews.

CSHB 2 would require each school district to submit evaluations of the effectiveness of the district's services for students who were deaf or hard of hearing to TEA on a schedule set by the agency.

Support of students enrolled in TSBVI or TSD. The bill would require the commissioner to reduce the amount of maintenance taxes imposed by the district that are obligated to be paid under Subsection (b) for a year by the amount, if any, by which the district is required to reduce the district's local revenue level for that year.

Texas school for the blind and TSD memorandum of understanding. The bill would remove requirements for MOUs signed by TSBVI and TSD to be adopted by commissioner rule and to include processes for the agency to assign an accreditation status to the school, reevaluate the status, and conduct monitoring reviews.

Autism and dyslexia grants.

Grant program providing training in dyslexia for teachers and staff. The bill would require the commissioner to establish a program to award grants each school year to school districts and charter schools to increase local capacity to appropriately serve students with dyslexia.

Schools would be eligible for the program by submitting a proposal to the commissioner on the use of grant funds that incorporates evidence-based and research-based design and increases local capacity to appropriately serve students with dyslexia by providing:

- high-quality training to classroom teachers and administrators in meeting the needs of students with dyslexia; or
- training to intervention staff resulting in appropriate credentialing related to dyslexia, with priority for training staff to earn the credentials necessary to become a licensed dyslexia therapist or certified academic language therapist.

The commissioner would create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants.

A grant awarded to a school district or charter school would be in addition to the Foundation School Program money that the district or charter school was otherwise entitled to receive. A grant awarded under this section would not come out of Foundation School Program money.

The bill would allow the commissioner and any grant recipient selected to accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program. The commissioner and any grant recipient selected could not require any financial contribution from parents to implement and administer the program. A regional education service center could administer grants awarded.

Grant program providing services to students with autism. The bill would require the commissioner to establish a program to award grants to school districts and charter schools that provide innovative services to students with autism.

A program would be eligible for a grant if it gives priority for enrollment to students with autism and incorporates:

- evidence-based and research-based design;
- the use of empirical data on student achievement and improvement;
- parental support and collaboration;
- the use of technology;
- meaningful inclusion; and

- the ability to replicate the program for students statewide.

The bill would prohibit a district or charter school from:

- charging a fee for a program, other than those authorized by law for students in public schools;
- requiring a parent to enroll a child in a program;
- allowing an ARD committee to place a student in the program without the written consent of the student 's parent or guardian;
- or
- continuing the placement of a student in the program after the student 's parent or guardian revokes consent, in writing, to the student 's placement in the program.

The bill would allow a program to:

- alter the length of the school day or school year or the number of minutes of instruction received by students;
- coordinate services with private or community-based providers;
- allow the enrollment of students without disabilities or with other disabilities, if approved by the commissioner; and
- adopt different staff qualifications and staff-to-student ratios.

The commissioner would be required to create an external panel of stakeholders, including parents of students with disabilities, to provide assistance in the selection of applications for the award of grants. In selecting programs to receive a grant, the commissioner would prioritize programs that are collaborations between multiple school districts, multiple charter schools, or school districts and charter schools. The selected programs would be required to reflect the diversity of this state.

A program selected to receive a grant would be funded for two years. A grant awarded to a school district or charter school would be in addition to the Foundation School Program money that the district or charter school was otherwise entitled to receive. A grant awarded under this section would not come out of Foundation School Program money.

The bill would allow the commissioner, and any program selected to accept gifts, grants, and donations from any public or private source, person, or group to implement and administer the program. The commissioner and any program selected could not require any financial contribution from parents to implement and administer the program. A regional education service center could administer grants awarded.

General Supervision, Compliance, and Implementation.

TEA requirements. The bill would require TEA to:

- develop a system for monitoring school district compliance with special education requirements, including a comprehensive cyclical process and a targeted risk-based process;
- establish criteria and instruments for use in determining district compliance;
- develop a system for interventions for school districts the agency identifies as being in noncompliance with certain laws; and
- establish a system of progressive sanctions and enforcement provisions to apply to districts that remain in noncompliance for more than one year.

As part of the monitoring system, TEA could require a school district to obtain specialized technical assistance for a documented noncompliance issue or if data indicates that technical assistance is needed, such as an incident involving injury to staff or students by a student receiving special education services or data indicating an excessive number of restraints are used on students receiving special education services.

The bill would replace the requirement for TEA's special education eligibility criteria to be developed in relation to contemporary diagnostic or evaluative terminologies and techniques with a requirement that the criteria be developed in accordance with federal law.

The bill would require the commissioner to adopt qualifications and requirements for a representative in a special education due process hearing to include knowledge of all special education dispute resolution options available to the parents, including due process and due process rules.

The bill would amend TEA requirements regarding procedures for dyslexia screening and treatment. TEA would be required to develop procedures to:

- develop reasonable and appropriate remedial strategies to address school district noncompliance and ensure program purpose is accomplished, which could include the publication of a recommended evidence-based dyslexia program list; and
- engage in general supervision activities, including activities under the comprehensive system for monitoring, to ensure school district compliance with a program approved by the SBOE and the law.

School requirements. Rather than the commissioner and executive commissioner of HHSC, each school district would be required to ensure that the language acquisition of each child eight or younger who was deaf or hard of hearing was regularly assessed using a tool or assessment approved by the commissioner. On a schedule determined by the commissioner, each district would be required to report to the commissioner the assessment data collected. Using this data, the commissioner would be required annually to post a report on TEA's website. This process would replace the current language acquisition report produced by TEA, the HHSC Division for Early Childhood Intervention Services, and the TSD Educational Resource Center. The commissioner would be required to use the assessment data in determining whether to award a Special Education Grant or in seeking federal money available for projects aimed at improving outcomes for students with disabilities.

Each school district and open-enrollment charter school would be required to report the students enrolled in a special education program as necessary for TEA to adequately perform general supervision activities and determine funding.

The bill also would specify that students from three to nine years of age who are experiencing developmental delays are eligible to participate in a district's special education program.

Implementation of special education law. The bill would revise Education Code provisions regarding TEA's responsibility to carry out the Individuals with Disabilities Education Act (IDEA), requiring TEA to develop and revise as necessary a comprehensive system to ensure statewide and local compliance with federal and state law related to special education.

The comprehensive system would be required to focus on maximizing student outcomes and to include:

- rulemaking, technical assistance, guidance documents, monitoring protocols, data elements necessary for statewide reporting, and other resources as necessary to implement and ensure compliance with federal and state law related to special education;
- the pursuit of strategies to meet statewide special education and related services personnel needs;
- ensuring that regional education service centers throughout the state maintain a regional support function, which may include procedures for service centers to assist school districts in identifying existing public or private educational or related services in each region, cooperatively developing programs for students with disabilities, providing to or obtaining for districts special equipment, delivering services, and facilitating the placement of students with disabilities who cannot be appropriately served in their resident districts; and
- effective monitoring and periodic site visits of all school districts by TEA.

The bill would require the system to include training and technical assistance to ensure that:

- appropriately trained personnel involved in the diagnostic and evaluative procedures serve on district multidisciplinary evaluation teams;
- appropriately trained personnel are available to students with disabilities who have significant behavioral support needs, including by providing behavioral support training for a paraprofessional or teacher placed in a classroom or other setting

- that is intended to provide specialized behavioral supports to a student with a disability, as needed or at regular intervals as provided in the student's individualized education program; and
- school districts have an opportunity to request technical assistance from TEA or a regional education service center in establishing classroom environments conducive to learning for students with disabilities, including environments for students whose data indicate behavior that significantly impedes the student's own learning and the learning of other students.

The bill would amend the requirements of an independent IEP facilitator to include serving as a dispute resolution method that may be used to avoid a potential dispute between a school district and a parent of a student with a disability.

The bill would define a special education classroom or other special education setting as a classroom or setting primarily used for delivering special education services to students who spend on average less than 50 percent of an instructional day in a general education classroom or setting.

Contracts for services; residential and day placement programs. The bill would require the commissioner to set minimum standards for and develop and update as necessary a list of approved public or private facilities, institutions, agencies, or businesses inside or outside of this state that education entities can contract with for the provision of services to students with disabilities in a residential or day placement program. The commissioner would only approve a facility, institution, agency, or business after an evaluation of several qualifications, including costs. A school district, shared services arrangement unit, or regional education service center seeking to place a student in a residential or day placement program that is not on the list would submit to the commissioner an application for approval.

The bill would require a district that contracts education services, which are reevaluated annually, to include in the reevaluation standards and expectations that the student would need to meet to be reintegrated to a regular school setting. An approved facility would be required to report to

TEA on the services the student has received or will receive in accordance with the contract and any other information that TEA requires.

Information regarding state-supported living centers. The bill would require the Health and Human Services Commission, in collaboration with TEA and stakeholders who represent the full continuum of educational residential placement options, to develop and provide to the TEA materials regarding educational residential placement options for children who may qualify for placement in a state-supported living center.

TEA would be required to make available the developed materials to school districts and to a child's parent during an ARD committee meeting where residential placement is discussed.

Admission, review, and dismissal committee duties. The bill would amend the requirements for a student's ARD committee when developing an IEP, prohibiting them from considering any supplemental instructional materials.

The bill would remove the reference to SBOE rules requiring the development of an IEP from the definition of "admission, review, and dismissal committee" for purposes of statutory provisions relating to programs for students who are deaf or hard of hearing.

Annual meeting on special education. The bill would require, at least once a year, the board of trustees of a school district or the governing body of a charter school to discuss during a public meeting the performance of students receiving special education services at the district or school. At the annual meeting, the board or governing body would consider a set of performance indicators, to be adopted by TEA, for measuring and evaluating the quality of learning and achievement for students receiving special education services. The indicators must include performance on the college, career, or military readiness outcomes.

Additionally, the bill would require TEA to hold a meeting and adopt a set of performance indicators for measuring and evaluating the quality of learning and achievement for students receiving special education services

at a school district or charter school. The indicators must include performance on the college, career, or military readiness outcomes.

Individualized education program. Using available federal funds, the commissioner could develop or procure a model IEP form in a digital format. If the commissioner opts to develop or procure the model digital form, the bill would require the commissioner to adopt rules regarding school district use of the form in that format.

Commissioner Determination The bill would establish that a determination of the commissioner under the Supplemental Special Education Services Program is final and may not be appealed.

Special Education Continuing Advisory Committee. The bill would remove the requirement that the advisory committee be composed of 17 members.

Additional Resources.

Parent-Directed Services for Students Receiving Special Education Services. The bill would change the Supplemental Special Education Services Program to Parent-Directing Services for Students Receiving Special Education Services. TEA by rule would be required to establish and administer a parent-directed program for students receiving special education services through which a parent could direct supplemental services and supplemental instructional materials for the parent's student who met certain eligibility requirements. The bill would require TEA to provide each approved student at least \$1,500 to purchase supplemental services and instructional materials and to maintain an online user-friendly application system for parents to apply for one of these grants.

Regarding provisions related to the program, the bill would make conforming changes by replacing references to "special education" with "supplemental."

Distinguished level of achievement for special education students. The bill would add the distinguished level of achievement as an achievement that could be earned by a student enrolled in a special education program. To earn the distinguished level of achievement, a student would have to

successfully complete certain curriculum requirements identified by SBOE. For students who completed modified curriculum requirements, the curriculum would have to be sufficiently rigorous as determined by the student's ARD committee and documented in the student's individualized education program. A student's ARD committee would be required to determine whether the student had to achieve satisfactory performance on an end-of-course assessment instrument to earn the distinguished level of achievement.

The provision requiring documentation of curriculum modification would also apply to the endorsement that can currently be earned by a student in a special education program.

Tuition-free prekindergarten eligibility. The bill would expand free prekindergarten to include children eligible for special education services, provided their ARD committee determines the prekindergarten class to be the most appropriate placement under the child's IEP. An eligible child who is at least three but younger than four years of age could be enrolled in a prekindergarten class offered to children who are at least four years of age if:

- the school district does not offer a prekindergarten program for children who are at least three years of age; and
- the child's ARD committee determines the prekindergarten class to be the most appropriate placement under the child's IEP.

Repeals. CSHB 2 would repeal provisions of the Education Code relating to:

- plans approved or adopted by SBOE;
- a definition for special services;
- information and consent for certain psychological examinations or tests;
- the written statement of a student's individualized education program;
- a contract with the State Office of Administrative Hearings for special education due process hearings;
- requirements of a school district applying for or receiving a special education grant;

- regional programs, local special education advisory committees, educational programs, coordination of services to children with disabilities, and transfer of assistive technology devices;
- evaluation for visual impairments;
- establishment of programs for the deaf in each region;
- funding for educating students who are deaf or hard of hearing;
- and
- definitions for dyslexia and related disorders.

Article 4. Transition and Effective Date

Changes made under the bill to state organization, regional education service centers, districts of innovation, educators, admission, transfer, and attendance, courses of study and advancement, educational programs, state and regional programs and services, discipline and law and order, and health and safety would apply beginning with the 2025-2026 school year.

Changes made under the bill to contracts for services and residential placement and employment of uncertified classroom teachers would apply beginning with the 2027-2028 school year.

Changes made to state organization, regional education service centers, districts of innovation, educators, admission, transfer, and attendance, courses of study and advancement, educational programs, state and regional programs and services, discipline and law and order, health and safety, and additional state aid for certain districts impacted by compression would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, they would take effect September 1, 2025.

Other changes under the bill would take effect September 1, 2025.

**SUPPORTERS
SAY:**

CSHB 2 would significantly increase funding for public education, helping Texas schools improve teacher pay and retention rates, incentivize teacher certification and preparation, increase access to special education resources, and better address the unique needs of their students.

Texas is currently suffering from a teacher shortage crisis, with attrition rates reaching record highs and forcing school closures. Due in part to these shortages, many schools also have begun to increasingly rely on uncertified teachers who often lack the experience necessary to lead a classroom and are more likely to leave the profession early in their careers. By increasing the teacher incentive allotment as well as the amounts awarded under the local optional teacher designation system, the bill would help schools recruit more teachers and encourage high-performing, qualified educators to remain in the profession.

CSHB 2 would also take several steps to incentivize teacher certification by limiting the amount of uncertified educators allowed to teach core classes in each district, providing financial incentives for every newly hired teacher who gains a certificate, and establishing programs to help teachers receive on-the-job training. Additionally, the bill would offset certification fees for bilingual and special education teachers. These initiatives would help to address workforce shortages in high-need areas, make it easier for newly hired teachers to achieve certification, and ensure that educators are better equipped to help Texas students achieve success.

By increasing funding for the basic allotment, the bill would increase the funding school districts receive for compensatory and bilingual education, enabling schools to provide greater resources to economically disadvantaged students and students struggling with language barriers. This additional funding also would provide schools with flexibility to address needs specific to their campus, as opposed to funds that can only be used for specific purposes.

Additionally, as the Legislature continues to put forward legislation to lower property taxes, which determines school entitlements, CSHB 2 would establish methods by which school districts that experienced a decrease in their assessed property value could receive additional state aid. Overall, the bill would provide much needed relief for schools that have not seen a significant increase in funding since 2019.

CSHB 2 also would make significant changes to special education funding, including by providing for the transition from a placement-based funding model to a service intensity-based model, reestablishing grant programs related to autism and dyslexia, and requiring grants for the

recruitment and retention of special education staff. By changing the funding method to a service intensity model, which would allot funding for each special education student based on his or her individual use of different special education services, rather than how much time the student spent in special education settings, schools could better account for the diversity of needs within special education programs. Additionally, the increased funding provided by the bill would help to address the growing gap between needed special education resources and what is allotted to schools, helping to provide students disabilities with the necessary tools to succeed.

CRITICS
SAY:

CSHB 2 would not provide the increase in public education funding needed to sufficiently address gaps in teacher pay, special education and mental health resources, and reductions in entitlements due to lowered property taxes.

CSHB 2 should provide for an across-the-board pay raise for teachers by increasing the basic allotment. Though the bill would provide additional funding for teachers, the increase would primarily rely on increased Teacher Incentive Allotment (TIA) funds, which would not constitute an immediate pay raise and would not cover salary increases for most teachers. Base funding for public education has not been increased since 2019, and the increase in the basic allotment currently provided by the bill would not be enough to account for inflation.

Additionally, the increase in the basic allotment under the bill would not be sufficient to ensure that districts were able to fully serve the needs of low-income and emergent bilingual students. Further raising the basic allotment would provide the flexibility and additional capacity for districts to fund their unique needs and circumstances, including meeting school safety requirements. In addition, the small and mid-sized district allotment should be further raised to bridge funding gaps and better support rural school districts across the state.

The bill also should include a specific mental health allotment for schools and funding for mental and behavioral health resources, such as crisis prevention and intervention trainings and campus-level mental and

behavioral health specialists, to support teachers and students and further enhance school safety.

The bill would not increase special education funding to a level that accounted for the growing number of students using special education services in public schools. Funding for special education under the bill should be further increased to ensure special needs students received the resources and supports they deserve. The bill should include an exception for SBEC alternative certification methods for special education teachers to help increase the number of qualified teachers needed for this demanding specialty. Additionally, the bill's provision on including information about state supported living centers during Admission, Review, and Dismissal (ARD) meetings could have harmful effects on families, increase costs for the state, and undermine efforts to encourage community-based services for students with disabilities.

While the bill would seek to compensate any reduction in entitlements that could result from a reduction in property taxes, the elimination of the hold harmless provision could result in further inequity between property rich and property poor school districts.

OTHER
CRITICS
SAY:

CSHB 2 would reinforce the existing public school structure that has not produced meaningful student performance gains, even with increased funding. By allocating more taxpayer funds to public schools without incentivizing greater efficiency, CSHB 2 could undermine the effectiveness of school choice initiatives.

NOTES:

The Legislative Budget Board estimates a negative impact of \$7,757,076,290 in general revenue related funds for the biennium.

- SUBJECT:** Expanding the sex offender registry to include child grooming
- COMMITTEE:** Criminal Jurisprudence — committee substitute recommended
- VOTE:** 11 ayes – Smithee, Wu, Bowers, Cook, J. Jones, Little, Louderback, Money, Moody, Rodríguez Ramos, Virdell
- 0 nays
- WITNESSES:** For - Andy Kahan, Crime Stoppers Houston; Tabitha Munsch; Philip Munsch (*Registered, but did not testify*: Jennifer Tharp, Comal County Criminal District Attorney; Chris Jones, Combined Law Enforcement Associations of Texas; James Kershaw, Harris County Deputies' Organization FOP #39; Nathan Carroll, Houston Police Department; Andrew Wright, Houston Police Officers' Union; Jason Salter, Montgomery County District Attorneys Office; Sydney Baker, Not on Our Watch Texas; Stephanie Battaglia, Texas CASA; Ray Hunt, John Wilkerson, Texas Municipal Police Association; Danny Keele, Texas Police Chiefs Association; Brianna Waldock, TexProtects; and 9 individuals)
- Against - (*Registered, but did not testify*: Allen Place, Texas Criminal Defense Lawyers Association)
- On - (*Registered, but did not testify*: Shannon Edmonds, Texas District and County Attorneys Association)
- BACKGROUND:** Code of Criminal Procedure art. 62.001(5) specifies criminal offenses for which a conviction or adjudication requires registration under the Texas Sex Offender Registration Program. These include crimes of indecency with a child, sexual assault, and aggravated kidnapping with intent to abuse the victim sexually, among others.
- Penal Code sec. 15.032 establishes that a person commits an offense of child grooming if the person knowingly uses certain means, including digital communication, to establish a relationship with a child or minor with the intent to commit certain sexual offenses.

DIGEST: CSHB 2000 would amend Code of Criminal Procedure art. 62.001(5) to add the offense of child grooming under Penal Code sec. 15.032 to the list of reportable convictions or adjudications requiring registration as a sex offender.

The bill would take effect on September 1, 2025, and apply only to offenses committed on or after that date.

SUPPORTERS SAY: CSHB 2000, or “Audrii’s Law,” would require individuals convicted of child grooming to register as sex offenders, helping to close a gap in the state's registry law and improve public safety. The bill would provide a direct response to the case of 11-year-old Audrii Cunningham, who was kidnapped and murdered by an individual with a history of sexually related offenses that were not subject to registration.

By requiring registration, the bill would ensure that the public and law enforcement had access to information about individuals who engage in child grooming. Child grooming often precedes more serious forms of abuse and is intended to lower a child’s inhibitions for purposes of sexual exploitation. The offense of child grooming, created by the 88th Legislature, is not currently included on the list of reportable convictions. This bill would address this oversight and help prevent future tragedies.

The registry is a critical tool for families and communities, and including child grooming offenses would better equip parents and guardians to protect children from potential predators. While some have raised concerns about adding non-contact offenses, the registry already includes certain non-contact crimes, such as repeat offenses of indecent exposure. Child grooming is considered a serious offense that warrants inclusion on its own.

CRITICS SAY: Adding child grooming to the sex offender registry could weaken the impact of the registry by including non-contact offenses alongside the most serious contact-based crimes. The registry was originally intended to highlight the most severe offenses, particularly those involving physical contact, so that members of the public and law enforcement could easily identify high-risk individuals. While child grooming is serious, it differs

from direct-contact offenses, and expanding the registry too broadly could undermine its usefulness as a public safety tool.